

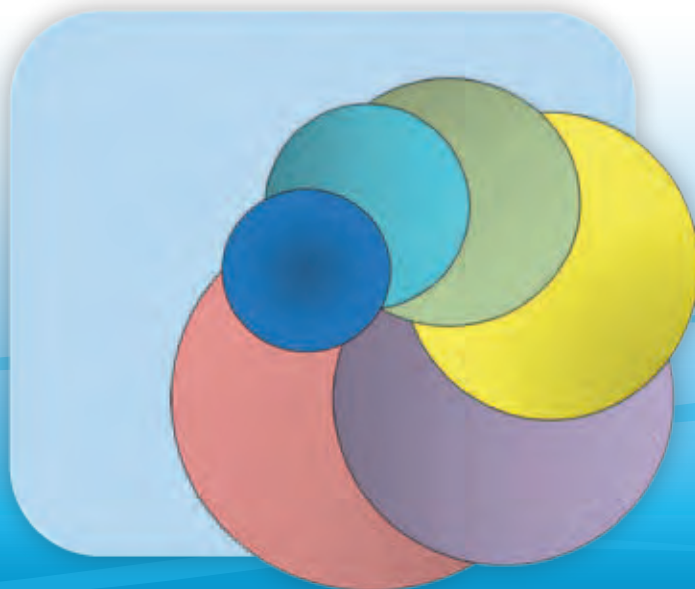


# farnet

G U I D E # 5



## *Diversification of Fisheries Areas*



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# Introduction

The current socio-economic challenges facing the fisheries sector in Europe call for a wide range of measures to improve the livelihoods of fishermen and their families, as well as other inhabitants of fisheries communities. One possible option opened up by Axis 4 of the European Fisheries Fund (EFF) is the **economic diversification of fisheries areas**.

Axis 4 supports the “*sustainable development of fisheries areas*” through strategies drawn up by local partnerships represented in Fisheries Local Action Groups (FLAGs). These strategies can include activities that diversify the economies of their areas and provide **additional jobs and income** to fisheries communities. Some FLAG strategies only make a general reference to diversification; in others, the partnership has already included preliminary ideas for the direction these diversification activities should take; in both cases, the definitions of diversification may vary from activities which only concern fishermen to broader strategies for the diversification of the area.

**The present guide is addressed to those FLAGs which include diversification as one of the objectives of their strategies, as well as for potential beneficiaries wishing to implement diversification projects.**

The guide is organised into three main chapters:

- > In Chapter 1, we present the basic questions related to diversification of fisheries areas; these are questions that many FLAGs will ask in the process of preparing or updating their strategies, as well as in their work with project promoters and in project selection;
- > In Chapter 2, we present a wide range of potential diversification activities that can be included in a strategy for diversifying fisheries areas; this chapter is illustrated with many examples from current local development practice;
- > In Chapter 3, we review some of the key aspects the FLAG should take into account in order to achieve successful diversification in a fisheries area.

The guide also provides references and useful links.

# 1. Basic questions about diversification

## 1.1 Why diversify fisheries areas?

There can be many reasons why a fisheries community might want to diversify its local economy. The main reasons include:

to respond to the declining profitability and falling employment in the fisheries sector,

to avert risks associated with over-dependency on one or a small number of key industries,

to address a more general decline in the local economy,

to counter the marginalisation of the fisheries sector in areas undergoing development,

to take advantage of new opportunities for smart, green and inclusive (as well as blue) growth.

### Declining profitability and employment in the fisheries sector

Over recent decades, the European fisheries sector has faced severe constraints which have resulted in decreased profitability and job losses. These constraints are related to efforts to preserve fish stocks, as well as to a loss of market share to imports and the rising cost of inputs. According to the European Commission, between 2002 and 2008, employment in the catching sector fell by 31%<sup>1</sup>.

EU policy makers, working through the European Fisheries Fund (EFF), have taken steps to address these issues but, despite this, most predictions suggest that the number of fishermen and women who can make a living from fishing alone is likely to continue to fall. The impact of these changes often goes beyond the fisheries sector, affecting the families of fishermen as well as the wider community. This is particularly true in areas that have been traditionally dependent on fisheries activities as one of the main sources of employment and income.

### Risks associated with dependency on a few key industries

Dependence on one or two key sectors is risky for any local economy, because when these sectors go through difficult times (which can happen for reasons beyond the control of the local community) the whole area is going to be affected. Thus, even if the fisheries sector is relatively prosperous, it is important to make sure that the local economy is as diverse as possible. Too much dependency on tourism or food production is as risky as dependency on fishing. This principle should also be kept in mind when local actors try to encourage external businesses to invest in the area. External investors can be an important source of capital and jobs for local people, but care should be taken not to create new dependencies.

<sup>1</sup> The 2010 Annual Economic Report on the European Fishing Fleet, <https://stecf.jrc.ec.europa.eu/home>

### A general decline in the local economy

Some coastal and inland fisheries areas are facing a general economic decline, often combined with an aging population or depopulation. These are often remote fishing communities where many villages have almost no fishermen left as young people move to the cities to take advantage of better educational and employment opportunities. The result can be a downward spiral in both the local economy and service provision. Activities that promote economic diversification can help breathe new life into such communities, ultimately benefiting fishermen by ensuring their communities remain viable places to live and work.

### The marginalisation of the fisheries sector

Many fisheries areas are located in or in close proximity to centres of strong economic growth (e.g. attractive coastal cities and tourist destinations), but the full benefits of this growth do not always reach the fisheries community. In fact, increased pressure on land prices, competition for the use of the sea and the economic power of growing sectors like tourism can mean that fishermen become marginalised and isolated. In these cases it is important to harness the economic opportunities in the area in a way that also benefits fishermen and their families.

### New opportunities for smart, green, and inclusive (as well as blue) growth

Coastal areas account for over 40% of Europe's population and are clear destinations for many of the development opportunities foreseen in the Europe 2020 strategy. The European Commission is now planning to encourage emerging clusters of "blue growth". Europe's lakes and inland waters also have unexploited potential for creating jobs and income for local people. Yet many of the forward looking strategies and programmes for innovation and entrepreneurship in these areas are carried out in isolation from fishing communities. Axis 4 offers a major opportunity for bringing together the human potential latent in fishing communities with the environmental and economic opportunities that these areas possess.



**A FLAG deciding on the need for and extent of diversification in its area will need to answer questions such as:**

- > *What is the degree of fisheries dependency in your area? How is it expected to change in the next 5-10 years?*
- > *Which sectors or parts of your area are in economic decline, and which (if any) show growth? What are the consequences for fishermen and their families, and for other inhabitants?*
- > *Are there communities in your area that are particularly affected by the loss of fisheries incomes?*
- > *To what extent is the local community prepared for the change? What needs to be done in this respect?*

## 1.2 What is a “diversification strategy” for fisheries areas?

In this guide, the term “diversification strategy” is used to describe a coherent approach undertaken by a FLAG and local actors in order to improve livelihoods and strengthen local economies by providing alternative or additional sources of income.

### The concept of “diversification”

**Diversification** in the context of the fisheries sector can be understood in many different ways. Some authors, speaking of “diversification”, mean for instance:

- a. diversification of primary production activities (e.g. new fishing techniques and gear) – i.e. diversification within the fishing sector;
- b. diversification of activities within the fish value chain (often into those that add value to fish products: direct sales, marketing...);
- c. pluri-activity, whereby fishermen and their families continue to obtain some income from fishing but also carry out complementary activities, such as tourism or catering;
- d. broader diversification of the fisheries area into sectors unrelated to fishing, such as social services, renewable energies or other emerging sectors.

A series of FARNET publications, including an issue of the Magazine and a technical guide, have already dealt with the issue of adding value to fisheries products. In this guide we are primarily concerned with the **last two types of diversification**, (c) and (d), i.e. those activities that are outside the fishing sector. Such diversification is relevant for many types of areas, offering fishermen, their families and other members of the fisheries community a possibility to create new sources of employment and income, while also providing services that help fisheries areas remain viable places to live, fish and do business.

The following table illustrates the concept of “diversification” used in this Guide

Fishermen and their families	new gears, techniques, species etc.	diversification within the fishing sector (a)
	new activities in addition to fishing	pluri-activity (c)
	new activities instead of fishing	diversification (d)
Products (fish)	direct sales, short distribution chains, valorisation of local products, small scale processing etc.	adding value (b)
Area	activities in sectors new to the area, e.g. tourism, culture, services, maritime sectors etc.	diversification (d)

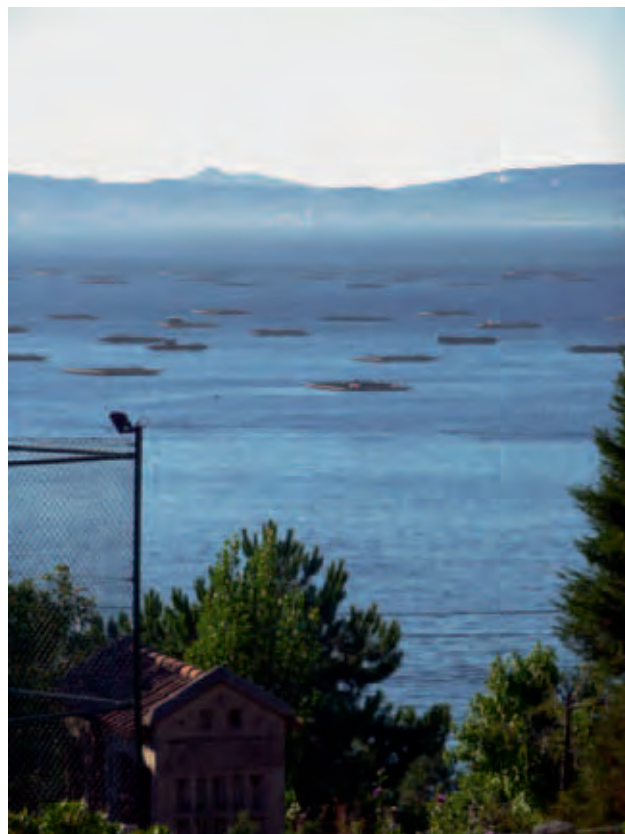


### The need for a strategic approach

Axis 4 of the EFF emphasises the need for a “**strategic approach**”, based on the specific characteristics of the area (usually addressed in a SWOT analysis). It should represent a coherent package of activities which complement each other in addressing the challenges facing the fisheries sector, rather than isolated actions. Such coherence is needed not only to make sure that one supported project does not counteract another (e.g. when the location of a wind farm has a damaging effect on the landscape), but also to achieve synergies (reaching several objectives with one project, as in attracting tourists while strengthening the local identity, or the creation of “green jobs”).

In line with this approach, each FLAG organises its activities around a development strategy for its area; in many cases this is supplemented by a more detailed “action plan” showing how the FLAG intends to reach its strategic objectives. In this guide, we will use the term “diversification strategy” in the sense of all the activities of the FLAG which aim to achieve greater diversification of the area’s economy. We are **not proposing that FLAGs should develop a separate strategy specifically for diversification**, but that its diversification activities should be well-planned, systematic and focused on the strategic objectives.

They must also be regularly reviewed and the action plan updated according to the changing situation and needs.



#### A FLAG implementing a strategy to diversify its area would need to answer the following questions:

- > *Does our strategy envisage diversification activities?*
- > *What types of activity will bring most value added to the fishing community and the area?*
- > *How are the different activities connected and how do they complement each other?*
- > *How do we ensure cooperation of various partners to achieve synergy in diversification activities?*



## 1.3 Diversifying in which direction?

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It should be kept in mind that not all areas will have the same potential for diversification, so the choice of strategy must be carefully considered. For instance, not all areas are equally attractive from the point of view of tourists, or have equally valuable environmental assets. Diversifying into new activities may also present a challenge in terms of skills and adaptability of the local people. This is why implementing diversification is a complex process which requires a combination of actions to ensure that the necessary conditions are in place (see Chapter 3).

### Traditional or new sectors?

Many fisheries areas decide to build their strategies for diversification around **local assets** that have already been identified by the community. These include natural assets, such as landscape or biodiversity that can attract tourists, but also less tangible assets such as skills and traditions that make it possible to develop markets for unique food products or cultural events. This approach is appropriate at the initial phase of a diversification strategy, as the particular strengths endogenous to the area can be a good starting point in developing local economies.

However, some fisheries areas may have the potential to go beyond these strictly “local” activities by embarking on wider projects related, for example, to information technologies, energy or other maritime sectors. In such cases the FLAG should not simply rely on the well known diversification options, but try to look for **new opportunities** – not because they are “fashionable”, but because the market opportunities can be greater and such industries sometimes bring higher rates of return than traditional sectors. It is to be expected that such emerging sectors and support for innovation will feature strongly in future EU policies for fisheries areas.

### Ensure additionality, avoid deadweight

An important point to keep in mind when planning your diversification strategy is that projects supported by the FLAG should really create **additional** income and jobs, and not replace or displace existing ones. For instance, the FLAG may decide to support a local restaurant which promises to create five full-time jobs. However, unless this new restaurant actually increases the market it is possible that it simply competes for the existing market with other local restaurants, thereby impacting negatively on their business. In this case, public funding might create 5 new jobs but could end up displacing just as many jobs if the other restaurants are forced to close or lay off staff.

It should also be remembered that some sectors of activity may have greater potential to create new jobs without displacing existing ones: for instance, the social sector and creative industries, where there are likely to be unmet needs and where markets can be less competitive than in other sectors. The opposite may be true of sectors such as tourism and retail trade.

When looking for projects to diversify a fisheries area, it is important to avoid financing those that would probably be implemented just as well without the public funding – this is known as avoiding the “dead-weight” effect. Axis 4 funding for diversification activities should be concentrated on those projects that would not have been possible otherwise. More information about principles of active project selection by the FLAG can be found in the FARNET Guide “Steps to success”.



**A FLAG implementing a strategy to diversify its area would need to answer the following questions:**

- > *What are the main assets in our area that can offer opportunities for diversification?*
- > *Have the opportunities offered by new types of services and emerging sectors been sufficiently explored?*
- > *Does our strategy or selection criteria ensure support to a sufficiently broad range of economic sectors? How can we improve this?*
- > *How are we going to ensure that support to some projects does not cause displacement effects on other economic activities in our area? How can we avoid “deadweight”?*

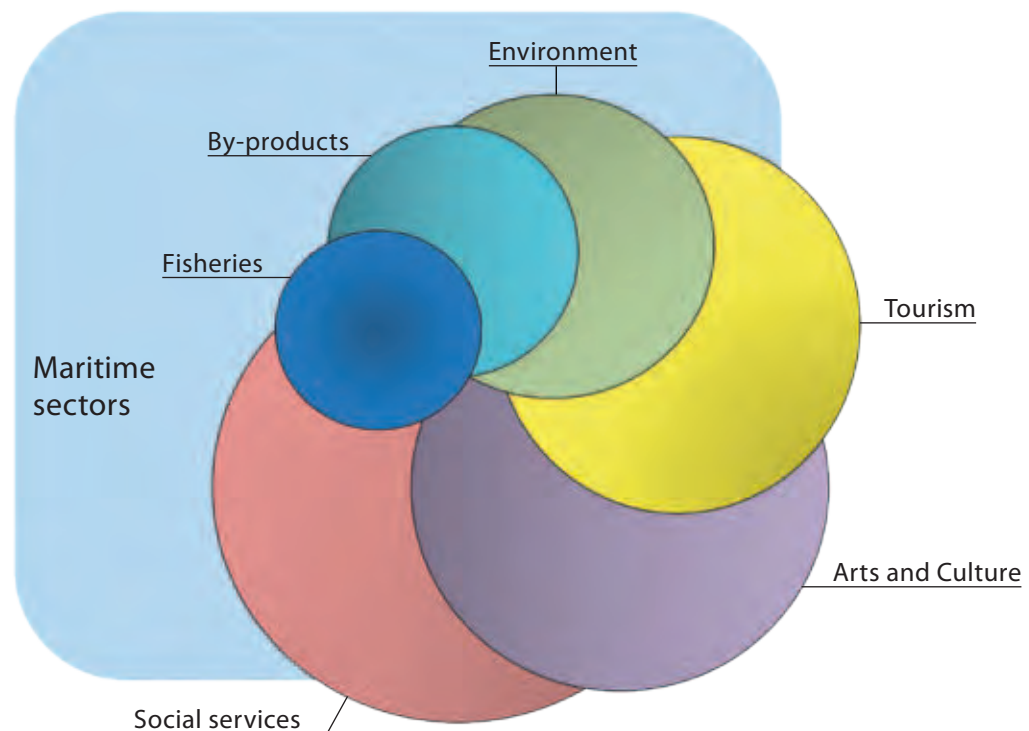
## 2. What kinds of diversification are possible?

