

Opportunities for local fishing action groups for transformation of rural areas

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Abstract. The importance of territorial governance structures in the context of neo-endogenous and locally based development is increasing for the development of rural areas in the European Union. EU policy and practice of involving stakeholders and building public-private partnerships (PPPs) are among the main tools for implementing this type of governance in rural and fishing areas. Local Action Groups (LAGs) and Fisheries Local Action Groups (FLAGs) work within the framework of Community-Led Local Development (CLLD) and ensure the participation of local residents in the planning and implementation of their Local Development Strategies (LDSs). The purpose of the report is to assess the distribution, development and problems of FLAGs and their role in the transformations and development of fishing territories. Opportunities and guidelines for their development during the current programming period should be presented on this basis. In the assessment of the development and problems of FLAGs, information from primary and secondary sources was used for the implementation of the Maritime and Fisheries Operational Programme (MFOP) and for the implementation of the Community-Led Local Development approach.

1 Introduction

Environmental, social, economic, technological and political challenges to society as a reason for transformation in all spheres. The drivers of transformations include changes in demographics, climate change, loss of biodiversity and other environmental issues, competition for resources, etc. which underlie the growing diversity in lifestyle and governance. The importance of territorial governance structures in the context of neo-endogenous and locally based development is increasing for the development of rural areas in the European Union [1-3]. The policy and practice of involving stakeholders and building public-private partnerships based on the EU LEADER initiative are among the main tools for implementing this type of governance in rural areas [4]. Since 2014, they have been working within the framework of Community-Led Local Development [5], which emphasizes the participation of local residents in the planning and implementation of Local Development Strategies [6-8]. The problems of the creation, financing, management and functioning of the local action groups created under the LEADER program in Bulgaria are the subject of interest of a number of research teams. At the center of the analysis are the problems of creating local action groups [9, 10], their characteristics, functions and problems [11], their role in the

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development of rural areas [12, 13], the differences in the application of the approach LEADER and Community-Led Local Development in the last two program periods [14, 15], etc.

In the mentioned publications, the problems and development of the local fishing initiative groups, which are the subject of research in this publication, have not been evaluated and included.

The purpose of the report is to assess the distribution, development and problems of Fishing Local Action Groups and their role in the transformations and development of rural areas. On this basis, opportunities and guidelines for their development during the current program period should be presented.

2 LAG – a form of public-private partnership and engine of local development

Local Action Groups (LAGs) are increasingly identified as important actors in regional development in rural areas of the European Union. Their nature as independent associations of local actors is emphasized, which are based on public-private partnerships and have the right to develop local strategies and allocate resources according to the LEADER method [4, 10]. The LAG territories cover more than half of the EU rural population and in their composition they are including representatives of municipalities, business organizations, non-governmental organizations and other stakeholders who work throughout the EU [16].

The implementation of the idea of partnerships implies the determination of new positions of local authorities as helpers, not as providers of services to meet local needs [17]. Failure to understand this change leads to a number of cases of "management failures" or ineffective local projects [18]. According to some researchers [19], conditions for such problems are sometimes created in cases where LAGs are dominated by the public sector. The unfavourable result of the creation and implementation of the local strategies is also associated with the incompatible goals of the stakeholders (especially in the case of conflicts in spatial planning and the localization of investments), most often between the local government, local communities and non-governmental organizations [20, 21]. Other authors [22, 23] believe that public authorities often support projects with a focus mainly on economic efficiency and neglect the aspect of sustainability and social needs. In these cases, the potential of territorial units is used very inefficiently [24]. These problems, to a lesser extent, also appear in the Local Action Groups. The differences in the objectives set by the central government and the local community represent an important problem identified in exogenous development.

Researchers view territory as a complex set of meanings, values and resources and a site of human activities, all of which are interrelated. The spatial/territorial factor and the local scale create additional demands on management. For some authors, this is particularly evident because "coastal development intensifies competition for space and scarce resources, creating both winners and losers" [25, p. 266]. The activation of the local community and the ability of the participants to "agree on a common vision for the future of their territory" [26, p. 35] or to build "well-functioning territorial governance systems" are a prerequisite for effective policy-making [27]. Governance in terms of place-based policies focuses on territorial dynamics, monitoring and evaluation of territorial impacts and spatial containment policies [28]. In this regard, public-private partnerships have traditionally been seen as an important tool for improving both the governance and the participation of local citizens in the management of local resources in the rural areas of the European Union. They seek to improve policy coordination and adaptation to local conditions, leading to better use and targeting of programmes, integrate civil society concerns into strategic planning carried out

through more widespread participatory democracy, stimulate corporate participation in local projects and promotes greater satisfaction with public policies [29].