### 2.1 Overview of possible diversification options

This chapter of the Guide aims to show a wide range of activities that can be undertaken within the framework of diversifying fisheries areas. We do not suggest that the examples presented should be copied elsewhere; our intention is primarily to encourage the local actors to be creative in their diversification strategies and to find solutions that are most adapted to their needs.

#### How are the examples organised?

Diversification can be seen as a “development spiral” or “virtuous circle” that, once put in motion, gathers new energy with every turn. In Axis 4, the core and starting point of this spiral is fishing and closely related activities. The FLAG will normally try to build on the economy, skills and culture of fisheries in order to create momentum which spreads into other activities throughout the area. So, we can graphically represent the range of possible diversification activities contained in Chapter 2 with the following spiral diagram where fisheries is in the centre and touches



in some way each of the other activities. The diagram also illustrates how some fisheries areas might establish links between diversification activities and the wider maritime sectors.

The range of examples presented progresses from those that are most closely related to the fisheries sector and gradually widens into activities further removed from this sector, but still relevant for fisheries areas. It therefore encompasses:

- a. activities related to by-products from fishing
- b. opportunities linked to the environment and the green economy, including data collection and research; conservation; clean-up services and combating pollution; and renewable energies

- c. activities related to tourism, covering the provision of accommodation, food, activities (including pesca-tourism) and more comprehensive tourist packages such as heritage trails
- d. using arts and culture as a spring board for local economic development
- e. social services such as care, leisure services and skills acquisition.

In each sub-chapter we present some general considerations for developing this type of activity in a fisheries area, one or more examples of how this is done (not necessarily financed from Axis 4, where the number of completed projects is still relatively few) and key lessons learnt from the implementation of such projects.

## 2.2 Getting extra income from by-products of the fishing activity

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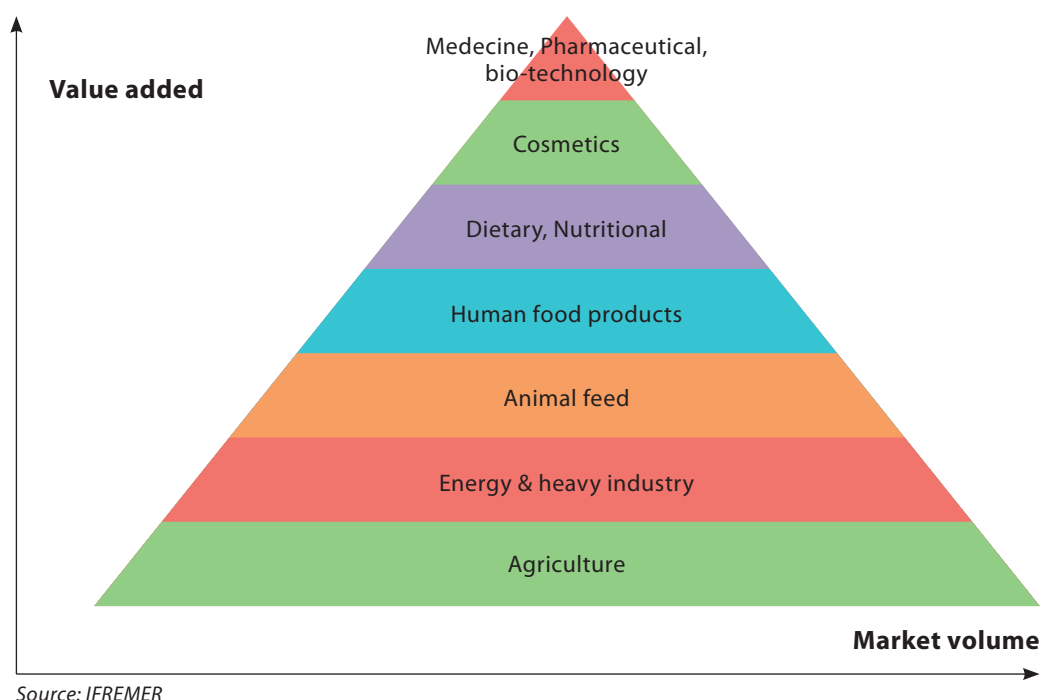
The main product of fishing and aquaculture is, of course, fish for human consumption but other products can also be developed to generate extra income from fisheries. Indeed, from over 140 million tonnes of fish and seafood available worldwide each year from the fisheries and aquaculture sector, it is estimated that only half is used for human consumption<sup>2</sup>. The disposal of large quantities of organic waste, either at sea (from by-catch, discards and onboard primary processing) or on land, implies an environmental hazard which can alter the overall structure of marine habitats and cause pollution on land. It also means the loss of raw material that could be used as base material for potentially valuable products.

In the context of growing pressure to reduce discards and unwanted by-catch from EU fishing fleets (countries such as Norway and Iceland have already adopted a policy of “zero discards”) and the EU’s objectives for smart, green growth, it is becoming not only smart but *necessary* to rethink many of the processes within the fisheries industry. FLAGs can play an active role in fostering more sustainable practices that optimise the use of fisheries resources and offer new sources of revenue for fisheries areas.

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<sup>2</sup> Eurofish Magazine, October 2010

### Value added pyramid of fisheries by products



This graph offers an overview of the range of uses for waste from fisheries (fish skin, heads, liver, guts, bones, shells etc.), ranging from agriculture, where it may be used to make animal feed or fertiliser, to highly specialised products such as pharmaceuticals. It also indicates that the value added generated varies according to the final product.

FLAGs should be aware of this range of opportunities as well as a number of key considerations when making decisions regarding the use of fish waste:

- > Certain products from fish waste can generate higher value than others; however, these often require significant expertise and capital investment and can be subject to stiff competition. FLAGs should ensure that project promoters planning on developing and selling sophisticated new products have sufficient expertise and contacts to do so.
- > Sticking close to the primary sector may be a wise first step and more in line with the people, skills and infrastructure present in the fisheries area.

- > The treatment and processing of fish waste can sometimes be a smelly and disruptive activity. It is therefore important to dedicate time to ensuring that there will be public acceptance of such activities. Location is important to consider when deciding on the implementation of such a project.
- > As well as generating extra revenue in fisheries communities, the use of fish waste can lead to less pollution. Make sure the environmental impacts also remain central to decisions.

Bearing in mind these key considerations, following are some examples of the activities fisheries communities could consider when looking at how “waste” from the sector might provide an opportunity to generate additional revenue and diversify their local economy, while at the same time, minimising the sector’s impact on the environment.

### Fishmeal and animal feed

Rich in protein, fish-waste has been used as a raw material for animal feed since the end of the 19<sup>th</sup> Century. It is also used in fishmeal for aquaculture. Fishmeal is traded on the world market at high prices these days and developing the know-how to process fishmeal can provide fishing communities with the opportunity to generate a better return than they get from just selling the raw material. It is worth noting, however, that new actors are likely to face a steep learning curve in order to compete, both in terms of volume and quality, in what has become a highly competitive industry.

### Fertilisers and compost

The use of fish waste for fertiliser is currently seeing a revival in Western societies, in the form of “fish emulsions” and “hydrolysed fish”, both rich in organic nitrogen and phosphorus. Experience in Ireland<sup>3</sup> also points to the use of fish waste as compost. At a time when demand for organic produce is on the rise, fertiliser and compost of fish origin can provide an interesting alternative to mineral fertilisers. Areas with a high presence of shell-fish production might also be interested in exploring options for collecting shell-fish deposits from the seabed for use in fertilisers. The shells of crustaceans left over from processing lines can also be ground and used on farms to lime fields.

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<sup>3</sup> [http://www.bim.ie/uploads/text\\_content/docs/3-Composting\\_Anaerobic\\_Digestion\\_Association\\_of\\_Ireland.pdf](http://www.bim.ie/uploads/text_content/docs/3-Composting_Anaerobic_Digestion_Association_of_Ireland.pdf)

### Bio-fuels

Government policies to tackle climate change and emerging technologies have both contributed to a growing market for bio-diesel<sup>4</sup>. At the same time, the adaptation of technology for producing bio-diesel from animal fat in order to make use of fish waste is starting to generate interest. In countries such as Canada and Vietnam, bio-diesel from fish oil is already commercially used. This technology is transferable to many fisheries areas in Europe, with relatively little investment in local processing units and fish farms. Non-toxic and fully biodegradable renewable fuel can be produced locally, providing a new source of income as well as easing the pressure on fuel costs for fishermen.

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<sup>4</sup> Biodiesel 2020: A Global Market Survey, 2nd Edition



### *Fish waste to bio-diesel plants, Canada*

Fish oil is extracted from the leftover gut/waste and mixed with methanol and other products such as caustic soda to produce fuel. This fuel is purified by adding manganese and is then fit for engines<sup>5</sup>. The opportunities for initiating this type of activity will vary depending on the quantities and species of fish caught and processed in your area. For example, fish oils that contain essential fatty acids like omega 3 may fetch better prices in the pharmaceutical industry. Approximately 1 kg of fish waste is used to produce 1 litre of bio-diesel. The main by-product of this process, glycerine, can be sold to the cosmetic industry for the production of soap and the remaining residues can go to fishmeal.

In terms of investment, studies point to a cost of between \$130 000 and \$350 000 to build a plant that produces bio-diesel from fish waste<sup>6</sup>. One particular feasibility study, conducted in 2007 by the Sustainable Community Enterprises in Vancouver, Canada, determined a production price of \$1.10 per litre of bio-diesel. The systems examined in this study produced between 227 100 and 250 000 litres of bio-diesel per year and payback time ranged from 4.2 to 7.7 years.

In his study of fish waste for bio-diesel production<sup>7</sup>, Tony Piccolo points to a series of considerations for those considering setting up a fish waste to bio-diesel plant:

- > A suitable location needs to be found, with easy and simple access to fish waste to minimise costs of transport and to lower the carbon footprint of the plant. An environmental impact assessment will have to be made on the chosen location, taking into consideration the whole plant cycle.
- > Abundant waste should be available, either near a fishing port or inside or close to a fish filleting, processing or aquaculture farm.
- > Easy access to methanol and caustic soda is necessary to ensure continuous production of the bio-diesel.
- > A market for glycerine in order to ensure quick income from the production and the sale of the by-product.
- > Human resources: a fulltime project/plant manager to oversee production and, depending on availability of raw material and production, 8 – 10 additional employees.
- > Storage facilities for the fish oil and the methanol and a storage or pumping station for the final product.

Fishing ports may want to set up cooperatives to collect all the fish waste and produce the fish oil, fishmeal and bio-diesel. This would mean the construction of only one big plant instead of many smaller ones, reducing costs and delivering better economies of scale.

<sup>5</sup> <http://www.fao.org/bioenergy/aquaticbiofuels/knowledge/fish-waste/en/>

<sup>6</sup> <http://aquaticbiofuel.files.wordpress.com/2009/08/fishwaste-biodiesel.pdf>

<sup>7</sup> <http://aquaticbiofuel.files.wordpress.com/2009/08/fishwaste-biodiesel.pdf>

### New food products and dietary supplements

Most of the waste produced from fish processing contains protein of high nutritional value, polyunsaturated fatty acids, such as omega 3, as well as antioxidants, minerals and trace elements which can provide important health benefits. These are high value substances but often require specialist expertise to harness their full potential. Research projects and building links with actors such as universities and private companies that possess such know-how can help fisheries communities to grow their capacity to take advantage of this resource.

Moreover, producing alternative fish-based foods could also prove to be an interesting commercial activities for those looking to optimise the use of fisheries resources. Surimi, for example, uses up to 82% of the fish compared to a 28% yield for a fish fillet<sup>8</sup>. Producing gelatin from fish bones and skin is another potential opportunity. As a food ingredient, fish gelatin has the advantage of being soluble in cold water and is also acceptable to all religions (unlike gelatin produced from pigs and cows).

### Cosmetics and pharmaceuticals

At the top end of the value added pyramid, shown above, is the use of fish by-products in cosmetics and pharmaceuticals. There is a demand for “biologically active” substances from fish heads, livers, eyes, etc. – some of which reduce signs of aging and are therefore used in skin care products; others stimulate cell division and are often used in research. As for the shells of crustaceans such as shrimps and lobsters, these contain chitin and chitosan, which are believed to regulate cholesterol levels, strengthen the immune system and accelerate cell renewal. Fisheries areas where large quantities of crustaceans are peeled centrally prior to sale could find it profitable to seek out partnerships with companies specialised in chitosan production. Almost 100 kg of chitosan can be produced from 4 500 kg of shrimp shells.

FLAGs are encouraged to study the specificities of fishing or aquaculture in their area when considering the diversification options that their by-products could offer. For example, areas with significant on-land processing facilities usually have strong potential for profitable activities to be developed around fish waste as processing lines tend to be geared towards treating one particular fish; as such, the waste tends to be highly consistent and therefore reliable. Areas of inshore aquaculture may benefit from the positive environmental impacts of better waste management – which is not to say that such activities cannot be profitable too.

<sup>8</sup> Eurofish Magazine, October 2010

### Key Lessons

- > *By-products from the fishing industry are rich in a range of substances, which can be put to good (and profitable) use.*
- > *Fisheries areas can anticipate stricter controls on discards of fish waste and should, therefore, consider more environmentally friendly practices by integrating projects that utilise otherwise discarded raw material into their strategies.*
- > *When considering by-products as a diversification option, FLAGs should tailor their strategies to the specificities of the waste from fishing or aquaculture in their area.*
- > *Processing by-products into new and profitable products often needs specialised expertise and FLAGs may want to study options for supporting specific training and/or developing relations with companies or individuals with such expertise.*

## 2.3 The environment and new opportunities in the green economy

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With growing pressure to ensure the **environmental sustainability**, *as well as* the profitability of the fisheries sector, smart, green approaches will be central to future EU fisheries policy. Axis 4 allows fishing communities to go beyond adaptations that make their fishing practices more sustainable and become proactive in building sustainability into the economic fabric and governance of the area as a whole.

Certainly, the overexploitation of certain fish stocks is referred to regularly in the context of the fishing sector's impact on the environment. However, climate change and pollution from land and sea-based sources along many coastlines and waterfronts are also putting our **marine ecosystems and inland waters at risk** and threatening their productive capacity. FLAGs can play an important role in bringing together different actors in order to address some of these problems and can support the creation of **new economic activities** that bring benefits both to the fishing community and the environment in which they live. With an intimate knowledge of Europe's seas and inland waters, the fisheries sector itself can make a valuable contribution to these objectives.

This potential is recognised in the European Commission's 2007 Blue Book on an Integrated Maritime Policy for the EU, which refers to the role fishermen can play as '**guardians of the sea**', performing 'environmental and other services to the community'. Areas that FLAGs can explore range from data collection and research to clean up services, combating environmental hazards, and marine conservation.

Beyond environmental protection, Europe's 2020 strategy also seeks to promote growth in the **green economy**. Particular emphasis is being placed on the **renewable energy sector**, where offshore wind, wave and tidal energy are all expected to make a major contribution. Here again, with targeted support from the FLAG, the knowledge, experience and resource base of the fisheries sector can be harnessed, presenting further scope for diversification within fishing communities.

However, there are a number of considerations that FLAGs should take on board when designing a diversification strategy with an environmental focus:

- > Does the FLAG involve the **relevant actors** from the territory (research institutes, environmental groups, businesses and national parks...) in its partnership or projects in order to tap into the existing knowledge and expertise necessary to inform the strategy and make specific decisions regarding the selection of environmental projects?
- > As with all diversification projects, fishermen should evaluate the likely impact on their current business. If, for example, they plan to collect waste at sea, what space will this require on the boat and what impact will it have on the capacity to store fish? Many of these activities also have a significant labour requirement, and the handling of waste or hazardous material can involve certain risks that need to be assessed.
- > Getting involved in the renewable energy sector demands both expertise and capital. However, if left to outsiders, fisheries areas could see most of the potential benefits of local resources (wind, sun, wave) go to external investors. FLAGs should carefully study the means, risks and opportunities for local and/or community involvement in renewable energy programmes.

Here we present some examples of projects and initiatives that are leading the way in these areas, providing both insights and inspiration for new, environment related diversification opportunities in fisheries areas.

### Data collection and research

While there is sometimes a perception that the agenda of the scientific community is at odds with the interests of the fisheries sector, it is increasingly recognised that the sustainable management of fisheries resources can only be achieved with better cooperation, data sharing and mutual understanding between scientists and fishermen.

Fishermen's practical knowledge of the sea and of the characteristics and behaviour of different marine species can be invaluable when it comes to the collection of scientific data. The presence and wide dispersal of fishing vessels in our seas and lakes also provides a readymade infrastructure for monitoring and observation activities that can earn fisherman additional revenue. Such actions can include: bird and/or cetacean monitoring; fish activity and benthic surveys; marine traffic density surveys; seabed trawl sweeps; and debris clearance verification.

Recognising this potential, many research institutes are nowadays looking for partners within the industry with which to develop cooperative research projects, which are also encouraged under the Seventh Research Framework Programme (FP7) of the European Union. Scientists from CEFAS, the UK's Centre for Environment, Fisheries & Aquaculture Science, for example, are now working together with fishermen within the framework of the innovative UK Fisheries Science Partnership (see box).

At a local level, FLAGs can also foster this type of cooperation between fishermen and the scientific community, with a view to promoting better environmental management and creating additional revenue streams for fishermen. However, they must bear in mind that not only will fishermen need to be convinced of the value of such projects but they may also require new skills and expertise.

#### *Fisheries Science Partnership, UK*

The Fisheries Science Partnership (FSP) involves collaboration between the National Federation of Fishermen's Organisations, individual fishermen and CEFAS scientists. This provides a mechanism whereby scientists can draw on the vast knowledge of fishermen in order to obtain more accurate information about the state of fish stocks. Fishermen in turn benefit from the programme by having a direct involvement in proposing, designing and participating in research projects, and also in terms of the opportunity this provides to diversify their activities and generate additional income.

Since its establishment in 2003, the project has received about £1 million per year in government funding, which is dedicated to involving more fishermen in the commissioning of scientific research. Specifically, the FSP commissions surveys that:

- > Provide information from commercial fishing catches on key stocks;
- > Address fishermen's own concerns about scientific assessments, or stocks not currently assessed;
- > Investigate innovative scientific methods or more selective/environmentally friendly fishing methods;
- > Support the work of Regional Advisory Councils.

[www.cefasc.co.uk/our-science/fisheries-information/marine-fisheries/fisheries-science-partnership.aspx](http://www.cefasc.co.uk/our-science/fisheries-information/marine-fisheries/fisheries-science-partnership.aspx)

The importance of supporting constructive relationships between fishermen and scientists should not be underestimated, especially in light of the **very different operating conditions and language of fishermen and scientists**. Indeed, in Marennes Oléron, France, facilitating better communication between the fisheries and the scientific communities is considered so important that a **full-time job has been created**, funded partly by the *local FLAG*, to act as a conduit between the two communities. The person employed will play a key role in translating scientific material for the fishing community and, in turn, representing fishermen on multi-sectoral management board for a new marine reserve, which is being set up in their territory. Further information on this project can be found on the FARNET website.

### Conservation

The conservation of fish stocks and marine habitats is a prerequisite for the sustainable development of fisheries and other marine resources. Fishermen have a key role to play in this process and, while conservation sometimes means restrictions on the catch of certain species or the type of equipment that can be used, it can also provide alternative income or business opportunities for fishermen. Sustainable management of the fisheries resource may also underpin other economic activity in the area, providing wider benefits for the local economy.

Within the framework of the State run *Contrat Bleu* scheme in France (see below), fishermen are also actively engaged in activities that contribute to conservation. This includes water surveillance in certain conservation areas, in particular for oil slicks or unwanted predators, as well as data collection and participation in scientific work. In certain cases, fishing vessels can also accommodate conservationists on board, either for observation work or for the implementation of conservation actions.

#### *“Blue Contracts”, France*

Based on the concept of the agri-environmental measures of the Common Agricultural Policy (CAP), Contrats Bleus (Blue contracts) were introduced by the French government in 2008, in order to encourage a more sustainable and responsible approach to fishing. Within the framework of the Contrat Bleu, fishing vessels that opt to participate in the scheme are compensated for undertaking certain measures that contribute to a more sustainable fishing or to the protection of the marine environment. Measures included in the blue contracts fall into three categories:

- > Partnerships between fishermen and scientists in areas such as: data collection; monitoring of protected areas; oceanographic data recording; participating in scientific missions;
- > Adopting more sustainable fishing practices, reducing discards or by-catch, reducing the overall size of the catch;
- > Environmental protection, such as clean-up activities. This measure aims to limit the indirect impacts of fishing on the maritime environment.

### *Fishing in the Thurso River, Scotland*



In northern Scotland, the managers of the Thurso river have developed an integrated initiative investing in and linking the improved management of the natural Atlantic Salmon resource and its habitat with angling and tourism.

For many years a coastal netting station had operated at the river mouth, which caught between 2000 and 5000 fish on an indiscriminate basis. Although these fish represented a cash crop for the owners, the river catches were reduced, which also reduced the attractiveness of the area for angling. A hotel on the river

bank that catered for anglers had become rather run down due to low turnover and lack of investment. Finally the fishing rights and hotel were both put up for sale.

The new owners recognised the higher potential value of the angling resource and adopted a long term and investment based strategy. The coastal nets were removed resulting in a larger number of fish entering the river. The hotel was also purchased and substantially upgraded, the river facilities for anglers were improved and the quality of the river habitat and its surroundings was also dramatically improved. The person previously employed on the netting station was redeployed to the river and three young, full-time gillies (guides) have now been employed. Employment in the hotel has also increased from 12 to 20 with improved working conditions.

The average number of salmon caught by anglers in each of the five years before the investment was 654, this contrasts dramatically with the average of 1 686 salmon in the five years since. Despite this increase in the numbers of rod caught fish, the net number of fish killed has been very considerably reduced, with the majority of those caught being returned to the river to spawn. The number of anglers renting fishing stands has dramatically improved. The river and hotel are now attractive to visitors and therefore to investment. Occupancy levels and revenue have substantially increased and a redundant vernacular building has just been converted to provide further high quality accommodation.

[www.thurso-river.co.uk](http://www.thurso-river.co.uk) and [www.ulbster-arm-shotel.co.uk](http://www.ulbster-arm-shotel.co.uk)



### Clean-up services and combating pollution

Litter in the sea, including waste materials from the fisheries sector, present a serious threat to the environment and to the economic activities of the sector itself. Lost or abandoned nets ("ghost nets"), for example, trap fish, birds and marine mammals for many years, contributing to the decline of fish stocks and to the degradation of the marine environment. Reduced or lost catch due to litter in fishing gear, or loss of fishing time due to repairs/cleaning also impact on the profitability of fishing businesses.

Fishermen, therefore, have two good reasons to be interested in the business of waste: firstly to improve the performance of their fisheries enterprise, and secondly to participate in the many business opportunities that are developing around waste collection and management. There are already many examples of initiatives involving professional fishermen in the recovery of waste.

#### *Fishing for litter, Sweden*



fishing activities will be stored onboard the vessels. Some vessels will also be contracted to participate in "ghost net retrieval campaigns", which will seek to locate and retrieve nets that have been lost or abandoned at sea. Back on land, the project will organise points where waste material can be deposited and integrated with local recycling plans.

It is proposed that the project will be led by, and build on, the experience of KIMO International, an organisation representing over 100 coastal municipalities in Belgium, United Kingdom, Norway, Sweden, Denmark, Germany, Faroe Islands, the Netherlands, the Republic of Ireland and, since 2007, seventeen municipalities in Sweden, Poland, Latvia, Lithuania and Estonia. KIMO has already pioneered a "Fishing for Litter" initiative in the North Sea.

[www.kimointernational.org/FishingforLitter.aspx](http://www.kimointernational.org/FishingforLitter.aspx)

Recognising a diversification opportunity and the potential environmental benefits, the *South Baltic* and *Gotland FLAGs* in Sweden are teaming up in a cooperation project focusing on fishing for marine litter and ghost nets.

In the participating FLAG areas, fishing vessels will be contracted to carry out litter collection activities. The litter collected in the course of normal

In France, fishermen participating in the *Contrat Bleu* scheme can receive compensation for collecting litter at sea. In the region of Brittany, for example, 49 fishing boats registered to participate in this scheme in 2009, signing up to three-year contracts. The compensation varies from a fixed rate of €900 per annum for providing data on their catch, to 10% of the boats daily turnover for clean-up activities or partnering in scientific research.

Information available in 2010 indicates that the collection of waste at sea is the most popular *Contrat Bleu* measure among fishermen and shellfish farmers: more than 86% of fishermen and 43% of shellfish farmers

currently participating in the scheme take part in the collection of waste at sea.

The experience of maritime disasters such as the Prestige oil spill in 2002 underlines the potential ecological and economic cost of marine pollution and other environmental hazards. In light of this and other incidents, most maritime countries in Europe have put in place response mechanisms, which are designed to mobilise available resources quickly and at short notice. Here again, the challenge of protecting our seas and oceans can also provide diversification opportunities for the fisheries sector.

### *Trawling for oil, France*

A former anchovy fisherman from the Vendee region of France, Thierry Thomazeau, volunteered to use his boat to help with the clean-up following the Erika oil spill in 1999. At the time, he was provided with nets by the French Navy, but he found they were not very effective. In the aftermath of the crisis he set about designing an alternative and, after three years in development, the THOMSEA anti-pollution trawl net was born.

The first opportunity to test the new net came during the Prestige oil spill and the performance of the nets was so impressive that the French Navy decided to purchase the entire stock. Encouraged by this experience, in 2006 Mr Thomazeau decided to leave fishing and to devote himself full time to his new business. From here, the business developed quickly, achieving a turnover of €1 million in 2009.

The THOMSEA Company currently employs four people. Its activities include the manufacture and sale of nets, as well as the provision of training on how to use the net.

[www.thomsea.fr](http://www.thomsea.fr)

However, combating environmental hazards of a smaller scale is equally important and can also present new or additional activities for fishermen. **Water quality** is a fundamental concern for fisheries and fish farms as well as a prerequisite for any area expecting to use its waters for tourism purposes. Moreover, the EU's Water Framework Directive (2000)<sup>9</sup> requires that all EU waters achieve "good ecological status" by 2015, while the Marine Strategy Framework Directive (2008)<sup>10</sup> requires Member States to put measures in place "to achieve good environmental status of the EU's marine waters by 2020 and to protect the resource base upon which marine-related economic and social activities depend".

This implies both responsibilities and potential opportunities for fisheries areas. These opportunities are linked to the high natural value of many coastal areas, as well as inland fisheries areas with lakes, rivers and man-made fish-ponds, which can be an important source of biodiversity or unique landscape. Projects linked to water quality and conservation may also benefit from synergies with local Leader LAGs and other actors in the territory. For example, bringing together farmers, fishermen and other actors whose activities impact on water quality can foster more sustainable practices and more sustainable businesses, as well as creating jobs in monitoring and data collection. This is, for instance, the case in South Brittany (France), where the association, CAP 2000, is engaged in setting up local stakeholder groups in order to enable the identification and reduction of sources of water pollution impacting on local shellfish producing areas. The local FLAG (*Pays d'Auray*) is also involved. For more information contact: [assocap2000@wanadoo.fr](mailto:assocap2000@wanadoo.fr).

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<sup>9</sup> [http://ec.europa.eu/environment/water/water-framework/index\\_en.html](http://ec.europa.eu/environment/water/water-framework/index_en.html)

<sup>10</sup> <http://ec.europa.eu/environment/water/marine/ges.htm>

## Renewable energy

Protecting the environment means more than conservation and waste management. Society and the economy are inherently dependent on the exploitation of natural resources and this is why the transition to more sustainable forms of production and consumption are now at the centre of Europe's longer term strategy for a smart, green and inclusive economy.

A key pillar of this strategy is the development of renewable energy resources. Offshore wind energy is currently one of the most competitive sources of renewable energy, and wave and tidal power are also areas attracting investor interest. However, the rapid expansion of the offshore renewable energy sector also raises the potential for conflicts with the fishing industry as traditional fishing grounds are sometimes displaced.

And yet, fishermen have a number of assets (boats, access to ports and water, ability to handle heavy machinery in high winds and rough seas, knowledge of the waters and the sea bed...) that can allow them to generate a financial return from, and greater influence in, the development of offshore energy farms. FLAGs have a role to play in ensuring that fishermen do not become the victims in the development of offshore renewable energies, but instead benefit from the new opportunities available in this emerging sector.



There are a number of cases where fishermen are earning additional income by providing services to offshore energy farms. These can include: supply vessels, transport, guard ships, logistical support, survey work and offshore maintenance. For example, NFFO Services Ltd, the commercial division of the National Federation of Fishermen's Organisations (NFFO), the representative body for fishermen in England, Wales and Northern Ireland, provides services to offshore sectors including the renewable energy sector. In this way, fishermen not only earn additional revenue but the potential for conflict between the fishing sector and the operation of offshore locations is kept to a minimum. Depending on the presence of the offshore energy sector in their area and the organisation of the fisheries sector, FLAGs can support individual fishing companies to enter this market or encourage broader cooperation among fishermen to provide these services – in which case the influence of the sector on decisions made is likely to be stronger.

However, as well as servicing offshore facilities for third parties, local communities, including fishermen themselves, can sometimes take the lead in developing new sources of income from renewable energy resources in their area. This is what the fisheries sector in New Jersey, USA, is doing by setting up a community-based offshore wind farm which, with 8 turbines, is expected to generate 3 000 MW per year by 2020. As well as the revenue and green jobs that the venture will generate, the wind farm will have the capacity to power approximately 6 000 homes. Such examples are still rare but prove that by teaming up with partners with the relevant skills and knowledge (in this case: engineers, renewable energy and construction experts, financiers, research bodies, website developers, etc.) fishermen and their communities can stand to gain significantly from new opportunities in the green economy. More information: [www.fishermensenergy.com](http://www.fishermensenergy.com).

The following European example shows how a local community can benefit from investing in renewable resources and, although not spearheaded by fishermen, how fisherman also can benefit from such initiatives.

### *Renewable energy production on Pellworm island, Germany*

In 1990, the local community on the Friesian island of Pellworm was faced with the prospect of severe restrictions to their farming, fishing and tourism activities following the islands' designation as a nature park. In response, the association, Oekologisch Wirtschaften, was set up by local leaders to explore new business opportunities based around renewable energy production, organic farming, direct marketing, eco-tourism and nature conservation. Their main objective was to reduce the outflow of added value from the island, but also to ensure that a variety of interests and points of view were taken into account in the development of the area.

Thanks to this initiative, 50 local people contributed private funds in order to set up an eight-turbine wind farm. This ensured that the financial benefits did not go to external investors but stayed in the community. The wind farm was limited in size and concentrated in one part of the island to avoid damaging tourism potential. EU funding (from the ALTENER programme) was obtained to support the initiative. The wind farm is now operating successfully, allowing the island to be fully self-sufficient in energy production, while also selling surplus electricity to the mainland grid. The new plant also contributes around €60 000 per year in taxes to the local municipality. Looking to the future, a plan to combine different types of energy has been developed, and a wider community discussion about energy storage and combined heat and power is also underway.

The activity of the local association helped to mediate the inevitable conflicts between different local actors: municipality, farmers, tourist operators, environmentalists etc. It also contributed to raising hope in the community and to the creation of new business opportunities, such as bicycle rental now employing two full-time staff and branching into new activities. Before this initiative, there were only three fishermen left on the island; now there are nine and more young people are interested in this profession as hope in the future has been restored in the community.

[www.pellworm.de](http://www.pellworm.de)

The next FARNET guide will deal specifically with the effective use and management of environmental resources and will include a more in-depth study of some the issues touched upon in this section and

others, including the important concept of marine parks in which fishermen are increasingly involved in the management.

### Key lessons

- > *The environment and renewable energies are growth sectors where further opportunities are likely to emerge in the future (Fishing for Litter, Pellworm Windfarm).*
- > *Fishermen have knowledge, skills and experience that can be applied to these sectors, where diversification opportunities exist.*
- > *Benefits in the short term will not always be economic, but getting involved in environment-related activities can help strengthen the image of local communities and ensure their presence in the decision-making process of investments that are likely to impact them.*
- > *Cooperation between fishermen and researchers leads to mutual benefits, however, a conscious effort is needed on both sides to develop trust and a common understanding of goals (Fisheries Science Partnership, Contrats Bleus).*
- > *Mobilising a local community around a common development concept can indirectly benefit fishermen, even if this concept is not directly related to fisheries (Pellworm).*

## 2.4 Tourism

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Tourism tends to be among the first ideas that spring to mind when considering options to diversify the local economy of fisheries areas. Indeed, fisheries areas typically have many natural and cultural assets (sea, lakes, forests, harbours and fishing villages) and offer a variety of activities that can appeal to tourists.

Certainly, tourist activities offer great potential for **creating jobs**, not only directly (e.g. in a hotel), but also indirectly, in connection with the products and services that visitors need. It is estimated that one job in accommodation can create 3-4 jobs in support sectors. Moreover, tourism is a **growing industry** – even after the crisis, growth in the sector in 2011 is estimated to reach 4.5%, with the creation of 3 million jobs worldwide. In the EU, tourism accounts for 9.7

million jobs directly (including a significant proportion of jobs for young people), i.e. 5.2% of the total workforce. If all the associated sectors are included, tourism is responsible for 12% of jobs and 10% of GDP in the EU.

However, FLAGs should study their local resources closely to ensure that projects they support benefit the local fisheries community. Many fisheries areas are already well-known tourist destinations but the benefits of this activity may not necessarily reach the fisheries communities. Other areas may be remote or simply off the typical tourist trail. In these cases, Axis 4 can help with communication and promotion activities as well as supporting concrete projects to improve tourist services in the area.



While it is unquestionable that tourism has great potential for fisheries areas, there are certain considerations that FLAGs need to keep in mind when assessing their tourism development options:

1. Tourists have a variety of needs (somewhere to sleep, something to eat, something to do and suitable transport infrastructure) and an isolated project (e.g. just a hotel or just a restaurant), however good, is unlikely to be successful if the area does not address this range of needs. Successful tourist products are always carefully blended “packages” of assets, goods and services. Thus, the FLAG will have to involve **various stakeholders** in developing a **coherent strategy** to ensure the various elements of a comprehensive tourist offer are developed;
2. Local communities often forget that it is not enough to have a good offer – one must have an offer that is **better or different than that of others** taking into account price and accessibility as well as quality; there is strong competition in tourism, including from other fisheries areas! This means, on the one hand, that acceptable standard of services must be ensured, and, on the other, that the local actors must look for ways their area can differentiate itself from others. Links with local products (food, crafts etc.) are a good way to distinguish your area and attract visitors;
3. Tourists need more than just beautiful landscape and good weather; they will invariably come into contact with the local people, and these **people must have the skills and knowledge** to deal with visitors (knowing the area, welcoming attitude, basic knowledge of foreign languages, etc.).

If we want to ensure that fishermen can make extra income as, for example, tourist guides, they need these skills;

4. **Information and promotion** are of crucial importance; the FLAG (possibly using specialist advice) must make sure that the right message is addressed to the right target audience. Tourists must know what to expect when visiting an area, be it the quality of its restaurants or the standard of accommodation, including in the private homes of farmers or fishermen, local services and the surrounding environment. The application of universally recognised standards is a good tool here. FLAGs also need to find a balance between encouraging improvements in the quality and quantity of their offer and promoting demand in order to avoid problems of overcapacity or frustrated expectations;
5. The tourist industry in some parts of Europe is highly **seasonal**. It is important, on the one hand, to try to extend the season (e.g. by organising festivals and other events, or encouraging visits of business people or school children outside the main season) and, on the other, to plan your investment in a way that ensure that costs of maintenance or employment can be reduced in the low season;
6. When trying to attract people, always keep in mind the **“carrying capacity”** of your region; mass tourism can damage the environment and scare away some of the most valuable tourists, so local consensus and active community participation is needed to ensure that tourism remains sustainable.

Below, we present some key areas in which FLAGs can support tourist development in their territory.

### Accommodation

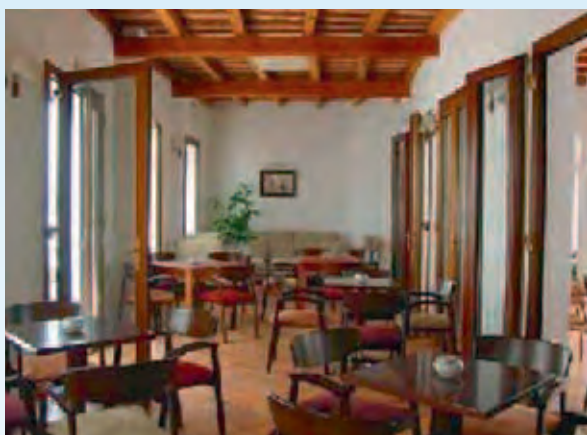
As previously mentioned, accommodation has significant potential for creating jobs; and having a suitable place to stay is one of the key considerations that tourists take into account when choosing their travel destination. Thus, hotels, campsites or bed-and-breakfast facilities also create the conditions for the other services (food, entertainment, culture) that can be offered by a fisheries area.

When deciding upon the types of accommodation that would benefit the territory, FLAGs must look at the current offer and uptake (i.e. occupancy rates) in the area and ascertain where additional or improved accommodation would make the area more competitive. It is also worth bearing in mind the role fishermen and their families can play in providing traditional

accommodation, as this can be an effective way of differentiating the area and capitalising on its fishing heritage (see “*ittiturismo*” p.32).

In any case, the quality and type of accommodation should be in line with the attractions offered by the area. The FLAG strategy and project selection criteria should take this into account. The target group of an establishment (e.g. young families, couples wanting beach holidays, those doing outdoor sports, retired people) will affect the entire project, from the type of construction or adaptation work to carry out (type of access needed, types of flooring, size of rooms, swimming pool etc.) to the food on offer and the communication and marketing strategy.

#### *Hotel “Almadraba de Conil”, Andalusia, Spain*



This family-run hotel in the historic centre of Conil offers an example of how a fisheries area can benefit when the local population plays an active role in developing the territory’s accommodation offer. In this case, a listed building was renovated, the fishing heritage of the town was strengthened, six new jobs were created, and custom for other local business generated. Moreover, the hotel responds to a high demand for tourist accommodation in the area, while offering a more personalised option than the mainly larger hotels that existed previously.

Conil is a coastal town with a population that jumps from 10 000 to 100 000 in the summer months. However, to overcome the seasonality of tourism, a successful hotel needs to offer more than just access to sun and sea. Hotel Almadraba de Conil, a small hotel of 17 rooms, has done just this and enjoys 80-90% occupancy for 10 months of the year thanks to its distinctive character and attention to customer care.

Conil’s history is firmly rooted in fisheries – central to which is the “*almadraba*”, the practice dating back to Phoenician times of catching tuna in specially positioned nets along the coast. The town grew up around fishing and the hotel owners were keen to build on this identity, hence the name “Hotel Almadraba de Conil”. This theme runs through the design and character of the hotel, where each room has a specific name related to the *almadraba* and a specific painting illustrating its name. The owners collected old photos, nets and hooks from members of the community which are displayed in the hotel.





It took Antonio Brenes and his wife M<sup>a</sup> Dolores Caro (Lola) two years to plan and develop the hotel from a run-down family home. While Antonio worked evenings and weekends on the project, Lola quit her job to dedicate herself full-time to the work. Four years after opening in 2003, the hotel became a viable, profit-making business in which Antonio also started to work full-time.

### Challenges:

- > Lack of experience in the tourism and hotel industry.
- > Finding local staff that spoke English and German.
- > Unforeseen costs due to structural faults in the building, as well as the need for additional double glazing due to relatively high noise levels in the town centre.
- > Tour operators initially reluctant to promote such a small hotel.

### Recommendations:

- > It is important to carry out detailed research early so as to make informed decisions. For example, tour operators would not promote any hotels of less than 3 stars. This is important to know before choosing your target audience.
- > Build strong relationships with other hotels in the town. Other hotels will generally not welcome further competition in their town but new hotels can learn a lot from more experienced actors – as well as receiving some customers from referrals – if energy is devoted to such relationships.
- > Be available (and informed!) to tell guests about the town's history and traditions. Take the time to talk with customers and to get to know them personally.
- > Encourage guests to recommend your hotel.
- > Be prepared to throw your heart and a **lot of time** into the project! The first years can be extremely hard work, and 16 hour days were common for Lola and Antonio. Their dedication, however, paid off and the hotel now supports their family of five as well as employing six full-time staff.

Cost: €1 000 000, Support from Leader+: €203 000 (20.3%)

*Note: The estimated cost of the project was originally €700 000 and the Leader grant covered 27% of this cost. However, due to unforeseen building costs, the actual cost turned out to be significantly higher.*

Contact e-mail: [lola@hotelalmadrabaconil.com](mailto:lola@hotelalmadrabaconil.com) / [reserva@hotelalmadrabaconil.com](mailto:reserva@hotelalmadrabaconil.com)

### Food

Local communities often focus strongly on making sure that tourists will stay in their area (i.e. on providing “somewhere to sleep” and “something to visit”), forgetting that food can also be a major magnet. Many tourists enjoy food and drink that are linked to the specific character of the area. They are sometimes willing to travel many kilometres to taste a **local specialty**, and – when offered something particularly interesting – are likely to spread the message to their friends and relatives. Thus, local partnerships can create additional income for their area by promoting and marketing the local culinary heritage.

Naturally, in fisheries areas it is likely that there will be many projects linked to locally caught fish, which can be sold directly to the consumers, fresh or processed. Examples of such activities are mentioned in our previous guide on *Adding Value to Local Fishery and Aquaculture Products*. However, a fisheries area can also look for other types of food and drink that could enhance the overall attractiveness to visitors. The approach we are talking about here is sometimes called Local Food Systems<sup>11</sup>, which not only involve locally produced food but also **close relations between producers and consumers**. Local Food Systems can involve both fish and non-fish products, which can be available through such distribution channels as:

- > Direct sales (straight from the boat or farm);
- > Open-air markets, such as farmers markets run by local producers or traders;
- > Regular events, such as local food festivals;
- > Box schemes run by a single producer or group of producers, whereby consumers receive regular supplies of locally produced food;
- > Specialised shops and restaurants offering local specialities (they can also focus on specific types of food, e.g. organic).

It is important to ensure that good information is available to tourists and potential visitors about sources of fresh fish and other products.

Restaurants serving quality local dishes can make an area significantly more attractive as well as being a great business opportunity in their own right. Indeed, opening a restaurant can offer a good opportunity for adding value to local fish and to a range of other local products while also helping to create jobs for the local community. FLAGs should be aware, however, that the catering sector can be extremely competitive and serious research should go into developing this type of project. New restaurants supported by Axis 4 should either address a gap in supply (e.g. in the Corsica and Tenerife case below) or should offer something different, possibly linked with quality standards (e.g. the Captain’s Galley, below).

Such restaurants can earn a good reputation because the fish they offer is freshly caught and they offer a clear link with local fishermen. Restaurants should be encouraged to offer and advertise their local dishes; indeed an effective communication strategy around the qualities of the local cuisine can enhance the image of both the food and the area.

A full case study on “De Boet”, a restaurant supported by Axis 4 in the Netherlands is also available on the FARNET website.

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<sup>11</sup> “Local Food Systems in Europe”, IFZ Graz, 2010, [www.faanweb.eu](http://www.faanweb.eu)

### *Local restaurants in Tenerife and Corsica*

In the small fishing village of Tajao in southern Tenerife, there was no restaurant at all until 1980. Then, the wife of one of the fishermen started preparing fish dishes and selling them to tourists and local workers. The income from this activity allowed her to buy land and set up a restaurant. In the beginning, the business employed women from the village and family members who came to help at peak times. Some of these women subsequently decided to create their own restaurants and the community today boasts 8 restaurants run mostly by fishing families who are adding value to the fish they and their neighbours catch.

In Corsica, the fishing port of Centuri is famous for its lobsters and several family restaurants offering locally caught seafood have been opened to complement the income from fishing. These restaurants are mostly managed by fishermen's wives, while their husbands are at sea. During the tourist season they also create a number of additional jobs. Once the initial investment is recuperated, these businesses can often become the main source of the family income.

### *The Captain's Galley, Scotland*



Fed up with seeing good quality but lesser known species of fish being underutilised, wasted or leaving the local area, Scottish fish merchant, Jim Cowie retrained as a chef and, with his wife, Mary, opened their seafood restaurant in Scrabster, on the North coast of Scotland, in October 2002. The restaurant is housed in a former ice store, located in the harbour area.

The Cowie's policy is to serve Highland food of the highest quality: fresh, in season, and local. The menu is decided on a daily basis after Jim has studied what is available, either directly from the boats or on the fish market. This is complemented by the vegetables, salads and herbs which Mary produces in their own garden.

The Captain's Galley adheres to strict environmental standards, such as sourcing all produce from within a 50 mile radius of the restaurant, only using non-pressure fish species caught in areas where the stocks are sustainable, and even then only when they are in season. Jim highly values his strong links with the fishermen from whom he buys and their knowledge of the stock. He stresses that seasonal fish are healthy fish and the importance of seasonality to the health of the fish stock, the quality of the product, the business and ultimately to the consumer. The Captain's Galley policy on sourcing was approved by the Marine Stewardship Council in 2009.

The result is a top quality and busy restaurant where a three course meal costs approximately €50 per person. It has been the winner of numerous prizes including the "Highlands dining out experience", Highlands & Islands Tourism Awards 2006 and UK "Seafood Restaurant of the Year", Seafish 2009 Awards.

[www.captainsgalley.co.uk](http://www.captainsgalley.co.uk)

### Activities

Finally, an area needs to offer tourists “something to do or visit”. FLAGs will need to consider which local resources could be harnessed as tourist attractions as well as the types of visitors they want to attract when developing their strategy for the area. They should, moreover, examine what role fishermen and their families can play in providing some of the answers.

#### *Pesca-tourism*

One of the most obvious activities that fisheries areas can offer to tourists is **pesca-tourism**. In other words, the activity whereby tourists are taken on board professional fishing boats to experience how fishermen work and to discover their world. Sometimes, these tourists can taste the fish caught, either back in the harbour or while still on board.

Pesca-tourism is practiced in several countries, including Italy, Estonia and Finland. However, one of the main challenges for carrying out pesca-tourism activities in EU Member States tends to be related to legislative issues. Besides Italy, where two laws have established the conditions for carrying out pesca-tourism, it seems that **little legislation exists** around the EU dealing specifically with tourism on professional fishing boats. This absence of specific legislation means that such activities tend to be carried out as commercial activities which, moreover, are subject to the **conditions that apply to transporting passengers**. Such conditions can sometimes imply unrealistic demands for fishing boats.

In countries such as Spain, **strict national legislation** currently prevents professional fishing boats from taking tourists on board, thus making such activities impossible. Fishermen can convert their boats to be used for tourism, but they cannot continue to be registered fishing boats as well as carrying out tourist activities.

A second challenge is **taxation**. In certain countries, a specific tax regime applies to professional fishing. This is the case in France, where fishing is exempt from certain taxes, including VAT. However, provisions are not made for activities that go beyond those directly related to fishing itself, which means fishermen would have to set up a parallel accounting system in order to carry out pesca-tourism. Proposals to remove this barrier by allowing fishermen to benefit from similar tax reliefs to those enjoyed by farmers for agri-tourism<sup>12</sup> are being studied in France.

Finally, on top of satisfying regulatory demands, pesca-tourism must respond to the demands of any tourist activity. **Quality customer service**, in demonstrating fishing techniques for example, is paramount if the activity is to attract customers, and transmit a positive image of professional fishing to the general public. At the same time, there is a balance to be struck between catering for tourist demands and preserving the authentic nature of the activity, which many pesca-tourism actors are keen should not give way to a folklorisation of the profession.

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<sup>12</sup> provided that these additional activities do not represent more than 50% of their fishing activity and go above a certain threshold



### *“Pescaturismo” and “ittiturismo” in Italy*

Italy provides evidence of the potential benefits of pesca-tourism, based on the results of its work around diversifying fishing towards tourism. Here, pesca-tourism has demonstrated that, compared to a normal fishing day which brings in around €350 profit to a crew of two, working 13 hours and catching 25 kg of fish for an average price of €20 the kg, a day of pesca-tourism brings in €360 profit to the same crew, working a less strenuous 11 hours with 10 tourists paying €40 each. On average, just 2-5 kg of fish would be caught, thus reducing pressure on fish stocks.

As well as pesca-tourism, Italy also practices “*l’ittiturismo*” – meaning, literally, “fishing tourism”. Both are governed by a regional regulation which is reinforced by national legislation. “*L’ittiturismo*” is an integrated approach to catering for tourist demand that capitalises on the fishing heritage of an area. It consists of offering accommodation and local cuisine to tourists in traditional fishermen’s houses that are converted especially for this activity. Pesca-tourism trips are generally offered in parallel. Establishing such activities has been possible thanks to the setting up of consortia of cooperatives.

[www.ittiturismo.it](http://www.ittiturismo.it)

### *Pesca-tourism in the Var: an Axis 4 project, France*



Inspired by Italy’s experience, Marco Polo Échanger Autrement, a French NGO specialising in sustainable local development, has developed a pesca-tourism project, supported by the Var FLAG, and working in close collaboration with the local fisheries and aquaculture committee of the Var. The pilot project, called “*Pescatourisme 83*”, was launched in 2009 with the participation of a broad partnership of public and private fisheries, tourism and environmental actors.

The project has focused on establishing the conditions necessary to put pesca-tourism into practice in the area, adapting experience gained in Italy to the context of the Var, where fishing boats tend to be only 7-10 metres and often have just one crew member, and where a legal framework for pesca-tourism does not currently exist. An experimental status was

obtained for trialling pesca-tourism activities and two rounds of trials of the package developed have now been carried out. This consisted of a morning (3-4 hours) of pesca-tourism, leaving before dawn to pull in the nets laid the day before and observe and learn the techniques of traditional fishing in the area.

In terms of project development, the following steps were followed:

- > A viability study for implementing pesca-tourism activities in the Var, defining the safety rules to comply with, the adaptations that fishing boats would have to undergo, the training needs, and the possible environmental impacts.





- > Establishing how such activities would work in practice: the role of the individual fishermen and that of the other organisations involved, including the tourist offices; and the kind of communication campaign.
- > Defining possible complementary activities (e.g. tourist accommodation, sale of local products etc.).

The project was run by a core team of local and regional actors but also involved a broader partnership of actors to promote and disseminate information about the project within their institutions. Moreover, the project set up three thematic working groups on the following subjects: 1) safety; 2) fishing and tourism; and 3) communication. In each of the working groups, **fishermen worked closely with experts** from the different fields in order to develop pesca-tourism in the Var.

The value added of pesca-tourism that this project points to fall into four main categories:

- > Economic – in terms of providing an additional income for fishermen (between 30-70%, depending on the size of the boat, for pesca-tourism days).
- > Social – by raising awareness and recognition of the hard work of fishermen, and the unpredictability of the amounts and types of fish caught. This in turn helps build support for the sector within the community and raises awareness among consumers with regard to their choice of fish.
- > Cultural – by capitalising on and promoting the heritage and tradition that fishing and its history and techniques represent in the area.
- > Environmental – by a reduction in captures but especially by putting fisherman at the heart of efforts to preserve fishery resources. Indeed, the project promoter points to a radical shift in attitude of the fishermen and their implication in discussions with other actors in the territory on themes including but also going beyond fishing.

Cost: €277 590, support from Axis 4: €86 140 (31.9%)

A full case study on *Pescatourisme 83* is available on the FARNET website, including contact details for Marco Polo.

### Other activities and attractions

In addition to pesca-tourism, there is a whole range of other tourist activities linked to water and boats that can be offered by fisheries areas. These include recreational fishing; fishing tourism (activities that are based around the area's fisheries activity and heritage such as visits to areas where shellfish are picked/produced, tours of the auction hall, or tourist excursions on de-commissioned fishing boats); and marine tourism (more general sea tourism, e.g. visits to marine

parks); as well as water sports such as diving, surfing and sailing. Where FLAGs choose to support activities that are outside the fisheries sector, it is important that the links with local fisheries actors are fostered, promoting an environment of cooperation that can provide knock-on benefits for the community as a whole. Specialised trips such as whale watching in the Azores (see below) can strike a balance whereby the needs of fishermen, tourists and environmentalists are addressed.

### *Whale watching in the Azores*



In the late 1980s, a feasibility study was undertaken by the International Fund for Animal Welfare (IFAW) into the possibility of developing whale watching in the Azores as a means of replacing some of the income lost when the Azoreans ceased hunting whales in 1987.

A number of businesses have developed as a result of this study, mostly with the joint aim of conservation and building sustainable and profitable businesses. The most integrated of these businesses is Espaço Talassa.

The main focus of the business is whale watching excursions. Espaço Talassa has a fleet of four semi-rigid boats and provides a 20 minute 'educational briefing' before every trip, explaining the cetaceans of the Azorean sea and their habitat. Their success at spotting whales and dolphins comes from the age old use of watch towers, which they have preserved from the days of hunting. They employ a whale watcher, who learnt his skills from his father, one of the founders of the business.

In conjunction with the excursions they have a small shop, café bistro and hotel on the harbour's edge, employing nine permanent staff. Espaço Talassa is based next door to the Whale Museum in Lajes and close links have been built between the two.

Whale watching has helped the Azores to capture a niche market in eco-tourism and the economic impact for the islands has been significant. Most of the businesses sell a variety of residential 'packages' that help to keep tourists on the island for longer periods, usually up to eight days. Most companies also run day and half day excursions which are targeted at casual tourists. Private hire to film crews, scientists etc. is also a growing sector of their market.

[www.espacotalassa.com](http://www.espacotalassa.com)

### **Packaging your tourist products: heritage trails**

A local development strategy aiming for a *comprehensive* tourist offer is likely to attract more tourists and encourage them to stay longer in the area than a series of individual and unrelated products. One possibility is to develop a "heritage trail", built around local assets and involving broad local participation. This approach is particularly suitable in the context of Axis 4 because of the variety of local actors it involves. These local actors can work together to jointly analyse local attractions (natural assets, cultural and historical

monuments, local food and drink, etc.), choose the most appropriate ones, and design a coherent tourist package which can bring benefits to the area, while remaining within the limits of sustainability.

The FLAG can play an important role in bringing the actors together, as well as by supporting the promotional and marketing activities. Heritage trails going across several FLAG areas (e.g. along a section of the coast) are also possible and can contribute to enhanced cooperation between neighbouring groups.

### *Heritage trail in Dolenjska and Bela Krajina, Slovenia*



The Heritage Trail in the area of Dolenjska and Bela krajina in Slovenia started in 1990s. The area was considered potentially attractive for tourists due to its beautiful, unspoilt landscape and long tradition of quality food and wine products. However, the local stakeholders were fully aware of the dangers of large-scale, low-cost tourism that can damage the environment and culture of a tourist destination. They were determined to take this into account and to build strong ownership of the project among the local community, and in turn, to offer net gains to the community.

The regional chamber of commerce, with the help of external consultants, identified about 150 potentially interesting sites, of which 28 were ultimately selected to

be included in the heritage trail. The idea was to develop a tourist product which was capable of offering opportunities for stays of up to seven days in the region. This work also stimulated the creation of a regional partnership of 32 organisations from the public, private and NGO sectors.

A significant promotional effort over several years, including the use of a specialist consultancy service, was involved in making the Heritage Trail a recognised tourist product by tour operators. At the moment, two packages linked with the major attractions of Slovenia (such as Lake Bled and the Slovenian capital, Ljubljana) are available for active tourists interested in hiking, biking, horse riding and rowing in the region. The routes connect natural and cultural heritage sites in the region with other tourist offers, such as accommodation, information, services etc.

The number of visitors to the region has been growing by 10-15% a year since 2002 – thus creating additional sources of income across the area. Approximately 600 local providers of supplementary activities have been certified and benefit from this growth. In addition, the development of the heritage trail has contributed to a number of cross-border and bilateral cooperation projects with other countries.

Main points to consider:

- > Developing a genuine “tourist package” in an area that is not known to the wider public as a typical tourist attraction can be difficult and takes a lot of time and effort, including professional promotion;
- > The role of an “animator” is crucial to ensure community involvement in a complex tourist product such as a heritage trail.

Total costs: ca. €2 115 000

Total grants received: ca. €1 700 000 (from a variety of national and EU sources). Municipal funds: ca. €190 000. In-kind contributions: ca. €225 000

[www.slovenia.info/?pot\\_dediscine=2058&lng=2](http://www.slovenia.info/?pot_dediscine=2058&lng=2)

### Key lessons

- > *Distinguish between areas which are already important tourist destinations, those situated close to large centres of population and those that are remote and, as yet, unknown tourist destinations. Adapt your strategy accordingly;*
- > *Be clear about the potential of fishing products, processes and culture for enhancing the tourist offer. More and more tourists are looking for new “experiences” as part of their holiday, but combining these elements with more standard tourist services requires great care;*
- > *Get to know your target audience and adapt to their expectations (e.g. Almadraba Hotel);*
- > *Be realistic: adapt your offer to the assets of your area (e.g. fish restaurants) and to the specific skills of your community (e.g. whale watching);*
- > *Diversification projects can bring benefits to the fisheries sector (pesca-tourism in le Var, whale watching in the Azores) but it is important to be realistic about the real advantages as well as the risks and constraints of any new tourist activities for the fishing community. What is the scope for local involvement, as entrepreneurs or employees? Will these activities improve sales of local fish or provide complementary income for family members? Is there a risk of competition at sea or on the land (for example, for buildings close to the shore)? Map out realistically what can be done to overcome the barriers and maximise the benefits, both for fishermen themselves and for local residents in general;*
- > *Make sure the right mix of services is provided for visitors: if you offer only accommodation, or only food, you will be less likely to attract visitors than if you offer a coherent package (e.g. Heritage Trails, ittiturismo);*
- > *One of the major contributions that FLAGs can make is to support the “upstream assembly” work (bringing together and training different project promoters, market and viability studies, overcoming legal and administrative barriers, etc.) required to prepare the ground for tourism products, and then to ensure that these products work by supporting them with targeted promotional activities “down stream”. FLAGs need to ensure that they allow sufficient time and resources and that their procedures are flexible enough to facilitate this (e.g. Heritage Trails, Almadraba Hotel).*



## 2.5 Creative Industries: art and culture as a spring board for economic development

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When looking at the various options to diversify a fisheries area, some local partnerships might wish to explore the opportunity to develop arts and culture. Over the last decades, many communities around the world have discovered that tapping into the creativity of its inhabitants has the potential to **generate new activities** and employment, and, moreover, to strengthen the **sense of local identity**, while also building **confidence** in the community and its future. There are many important traditional arts and crafts (handicrafts, music, textiles etc) associated with the fisheries sector. In addition, fishing communities can lever in Axis 4 money to support innovative cultural activities.

European Commission data show that creative industries had a turnover of more than €654 billion in Europe in 2003, equal to 2.6% of GDP and employing 5.8 million people. Indeed, within the framework of the European Year for Innovation and Creativity (2009) it became apparent that building creative territories can be a successful model of development and job creation, not only in big cities, but also in small and medium-size towns. Moreover, it is a sector which has seen faster growth than the rest of the economy and which can have a huge multiplier effect through its creative input to other sectors and because of its growing link with digitalisation. See [www.urbact.eu](http://www.urbact.eu) for more information on creative clusters.

Projects focusing on arts and culture can attract the attention of visitors (artists, critics, media people, and tourists) as well as local audiences, who often have fewer opportunities to take part in cultural activities on a daily basis. Arts festivals and workshops, exhibitions and museums offer the local community the sense of being producers as well as consumers of arts, and they can be a way to discover and valorise important local assets linked to the landscape, architecture, costume, stories and folk songs, traditions and imagination, past and present.

Although there are examples of successful private galleries, museums or even theatres (usually in big cities, less frequently in remote, less populated areas), it

is important to remember that – unlike tourism, which can be driven exclusively by the business sector – diversification based on arts and culture usually requires a significant involvement of the public or NGO sector. Local inhabitants with knowledge about trends in contemporary arts, and with good connections to the media are a valuable asset. The FLAG can play an important role in promoting initiatives to the wider public and making sure that the whole community, including fishermen and their families, benefit from such cultural activities.

When a local partnership decides to include culture and arts in its strategy, the range of possibilities can be impressive. In the sections below we present just a few examples: local museums in Germany and Estonia, thematic villages from Poland, and a graffiti festival in a port in Italy. When reading these examples, FLAGs should consider who they might involve from their fisheries areas and how to build creative territories that offer quality jobs and stimulate knowledge and wealth.

### Museums and exhibitions

Local museums and exhibitions are often an opportunity to promote the history, traditions and produce of a given area. Moreover, collecting exhibits can be a good way to involve the local people (who can be asked to contribute historical objects or tools), thus strengthening local pride and stimulating creativity.

A partnership in Portugal, for example, created a network of people – or “guardians of coastal culture” – to develop an online database, [www.ccc.mutuapesca-dores.pt](http://www.ccc.mutuapesca-dores.pt), on cultural and developmental aspects of the ocean and fisheries. The database is organised around themes such as people, organisations, objects, constructions (buildings/boats), documents, stories, events and techniques. The project was led by a fishermen’s insurance cooperative (“*Mútua dos Pescadores*”) and involves local development and heritage associations, the Portuguese network of women in fisheries, as well as two universities and a museum. The approach aims to raise awareness about fisheries-related culture and stimulate local development



initiatives. It also provides training and tools, including practical online workshops (where you can follow on a daily basis, for instance, the construction of a wooden traditional boat).

The fisherman's cooperative, or "*cofradía*", of L'Escala, Spain, has demonstrated that these types of activities can also be profitable businesses, winning the "Best Business Initiative Award" at the 2009 Girona Convention Bureau Awards for their interpretation centre. Attracting young and old alike, the centre is part of a dynamic port area where the *cofradía* runs a restaurant as well as offering seminars, workshops and guided tours of the landing site and fish auction. The permanent exhibition offers information on the life and work of the local fishermen and promotes responsible fishing and respect for the environment. One of its most popular activities has been its cooking "jam session" where well known chefs are invited to improvise fish recipes in front of an audience. Audience tasting sessions then determine the favourite recipe of the participating chefs. For more information visit: [www.maram.cat/en/](http://www.maram.cat/en/)

The promotion of a museum or exhibition will require a professional approach as well as cooperation with various partners; FLAGS can play a key role in bringing these different parties together. The museum can, furthermore, be part of an overall tourism package. Once the reputation of the museum has been established, it can in turn help to promote other local attractions and products.

This is the case at the Museum of Coastal Folk in Estonia, which, in addition to its exhibitions, offers a number of other services, such as the organisation of picnics and family events, as well as selling food baskets of local Estonian products. In this way, the museum space is multi-purpose and also helps to generate income for other local actors. Moreover, it is associated with three other local museums, one of which holds a farmers' market every Saturday.

### ***Bremerhaven Fishery harbour, Germany***

In Bremerhaven, a museum, fishing traditions and culture are all combined in the historic part of the harbour. In addition to maritime shops, restaurants and cafes, there is an information and events centre (Forum Fischbahnhof) in a restored fish shipping hall; a seawater aquarium, called the Atlanticum, a sea fish cooking studio, as well as a theatre and other attractions (including the legendary trawler GERA, now converted to a floating museum of deep sea fishing). Currently, the Bremerhaven FLAG, together with a local institute involved in fish quality evaluation, are looking for ways to further develop the tourist package around the Forum Fischbahnhof.

[www.fbg-bremerhaven.de](http://www.fbg-bremerhaven.de)



Museums and exhibitions can also benefit from the opportunities that **new technologies** offer and FLAGs can be proactive in encouraging project promoters to be innovative when designing activities. The *Var FLAG* in France, for example, has supported a project to digitalise data on local coastal heritage and make it available through barcodes containing the data and posted near the local resources in question. Members of the public can scan the barcodes with their telephone and access a range of information, including videos, on the cultural or natural resource. The project also includes material exhibited at the local marine archeology museum and is already seeing positive results in terms of reaching new audiences, especially young people. The project has also created employment for local people in a number of fields, ranging from the collection and digitalisation of data to the maintenance of the IT system, and local guides to help users become familiar with the concept.

### Thematic villages<sup>13</sup>

The concept of “thematic (or theme) villages”, is linked, on the one hand, to the economic decline of villages resulting from transformation in agriculture, fishing and other primary industries, and, on the other hand, to the growing interest in the “experience economy” (i.e. the idea that people look for an unusual experience, an adventure in which they are not merely observers but become actors themselves).

Thematic towns or villages offer visitors this type of unique experience, focusing on a selected theme. Examples include the Poppyseed Village (Austria) or Hobbit Village (Poland). Visitors are offered a variety of games and stories in which they can take part, accompanied and helped by trained villagers (with thematic make-up and clothes), and the appearance of the village is gradually adapted to the theme.

Such “thematisation” is a particularly suitable option for areas where the major industries (for instance fishing) are in decline and which are not sufficiently attractive for a full-scale tourist development. Developing a theme is not only a way to gain additional income (usually from short stays), but – even more importantly – it provides the villagers with a new sense of purpose and, since it requires the creativity and involvement of many people, both young and old, can strengthen community integration. As a result, such villages show stronger social and economic development than other villages with similar assets.

<sup>13</sup> A lot of material and inspiration for this section was provided by Dr Wacław Idziak from the Koszalin Technical University.

### *Thematic villages in Poland*



This approach has been highly successful in many of the sub-coastal villages in the north of Poland, with unemployment, mainly linked to the collapse of state farms, sometimes reaching over 25% and already affecting the second generation of village families. In such places, communities have a strong motivation to embark on a new type of activity, and it is often the deprived sections of the population, including women, that are most involved.

A group of five “thematic villages” were created in the Western Pomeranian region of Poland in the period 2005-2008, with support from the EQUAL

Community Initiative. The project involved a series of meetings with the inhabitants to familiarise them with the concept; an analysis of assets and the selection of a theme; the preparation of a plan for creating the thematic village; the establishment of cooperation with outside partners (e.g. universities or associations dealing with the theme), local government, school, church, etc; the carrying out of market analysis; training and preparing the technical and organisational infrastructure; marketing of the “product”, evaluating client satisfaction and gradually extending the offer (e.g. from seasonal to all year round). External consultants were employed but strong involvement of the community was of key importance.

A wide range of products were prepared in those villages, including open-air games in the Hobbit Village (Sierakowo), a Healthy Life educational trail (Dąbrowa), field games and wicker-making workshops in the Labyrinth Village (Paprotty), discovering Christmas and Easter traditions in the “Village at the World’s End” (Iwęcino), and fairy stories and cycling (Podgórk). Many of the visitors are pre-school and school children, but some villages also attract adults.

The experience has turned out to be attractive to other villages across Poland. For instance, Karwno in Pomerania where in 2008, the municipality social welfare centre and other stakeholders (local councillor, owner of the privatised state farm etc.) launched an initiative to create a thematic village. The decision on a theme took six months, and finally Karwno became the “Imagination Village”, offering a field game, crafts workshops and games of imagination. In 2010, there were already 700 visitors. The animation activities (involving between 23 and 37 adults, as well as many children) led to the creation of a village association and a drum band and, where there used to be only one rural tourism accommodation facility, now there are four (a total of 45 beds), and a catering company has also been set up. The village as well as individual houses improved their appearance and the people feel more confident.

The total cost of the project (training and animation) was approximately €45 000, fully financed from the ESF.

[www.wioskitematyczne.org.pl](http://www.wioskitematyczne.org.pl)

### Festivals

Cultural events and festivals not only help to build a creative environment but also to establish a real connection between cultural policy and local economic development policy. Festivals can be based around local food products, but fishing communities can also branch into more adventurous areas such as

music or arts. Drawing attention to a fisheries area by involving artists of international renown may not be a solution accessible to all fisheries areas, but might be interesting to some of the better known or more ambitious FLAGs. The city of Ancona in Italy has managed to do this quite successfully.

#### *“Porti Aperti” art festival, Italy*



The authorities of Ancona have for some years tried to enhance the attractiveness of the region and to promote an arts-friendly image. This was linked with another initiative related specifically to Ancona's fishing heritage – the “Open Ports” festival, which involves all of the ports along the coast of the Marche region. This initiative was aimed at opening up fishing harbours, integrating the fishing sector into urban life, highlighting the rich fishing history of the region, and promoting the consumption of local fish. It was originally launched in 2005 with the support of the FIGF<sup>14</sup>, but has in recent years been financed by regional and municipal funds.

Within the framework of this festival, the municipality of Ancona developed in 2010 the project ICTYS or “festival of arts and fish”. This involved cooperation between the fisheries sector and contemporary art to increase the attractiveness of the harbour area. Over one weekend in September, the fishing harbour was turned into a scene for different artistic performances: a photography exhibition (photopoetry) on fishing life in Ancona, the open air screening of movies depicting various aspects of fishing life, music performances, tasting of local fish, etc. The highlight of the event was the exhibition of work by urban artists from all over the world, who decorated the hulls of the fishing boats and other harbour buildings with graffiti linked to the theme of the sea.

The event attracted more than 2000 visitors and received impressive media coverage. Twenty-one street artists (including five local artists) decorated the hulls of 11 fishing boats and numerous harbour buildings. The festival was developed as a collaboration between the town of Ancona, local fishermen's associations, and a cultural association which promotes cultural regeneration of territories through art.

The cost of the project was approximately €25 000, of which €20 000 came from national funding and €5 000 from the municipality.

[www.portiaperti.regione.marche.it](http://www.portiaperti.regione.marche.it)

<sup>14</sup> Financial Instrument for Fisheries Guidance, see Council Regulation 1263/1999: [http://europa.eu/legislation\\_summaries/maritime\\_affairs\\_and\\_fisheries/fisheries\\_sector\\_organisation\\_and\\_financing/l60017\\_en.htm](http://europa.eu/legislation_summaries/maritime_affairs_and_fisheries/fisheries_sector_organisation_and_financing/l60017_en.htm)

### Key Lessons

- > *Human creativity is a vital ingredient for successful local development and FLAGs should seek out and support creative members of the community;*
- > *Artistic and cultural projects do not have to be expensive! What is needed is the ability to harness the creativity of local people (make sure to involve women and children!) who can come up with simple but extraordinary ideas (e.g. painting ship-hulls in Ancona);*
- > *It is possible to develop creative activities even in small towns and remote rural areas; it helps to be in or near a big town (Ancona, Bremerhaven), but proximity to popular holiday resorts (many thematic villages in the "hinterland" of the Baltic sea coast) is sometimes enough;*
- > *Creative activities and events can help to attract and retain talented people and create opportunities for the young;*
- > *Encourage project promoters to make use of new technologies where they can bring innovative ways of doing things;*
- > *Arts and culture activities might start as "events" (e.g. performances, festivals), but at a later stage projects supported by FLAGs should aim to be sustainable in the long term (e.g. museums, periodic rather than one-off events, creating permanent links with key figures in the arts world etc.);*
- > *Cultural events and facilities can be used as catalysts for further development.*

## 2.6 Social services and skills acquisition

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Aging populations, increasing female participation in the workforce, and increasing social and cultural diversity are among the factors shaping European society today. These factors present both opportunities and challenges which are relevant to fisheries areas looking to foster social integration and equal opportunities, as well as ensuring their community members are active, skilled and informed. In the context of the Europe 2020 strategy, which aims to foster a high employment economy and social and territorial cohesion, the following section looks at some examples of the types of services that FLAGs could consider supporting in order to make their areas attractive places to live, work... and retire!

### Care services and social enterprise

Many FLAG strategies point to aging as a weakness of their area, but an increase in the number of elderly and dependent community members also presents opportunities. The elderly possess knowledge and experience that can be mobilised by imaginative projects that wish to tap into this resource; they also tend to have the time that is increasingly lacking among the working population. As for dependents, be they children, the elderly or the disabled, they represent a market for care facilities that is expected to grow significantly in the future. And, care facilities

provide vital services to communities trying to juggle the demands of dependent family members and aspirations for an active working life.

Providing services to the elderly and the dependent not only makes an area more attractive but also helps to create jobs and new economic activities for local communities, not only through care centres and similar services but also through the businesses that supply them. Fisheries areas may attract long term care residents seeking, for example, a coastal area or a calm rural setting for retirement. In the case of retirement homes or care for the elderly centres, there are many examples of social enterprises but also private companies that provide key social services with a viable business model. Revenue may come from social security payments and/or private contributions.

Some of the most successful care facilities, however, are the most imaginative and combine care with other activities. And, conversely, some beachside and rural hotels actively seek out the elderly and disabled with special offer, out-of-season packages in order to extend their tourist season. The following example shows how a fish farm has managed to combine care for disabled people with leisure fishing for tourists.



### *The Rainbow Trout Care Farm, the Netherlands*



*De Regenboogforel* (The Rainbow Trout) is a two hectare fish farm and angling centre in the village of Meerkerk, South Holland. Young trout are bought at a live weight of 300-600 g (€1 per kg) and released into a single fish pond. Angling mainly takes place in the summer but enthusiast anglers also come in the winter. They pay €17.50 for half a day (morning, afternoon or evening) and can keep the catch.

In 2009, the owner of the farm, Mrs Rosita van Steenis, started to offer day care services for youth and adults with physical and mental handicaps. At present, four male youths with autistic limitations come to the farm as care clients a few half-days a week. The official rate is €45 per care client, per half-day and, in the Netherlands, care given by a farm is exempted from VAT.

The activities focus mainly on work: cleaning, helping to release the young fish, feeding the fish and other animals, welcoming the anglers, preparing rods and bait, responding to anglers' questions, etc. They also assist with smoking the trout, working in the vegetable garden or canteen, and sometimes have the time to do some angling themselves. The activities, like on any farm, vary with the seasons: in summer, the focus is on angling, while maintenance is done more intensively in winter.

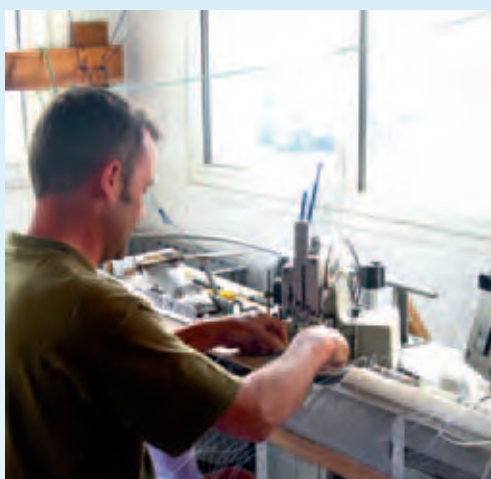
Mrs Van Steenis is keen that the work on the fish farm offers both care and learning opportunities for these young people, and that it clearly contributes to their personal development. She prioritises quality over quantity and, therefore, only accepts the number of guests that allows a standard of care that will help each guest develop their social skills at the pace that suits them. Mrs Van Steenis actively collaborates with the *Association of Care Farms in Utrecht* to find guests, evaluate their experiences and improve the quality of on-farm care. The interaction with the anglers offers a valuable opportunity to the care guests to build up social contacts with ordinary people, while the angling clients ensure the economic viability of the farm.

Contact details: [info@forelvisvijverszederik.nl](mailto:info@forelvisvijverszederik.nl)

The following project is another example of social inclusion but this time through paid employment. This social enterprise fulfils both a social function by offering disabled individuals an opportunity to play

an active role in a working enterprise in which they can contribute their skills and/or knowledge as well as an economic function by generating revenue and jobs in the area.

### *Between sea and land: promoting employment for disabled fishermen, France*



The association, "Navicule Bleue", with the support of the *Marennes Oléron FLAG*, has developed a number of tools, including training and advice, in order to enable fishermen injured at sea to be reintegrated into the labour market. The project included a comprehensive analysis of the needs of former fishermen with disabilities, as well as the creation of employment opportunities in adapted or sheltered conditions in fisheries and other marine activities.

A social enterprise, in the form of an adapted workshop ("Atelier des Gens de Mer"), was created, with six full-time-equivalent jobs. Axis 4 funding was used, inter alia, for the purchase of equipment adapted to the needs of the disabled workers. The workshop provides skilled labour services

to customers in the harbour, ensuring an appropriate quality of service while maintaining communication and awareness-raising among customers.

The key lessons learnt from this project include:

- > the need for specialised expertise to identify needs and constraints in relation to the type of disability and the social context;
- > the importance of involving the beneficiaries themselves as actors of change;
- > the need for adaptability, i.e. constant evaluation of the workers' abilities in order to determine the support structure needed;
- > the need for sustainability: developing a self-sufficient economic model and a "social business plan".

A similar approach is currently being applied, on a larger scale, in another fisheries area in France (**Arca-chon**), with the aim of creating up to 60 full-time jobs, including work in a local hatchery, net mending and harbour related activities.

Total cost: €89 300, Axis 4 support: €30 000

Contact: [thleques@wanadoo.fr](mailto:thleques@wanadoo.fr)

<http://naviculebleue.com/>

### Crèches and childcare

More than just a business opportunity, the provision of childcare and child centred activities can make an important contribution to raising the quality of life in fisheries areas. And, it is a key element in enabling community members, especially women, to access training and employment. As such, there is also a

strong economic benefit to flexible childcare in that it has the potential to create employment, including raising female employment rates, and, as we shall see in the following example, it can also complement tourism and leisure activities while reinforcing community cohesion.

#### *The “Little Rascals” Playschool & Indoor Adventure playground, Ireland*

The “Little Rascals” indoor playschool and adventure playground in the town of Mallow, County Cork (Ireland) was developed by entrepreneurs as an amenity for both locals and visitors to the area. It offers regular childcare services to members of the community, as well as offering a children’s indoor play area with soft equipment such as ball ponds, slides and climbing frames to entertain six month to 12 year old children. There is a strong developmental emphasis to the centre, with access for children with disabilities, and with a range of workshops and activities aimed at introducing children to music and dance. There is also a soft play basketball and football area for older children.

The local Leader LAG, Blackwater Resource Development Ltd., supported the development of this facility with business mentoring and advice, promotion and publicity, and also with a capital grant. Indeed, the project complemented the LAG’s local strategy, filling an identified gap in childcare provision. The LAG also saw strong social and economic benefits for the area, including a positive impact on tourism.

The “Little Rascals” adventure playground is currently six years in existence. It employs 10 people and can cater for up to 250 children at any one time. The facility is being promoted by the national and regional tourism authorities as *“the ideal treat for children and parents”* and is seen as adding significantly to the tourism appeal of the area. As for local families, over 400 make regular use of its services and, with a space for adults to socialise while their children are being catered for, the facility has become a social centre within the community.

Over the years, LEADER in Ireland has supported many community-based and private playgrounds and adventure centres aimed at families and children. These projects have a significant economic benefit, but there is also evidence to show that they enhance community spirit.

Total cost: €130 000. Leader grant: €65 000 (50%) under the local tourism measure

[www.avondhubblackwater.com](http://www.avondhubblackwater.com) and [www.littlerascals.ie](http://www.littlerascals.ie)

### Community Cohesion

As the economy has become increasingly diversified, it is rare these days for communities to enjoy the social bonds that come from a common dependence on a single sector such as fishing or agriculture. Moreover, as mobility increases and migration becomes common place, so newcomers, often with no previous ties to members of a community, are increasingly common in many areas. And yet, the importance of community cohesion and a shared sense of identity should not be underestimated.

This is particularly true in fisheries areas, where communities are increasingly losing touch with their fisheries heritage. Indeed, cohesive local communities that are aware and proud of their traditions and

heritage are better placed to mobilise the assets their areas have to offer and to benefit from social capital in building interesting, pleasant and friendly areas for people to live and visit.

There is much that FLAGs can do to foster community cohesion, including the promotion of projects that bring together different interest groups around a common objective. However, the process of nurturing stronger community ties can start by simply providing a space for community members to meet and interact. These projects often start on a voluntary basis but in time can also become viable businesses in their own right.

#### *The “community” bar, France*



Since 2009, the small rural village of Lherm (pop. 230), in south-west France, has found a new dynamism, thanks to the establishment of the *Bar à Trucs*, a lively bar-restaurant run by a local non-profit association.

In a village that had gradually lost all its commercial outlets, residents had to ‘think outside the box’ in order to re-establish what was considered essential to the local way of life. The answer was the *Bar à Trucs*, a community enterprise offering a range of services and activities, and providing a new focal point for local interaction.

More than just bar-restaurant, the *Bar à Trucs* has become a popular live-music venue, hosting many local bands in a filled programme of end-of-week concerts. There is also a well-stocked “micro-grocery”, selling kitchen and household essentials and a range of local produce sourced within a ten-mile radius of Lherm. A daily delivery of fresh bread also provides locals with a regular opportunity to visit the bar for a quick coffee, a chat or a read of the newspaper, as they collect their lunchtime baguette. Upstairs, there is a public library, with internet access, which further enhances the multi-service and communal nature of the building.

Being run by an association, with a team of volunteers to help out, has made the bar a participatory enterprise, which, together with the staunch support of the mayor and the village council, is considered a key reason for its success.

Thanks to this local support, the *Bar à Trucs* has become a successful and viable business. As well as the many social benefits it brings to the village, it also has a valuable economic role, ensuring that the village benefits from the many tourists it attracts every year and providing full-time employment for three local people.

Contact: [baratrucs.lherm46@yahoo.fr](mailto:baratrucs.lherm46@yahoo.fr)

### **Skills acquisition**

The most important resource in any area is the people. Ultimately, it is the people who will be the protagonists of any diversification. Equipping the local population with the skills, not only to operate but also to be competitive in an increasingly changing and globalised world should be a fundamental element of any local development strategy.

In fisheries communities, traditionally, there was not a pressing need for higher level education or specific information & communication technology (ICT) skills. However, with the ongoing restructuring of the sector this is changing. Fishermen and women must now be more than just people who catch fish. Business, IT and communication skills can all contribute to ensuring that fishing and related activities are profitable and adapted to modern life: efficient, sustainable and accessible. With the decreasing number of jobs in fisheries, many will also be forced to move into other sectors and training that will support individuals to be successful in these different sectors is fundamental to any diversification strategy.

The same goes for training others in the community, be they processors, shop owners or tourist operators. A variety of training and re-training activities is necessary and, based on the characteristics of their territories, FLAGs should think about the needs and requirements for training in order to get the most out of their area's assets. They should think about what type of training projects would best equip their communities with necessary and useful skills.

### ***Business and specialised skills***

Free or subsidised business support to entrepreneurs and SMEs will often already be provided in many areas and, where possible, FLAGs should be aware of the local courses on offer and proactive about encouraging uptake of such courses. Depending on the country, such courses may be offered by local employment offices, colleges or specialised agencies and it is important for FLAGs to build and maintain strong relationships with such organisations. The following example shows how fishing areas can benefit when community members undertake specialised training.

### *Fishing Consultancy, the Netherlands*

Post Consultancy is not your average accounting firm. Mr Post, 39 years old, Director and founder of this company, now employing five people, was a professional fisherman for 13 years. In 2007, in order to help the ailing family business (a fishing company owning a single vessel), Mr Post went ashore to deal with the accounting aspects of the business – and re-trained to become an accountant. He carried out his training in parallel to his fishing activities and, with his degree fresh in his hand, used it to reshape the family business.

Mr Post explains that fishermen spend most of their time at sea, doing a tough job, and the little time they have at home they want to spend it with their families. Becoming entrepreneurs or looking after not strictly fisheries related aspects of their business (policy discussions, regulations, taxes, accounting...) are not high on their agenda. But, all these issues are crucial in the life of fishermen today as they have a strong and direct impact on the future of their industry.

Having saved his family fishing business from bankruptcy and returned it to health, Mr Post sold it a year later and since 2007 has been providing accounting and business advice to fishing companies and employees, which together make up around 60% of his turnover. His unique knowledge of the sector gives him a strong competitive edge as he speaks the same language as his customers. They do not have to spend time explaining quotas, fishing zones, catch regulation etc. And, he understands the complexities of accounting for boats registered under different flags.

#### Challenges

Of course, one should not underestimate the requirements linked with such new activities. Apart from adapting to a very different life style with specific working hours, to be an accountant, for example, you also need a clear eye for details, to be willing to keep abreast of constantly evolving regulations, and you need to study for a degree! You also need access to office space, to invest in equipment such as computers and telephones... and, a cost not to be underestimated, to find and buy proper accounting software.

Nowadays, Mr Post remains committed to the fishing industry and maintains close contacts with his former colleagues as he attempts to look after their interests.

*[www.post-consultancy.nl](http://www.post-consultancy.nl)*



FLAGs can also be proactive in identifying and analysing gaps in the type of training on offer in a territory and, when necessary, take steps to address these gaps: either by finding a project promoter with the skills and enthusiasm to create long term solutions, or by contracting a centre or individual to deliver a specific training course. Below, we include a series of examples that may provide some inspiration for FLAGs.

### **ICTs**

The application of ICT provides a tremendous opportunity for regions to compete effectively and therefore to generate economic development. ICT training is a means of building the skills, capacity and confidence (providing new job opportunities) to harness and manipulate this modern technology.

#### ***Computer training for shellfish gatherers, Spain***

The *Cofradía* (fishing association) of Barqueiro-Bares, Galicia, received a grant from its local FLAG to offer ICT training to shellfish gatherers so they could take a more active role in the marketing and sales of their product.

The ability to navigate on the internet, for example, and download and complete sales and delivery forms was considered vital as otherwise the shellfish gatherers were dependent on an intermediary being present in the *Cofradía*.

The course equipped them with basic computer and keyboard skills, including an introduction to Word, so as to be able to draft letters, create tables and save information. It also provided basic internet training to enable participants to access information such as local management plans for their resource, and download documents such as the delivery forms that need to be completed at first sale.

Total cost €2 450, financed 100% by the FLAG.

Contact detail: [gac1@accioncosteira.es](mailto:gac1@accioncosteira.es)

### *Targeted Courses*

Based on an analysis of needs, FLAGs may want to deliver specific training (e.g. for fishermen and women), be this ICT orientated or otherwise. This training can range from simple courses that provide

basic, but essential, skills to more integrated training packages.

Further guidance for FLAGs on the role they can play in nurturing the human potential in their territory can be found in Chapter 3, section 3.2.

#### *Courses for fishermen wishing to work in tourism, Finland*



Fishermen in North-East Finland were aware they could make additional income by diversifying into tourism and yet they lacked the skills and knowledge to make this a reality. On their behalf, the FLAG contacted the tourism secretary of the town of Sodankylä and, based on the results of a survey and meetings between fishermen, the local authorities and the FLAG, a package of courses was designed to meet their specific needs.

Seven safety courses of 1-4 days each was offered, covering issues such as the safety documentation needed, first aid, and handling a boat with tourists on board. By the end of this set of courses, the 14 participating fishermen had their license to take tourists on board.

In addition, training in customer service and in the creation of a tourist product was offered to help the fishermen understand and develop viable business activities, adapted to the profile of tourist being targeted. Group work, as well as individual study and personalised support, was offered in this phase, to allow for the exchange of ideas, but also for fishermen to get feedback on business ideas they did not want to share with potential competitors.

Finally, the project included study visits to successful and not so successful companies in the area. This allowed the fishermen to gain first hand insights into the workings of tourist businesses, as well as making valuable contacts that might be able to refer clients.

Total cost: €78 000. Axis 4 support: €70 200 (90%)

Project promotor: Local Authority of Sodankylä

### Key Lessons

- > *Activities that provide a social benefit can also be profitable! Sometimes it is necessary to combine complementary activities in order to ensure economic viability (Rainbow Trout Care Farm; “Little Rascals”).*
- > *People are the greatest “capital” of fisheries areas. Invest in giving them the skills to diversify their areas (variety of courses).*
- > *Encourage potential project promoters and other stakeholders to think through solutions that are adapted to the specific needs of the community (tourism package for fishermen, Finland).*
- > *Be imaginative! Turn “weaknesses” into opportunities (leisure activities and care for the elderly, capitalising on the experience of disabled fishermen rather than allowing them to become dependants).*
- > *Don’t lose sight of business fundamentals: all enterprises, whether profit oriented or not-for-profit, must be viable in order to survive. In particular, in the delivery of social services, promoters must not ignore the essential elements of good financial management (the “community” bar).*

## 3. Key steps for implementing a diversification strategy

### 3.1 Introduction

This chapter is about the concrete steps that FLAGs can take to encourage a process of diversification that is sustainable in economic, social and environmental terms.

When we refer to a “strategy for diversification” we do not simply mean what has been written in the proposal for Axis 4 funding. This should always be the starting point but it will often have been written in fairly general terms in order to ensure operational flexibility. By strategy we simply mean that the activities undertaken by the FLAG to support diversification should be well planned, systematic and focussed on clear priorities.

Such a strategy needs to consider a series of closely connected elements which can be categorised in different ways. For the sake of providing FLAGs with a simple operational framework, we have identified **five fields** all of which should be covered in delivering a good diversification strategy.

While FLAGs need to start by clarifying the key ideas for diversification and identifying the people behind them, each of these fields interact with each other and **have to be considered together**.

**Ideas.** What are the main aims and priorities of diversification? What are the common threads or unifying themes that ensure that resources are focused on the interventions that have the maximum multiplier effects? What are the local assets and activities with most potential? What is the best way to stimulate creative thinking and new project ideas?

**People.** Who are the key actors – the project champions, promoters, enablers, funders, users? How to ensure that key groups like fishermen, women and young people participate and benefit?

**Coordinated support.** Which forms and combinations of support are most appropriate in each context? Who should do what and how to ensure that the actions reinforce rather than contradict each other?

**Timing.** When are the different interventions needed, in what order, what calendar and time-scale of intervention?

**Place.** Where are the most appropriate locations for the new activities within the territory (bearing in mind accessibility, infrastructure, local amenities)?

## 3.2 What role for FLAGs?

FLAGs' scope for action and range of functions depends heavily on the local context and, in particular: their budget, the number and skills of in-house staff, their position in local governance systems, the existence of other local agencies, and any specific national or regional regulations. With the exception of a few areas, where the FLAGs are operating almost in isolation, they will always have to work alongside and, if possible, in alliance with other local organisations. In all cases, however, FLAGs are more than just a decentralised office for handing out grants.

### Ideas: sparking off change

If a FLAG wants to promote real change it is very important to build a shared vision of the kind of diversification they would like to encourage over, say, the next 5-10 years and secure agreement (written or unwritten) about how it is going to be achieved. Otherwise there is a danger that a "first come first served" approach will prevail, with projects coming forward from the 'usual suspects' and for standard or risk averse projects. Real change demands vision and normally involves at least two complementary processes:

> Firstly, it involves "getting back on the street" and deepening the creativity and shared dialogue with local stakeholders, which was started when the FLAG strategy was produced. Work with people, generate ideas, use sectoral or themed working groups, task forces, encourage real or virtual local fora, platforms, study visits, exchanges and mentoring. These are all important creative tools which encourage mutual learning and the cross fertilisation of ideas. Capture new ideas and engage local people in their implementation. You want more than just a list of promising sectors or projects and decisions about budget lines, FLAGs can also aim to identify:

- One or two key **unifying themes** rooted in the area's history, environment, economy or society that can be translated into a common thread running through the diversification strategy;
- **The local assets and activities** with most potential;
- Possible **strategic** (flagship or lighthouse) **projects** which really reflect these themes, ideally with strong multiplier or unifying effects;
- **Pilot projects** (both individual and collective), early wins which can motivate others by delivering tangible results.



> Secondly, look before you leap, be hard-nosed and objective with a reality check on the unifying themes and priority activities. Support workers and enthusiastic actors can get carried away by the latest fashionable sector but, as we have seen in chapter 2, competition is fierce in many of these trendy, emerging sectors. You need to put certain conditions in place before they can be considered as a realistic diversification option. If your FLAG is promoting diversification then you need to think

about the conditions for entry into each new sector of activity. Think about designing your support in an integrated way which helps overcome the real bottlenecks. Over time, FLAGs will build up experience of what is feasible in each sector in their area but initially it is worth investing in expert advice on the conditions for entry for private project promoters, using grids like the one in the example below.

Conditions for entry into the activity/sector <sup>13</sup>	Rating
Distinctiveness of the product/service proposed	
Scale of investments required	
Size/trends of the existing/potential market	
Degree of internal and external competition	
Degree of accessibility of the market	
Level of local control of technology/production process	
Skills available locally	
Legal, administrative and fiscal barriers	
Quality of complementary infrastructure and services	
Other: labour input (time) required, seasonality, compatibility with /links to fishing...	

FLAGs also need to screen **public or non-revenue generating projects**, such as infrastructural investments or training, for the contribution they can make to diversification. FLAG members need to be able to distinguish between those investments which provide general benefits to the area (e.g. broad, untargeted training in languages or computer skills) from those which really create the conditions for diversification and promote real change (e.g. training tailored specifically to well-defined diversification project needs). Professional advice and training for FLAG members can be helpful here.

Once the focus of a diversification strategy is identified the FLAG will have to communicate clear messages with an effective internal and external communication campaign. If the FLAG does not have the skills in-house for this, it should consider enlisting the support of professionals experienced in design, marketing and territorial branding, who can help to strengthen the impact.

<sup>13</sup> Agro Campus Ouest has produced several useful guides rating the conditions for entry of fishermen into certain closely related activities while continuing to fish: *Guide des Activités de Pêche et de Cochyliculture en Bretagne* and *Diversification des Activités de Pêche en Bretagne*.



#### *Possible tools*

- > Full use of the decision making board and partnership to mobilise the support of local leaders for the path chosen;
- > Agreement over **unifying themes**, possible **strategic projects, and pilot projects**;
- > Thematic or geographical stakeholder meetings and working groups using different participative techniques (scenario planning, future dialogue...);
- > The selection of promising sectors, sub-sectors and activities that represent opportunities or gaps to be filled (considering issues of “deadweight” and traditional and emerging sectors as mentioned in chapter 1);
- > Advice from experts and/or business people in different sectors on the conditions for entry to certain key sectors and the market potential;
- > Involvement of professionals in design and territorial marketing to develop a communication strategy;
- > Involving local media (articles in local press, interviews on local radio or TV, web-based media) to reach and encourage potential project promoters;
- > Information stands organised by the FLAG at local events;
- > Preparing (or getting beneficiaries to prepare) short project descriptions (case studies) written in simple, non-technical language;
- > Establishing a database of photos, movies and other visual material concerning projects.

#### People: the engines of diversification.

People are *the most* important resource in all local diversification strategies. While new ideas provide the spark for a successful diversification strategy without motivated people involved in driving them they won't develop as real, active and sustainable projects. The critical contribution of the FLAG is to identify, advise, motivate, train and help organise the people, those project promoters and workers who will actually drive real diversification.

These people, the entrepreneurs and the workers need to have the right skills to drive diversification forward and deliver sustainable actions. Not every FLAG will have all the resources or the skills to provide business support or training directly to project promoters, and it is not the FLAGs role to provide general professional training in the area. However, the FLAG is often uniquely positioned to promote a **strategic approach to human resources**. It can develop an analysis and overview of both the local demand for skills, the available supply and from that the area's needs, particularly those gaps that need to be filled to support successful diversification.

The FLAG can also play a vital role helping to improve the fit between training needs and supply acting as a **broker** between local people, existing training and business support organisations and employers. There are many possibilities, e.g. the FLAG itself may design a training project, contract a trainer and carry out the training itself; in other cases they could work with a local training institution and/or an NGO who could submit an application to the FLAG.



Experience shows that local action groups tend to provide three main types of training:

- > capacity building for local development (for local community groups and the FLAG);
- > tailor made entrepreneurship training; and
- > training to provide both the specific and the generic skills required for emerging sectors and activities.

The priority, the real value added of the FLAG in all these cases is not just to fill gaps in standard courses but to design sequences of action-learning approaches adapted to the real diversification needs of the area and its projects.

Who are the priority groups for FLAG interventions in human resources?

Firstly **fishermen**. One of the main aims of all diversification strategies in fisheries areas must be to ensure that fishermen are central to and gain from the economic change, the new opportunities and activities. Fishermen have a wealth of knowledge of the sea and seafaring, the coastal environment and maritime resources but the potential of this and its wider relevance is often unrecognised or undervalued. Exploiting this potential demands knowledge of project development and entrepreneurship, marketing, customer relations, the safety of passengers, IT, languages and other specific and generic skills which fishermen may not possess or have difficulty in developing.

The second group is local **women** – fishermen's wives or partners and other women employed in the fisheries sector or auxiliary activities (including processing, shellfish gathering, net mending etc.). The latter include many part-time workers for whom developing additional activities may offer a welcome opportunity to supplement their income and improve their financial security. Fishermen's wives and partners often work unpaid, administering and supporting their spouse's small scale fishing operations, an essential contribution to their survival. These women frequently take the initiative to diversify into related activities like direct marketing, small-scale processing, catering, restaurants and accommodation, cultural and social services. Supporting this transition through tailor made support and training to raise confidence, build entrepreneurial capacity and develop other specific

and generic skills both motivates and improves the chances of success in both the new and core business. Women's needs have frequently not been prioritised but their participation can be facilitated by ensuring favourable project selection criteria, by ensuring their involvement in FLAG decision making bodies, and by investing in or otherwise ensuring access to support services, such as affordable child care.

If fishing and fisheries areas are to have a future they need to find ways of connecting with **young people**. With the average age of fishermen higher than the official retirement age in many fisheries areas the current situation appears unsustainable. Attracting and retaining young people is therefore highlighted as a major challenge for the sector in many fisheries areas. These young people possess the energy,

imagination and familiarity with new technologies to lead their fisheries areas in new directions. If they are to contribute effectively they must be supported when they lack experience or capital, be included in decision making and given concrete responsibilities. FLAGs need to be proactive, ensure that young people are represented on the board, encourage young project promoters to come forward with ideas – and provide them with ways to link with others who can help them turn these ideas into reality. There are often opportunities for linking the knowledge and experience of older local people with the energy and enthusiasm of the young.

#### *Possible tools*

- > Outreach work (e.g. via regular local advice sessions or antennae) with priority groups like fishermen, women and young people can help FLAGs better understand real needs, motivations, common interests, potential conflicts and barriers to involvement;
- > Identification of leaders and small scale activities, securing early wins that can build up trust and confidence. Concentrate first on opportunities then deal with deficits;
- > Mapping the availability of skills (formal and tacit), the existing provision of education and training, and the needs for skills in existing firms and potential new projects;
- > Identifying gaps in business support and training by priority groups, areas and sector;
- > Creating a forum or task force bringing together organisations providing education, training and business support and employers;
- > Prioritising and encouraging local training and business support initiatives that meet identified needs;
- > Creating a database of local consultants, trainers and other experts that can provide specialist assistance to project beneficiaries (e.g. on financial or technical issues). This should be regularly updated, taking account of the recommendations of clients;
- > Providing space and meeting facilities for training and meetings between project promoters and advisers/consultants;
- > Supporting study visits, mentoring schemes, bringing speakers to the area.

## Coordinated support packages

A key role for the FLAG in a number of fields is to act as a broker; what does that mean here? The broker FLAG assesses what can be done in-house, takes stock of local and wider support available from other agencies and then ensures that the elements are coordinated working together to optimise conditions for diversification. Brokerage requires the attitude and skill of a “territorial entrepreneur”, responding rapidly and imaginatively to opportunities for innovation in the area. Managing Authorities need to be careful to ensure that Axis 4 procedures do not impede this and are sufficiently flexible.

FLAGs can play this coordinating role in at least three different ways.

Firstly, FLAGs can ensure coordination between different **support measures** using the wide range of tools (measures) at their disposal. The art of each FLAG lies precisely in their ability to deliver the right bundle of support measures in the right place and at the right time to create the optimal conditions for diversification<sup>16</sup>. There is no point in handing out grants if the skills are not there and the technology is unknown. Investing in training is pointless if the investment essential for producing competitively is out of reach or the market already saturated. The real value added of the FLAG lies in its capacity to listen directly to project promoters, understand the local situation and the market opportunities and coordinate with other agencies. On this basis they can then design fast and flexible packages of support tailored to local needs.

The second thing FLAGs can do is improve the coherence between different diversification projects and investments and they can ensure complementarity between projects. For example, they can help to ensure that the necessary infrastructure a project requires is in place (e.g. access, landscaping, environmental improvements); avoid conflicts between projects (e.g. not supporting a windfarm which impacts negatively on local fishing); and promote synergies (e.g. a trout farm that builds on local identity and traditions while providing special services for disabled children).



Both these forms of coordination involve **bringing together the efforts of various local actors**, this might be local producers if a local brand is to be created, or providers of accommodation and other visitor attractions to develop a coherent tourist package. Other actors – schools and training organisations, business support centres, banks and other financial institutions etc. – should also be encouraged to consider how best to address the objective of diversification in their daily business.

The table below provides an example of a menu of diversification support measures. FLAGs can design such measures to meet the needs of different sectors and target groups concerned, deciding which it can provide effectively and what is best provided by another agency. Ultimately the important thing is that someone takes ownership coordinating and ensuring that all the main conditions for successful diversification are in place.

<sup>16</sup> [http://ec.europa.eu/regional\\_policy/policy/future/pdf/report\\_barca\\_v0306.pdf](http://ec.europa.eu/regional_policy/policy/future/pdf/report_barca_v0306.pdf)

<b>Menu of support measures targeted at priority groups and sectors</b>	<b>Delivered by FLAG</b>	<b>Delivered by other organisations</b>
Activities mainly carried out (or contracted) by the FLAG itself:		
Information, animation, outreach, facilitation	Activities aimed at all target groups	Stakeholder organisations, local women + youth organisations
Identification, motivation, training for project “champions”, project promoters and workers.	Some training of priority groups	Education and training agencies active in the area
Targeted business advice and project support	First stage, small scale	Second stage by regional business support agencies
Proactive work to overcome administrative bottlenecks (licenses, permits, tax, property rights, applications...)	Awareness raising, work with the local public sector	Own initiatives e.g. by municipality
Activities mainly supported financially by the FLAG:		
Market and technological studies and research.	Adapting match funding requirements to types of project and promoters*	University, Research centres.
Quality control, traceability, certification	As above	Regional and national quality schemes
Branding, promotion and marketing	As above	As above
Investments in productive projects	As above	Larger grants from Regional Development Agencies, loans from banks, etc..
Complementary infrastructure	Grants for small scale infrastructure with strong direct impact	National, regional or municipal investments in larger scale infrastructure

\* FLAGs can ask for a higher level of private match-funding for non-priority projects or where the beneficiary is in a position to contribute more than the minimum amount fixed by the EFF Regulation.

## Timing

This process of diversification can be compared to a journey which starts slowly with very small steps before building up momentum, but beware: sometimes this can turn into a stampede which may generate oversupply.

In the very early stages many of the conditions for entry, even the small steps may seem insurmountable, discouraging private investors who may not be prepared to take the risk. How can a FLAG intervene to help? One approach is for the FLAG to assess whether it is worth helping to reduce these barriers, easing the path by making targeted **pre-competitive investments** to prepare the way. This can involve market and feasibility studies, partnerships with research centres to test out new technologies, investing in improvements to relevant natural and cultural resources, identifying potential stakeholders, providing training and so on. Most of this is likely to be led by the public sector unless the area is fortunate enough to have very strong and motivated civil society organisations. This type of preparatory investment is often an absolute precondition for a new sector or activity to take off – but it is also inherently risky.

As soon as the basic conditions are in place private project promoters are more likely to start to show some interest. The FLAG may well still have to grant aid the first wave of projects until activity has reached a level of momentum and the process has become self-sustaining. Now the FLAG can often reduce its support. However, even at this point the FLAG can help consolidate the benefits by providing support further downstream, in areas such as promotion and marketing supporting the activity through to maturity. This is a dynamic process, sometimes there is a danger that the market may become saturated and the FLAG might have to consider actively discouraging more projects of the same type.

The same point applies to the time required to promote projects among the **priority groups** described above. In the early days of a FLAG's life it is likely that most applications will come from the larger more experience local operators – both in the private and public sector – proposing projects in tried and tested fields. These are the “low hanging fruit” and may be valuable in building momentum. Fishermen, women and young



people are likely to take longer to build the necessary confidence, motivation, skills and capital, but it is vital for the FLAG to reserve resources for preparatory work on potential projects with these priority groups.

Another crucial point to take into account is the need to **balance interventions on the supply and demand side of the market** and to distinguish between mature and emerging sectors. For example, if an area wants to start up a new activity in a fairly mature sector it may be able to transfer and adapt existing technologies, upgrade local skills (supply) and plug into existing commercial circuits (demand) fairly rapidly. However, it has to make sure that the new local product or service can survive in a competitive environment, doesn't displace existing business and avoids saturated markets.

The timing of different interventions needs careful planning and coordination. Entry into a new product or relatively young market sector may require the perfecting of productive processes at the same time as creating totally new markets. Expanding production too fast can lead to damaging overcapacity (e.g. for a new tourist product) – while if the market is stimulated before there is a critical mass of quality products to deliver, customer interest may be lost and may never return. FLAGs need to take this into account when considering the timing and type of support they provide. Here are two useful timing tips for FLAGs:



- > Break down the newer more risky projects into **smaller steps or phases** before any larger scale investment or major increase in production takes place. For example take steps to get the skills in place, e.g. training in marketing, create prototypes, test technology or markets, build in improvements in quality. To allow this to happen procedures for calls for projects need to be sufficiently flexible.
- > Rather than just waiting for promoters to present applications, FLAGs can take the lead and go out to them to build up a **portfolio of potential projects** over time. Some FLAGs formalise this by asking for written expressions of interest. Once the FLAG is able to assess the level of demand for support (the potential supply of projects) it can plan its interventions over time more easily. If there is sufficient demand, it can tighten conditions on the stronger more conventional projects while simultaneously providing more support for priority projects and groups.

#### *Possible tools – getting the timing right*

- > Identifying pre-competitive areas for investment, potential projects from priority groups, mature and emerging sectors;
- > Developing and constantly updating a portfolio of projects with the timing of support and investments;
- > Breaking newer and more risky projects into smaller step by step phases.

## Place

Often *where* to support new activities rather than which ones to support is one of the hardest decisions faced by FLAG boards and managers. This is partly because as soon as an investment is made in one town, village or port – others are likely to demand the same. The result can be a competition between different parts of the same territory to build similar museums and facilities, this may lead to duplication or displacement, a reduction of the quality of the investments or insufficient critical mass at any one location.

One way of dealing with this is to include an element of participative spatial planning in the diversification strategy for the FLAG area. This can help to build up local stakeholders' understanding of the potential and priorities for the area and that some areas are more



suited to certain investment types. The result of this should be agreement that investments will be fairly distributed according to what each area does best.

An obvious example is where some parts of a territory are better suited to tourism and leisure whilst other parts are better suited to higher levels of fishing and industrial activity. Larger flagship projects and project selection criteria can be organised to build on specific advantages of different parts of the territory (for example, emphasising different fishing traditions or aspects of local history, natural or cultural heritage). Similarly projects can build on existing infrastructure: in areas of concentration e.g. ports or tourism facilities, complementary initiatives may be developed, economies of scale may be achieved, projects may be more sustainable and greater value for money in the FLAG investment.

Whilst the right place can make a critical contribution to the success of the diversification projects and strategy, the wrong place may be very damaging. For example in the two previous examples consider the effects of placing an industrial development in a tourist site, placing excess demand on infrastructure or adding a new venture in an already crowded market place. The FLAG should consider the strongest locations where projects can contribute most and where location can contribute most to the initiative's success.

Ultimately this can lead to greater diversity within the area balancing the strengths of the area's assets and activities in a strategic and complementary manner to achieve real added value for the territory and its people.

#### *Possible tools – Place*

- > Village or town based task forces or platforms to identify key local assets and fields in which new activities are particularly appropriate;
- > Local action plans and portfolios of local projects;
- > Agreements over the distribution of larger or flagship projects;
- > Criteria to favour areas with particular strengths or needs;
- > Local information and advice antennas and sessions;
- > The design of itineraries which signpost what each area has to offer.

# In conclusion

By the time you finished this guide you should have some useful guidelines on:

- > why fisheries areas might want to consider diversification;
- > the different types of diversification that are possible;
- > the wide range of opportunities available to fisheries areas;
- > some of the key steps for success.

But every fisheries area is different so – no doubt – you will have to adapt this blend and add many ingredients of your own. Please keep us informed of new ideas that work and old ideas that don't.

Good luck!





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