Embedding LAGs in local conditions theoretically provides an opportunity for the successful transfer of global policies to the regions. Good cooperation is an opportunity for the successful transfer of global policies to the regions. At the same time, it can bring problems if top-down programs do not meet local needs and perspectives [30].

3 Methodological framework

To realize the purpose of the article, mostly secondary sources of evaluations and analysis of the creation, development, management and financing of the fishing local action groups by the Ministry of Agriculture were used.

In the center of interest is the method of financing, which after 2014, with the application of the CLLD approach, was expanded by introducing diversification and expanding the sources of financing. Four more were added to the European Fund for Financing Agriculture and Rural Areas. Each EU Member State chose funding from a single fund or from a combination of the five funds. In this way, not only the possibilities for supporting the development strategies of a certain territory are expanded, but also a wide palette of promoted priority activities is deployed. During the 2014-2020 programming period, 16 member states have integrated more than one fund to support the development of the territories, including 5 countries that apply the approach to implement the strategies of the Fishing local action groups.

Unlike the LAG, the financing of the preparation for the creation of the LAG and the implementation of their strategies continued to be carried out by one fund - the European Maritime and Fisheries Fund (EMFF). Through it, 368 FLAGs operate in 20 EU Member States with a total budget for the implementation of the CLLD of around €700 million, of which 74% is from the EMFF.

The second program period ended only a few months ago, so data from the mid-term evaluation of VOMR implementation at the national level under PMDR 2014-2020 [31] at the end of 2020 is being used and analysed to assess the focus of projects and issues.

4 Distribution and characteristics of FLAGs

The LEADER approach (which has developed into CLLD) has been applied in the rural areas of Bulgaria since the beginning of the century - initially with pilot projects under various European programs [9], and after 2007 as part of the programs for the development of rural areas and the National Development Plan of agriculture and rural areas.

The delay in starting the preparatory measure and the insufficient administrative capacity at the local level during the first program period became the reason for the implementation of only 35 strategies for local development on the territory of 57 municipalities and for 6 strategies of local fishing initiative groups. The data in table 1 shows that the total territory of FLAGs is 7,375 square km with a population of 211.8 thousand. Administratively, these are 17 municipalities - rural areas, including 3 located in rural areas, 4 in the Black Sea region and 3 near the Danube. As a result, the average area of a fishing territory covers 1229 sq. km.

During the second programming period of our country's membership in the EU (2014-2020), divergent trends are observed. Currently there are 9 FLAGs operating in Bulgaria (50% more), with the total area increasing by 44% and the population by 67%. Some of the groups created in the period 2007-2013 did not implement a subsequent strategy. This happened with a FLAG covering the territories of three of the Danube municipalities. At the same time, the number of mountain municipalities with FLAGs has doubled and the Black

Sea municipalities have increased by 27 %. For the first time, 3 urban municipalities are also included in the fishing territories.

Table 1. Characteristics of FLAGs

| Indicators | Programming periods | | |
|--|---------------------|-----------|-------------------------|
| | 2007-2013 | 2014-2020 | Change % (2020/2013) |
| Number of FLAGs | 6 | 9 | 150 |
| Total area FLAGs (km ²) | 7375 | 7649 | 144 |
| Average area of fishing territory (km ²) | 1229 | 850 | 69 |
| Population (thousands) | 211,8 | 353,4 | 167 |
| Average population of fishing territory (thousands) | 35 | 39 | 111 |
| Number of municipalities in FLAG | 17 | 18 | 106 |
| Number of rural municipalities with a FLAG | 17 | 15 | 88 |
| Number of mountain municipalities with FLAG | 3 | 6 | 200 |
| Number of Black Sea municipalities with FLAG | 11 | 14 | 127 |
| Number of Danube municipalities with FLAG | 3 | 0 | |
| Number of urban municipalities | 0 | 3 | |
| Number of inland fishing territories with mountain characteristics | 1 | 2 | 200 |

Source: [31]

Significant territorial differences are observed. Six of the fishing territories are in the region of the Black Sea coast and include 11 of the 14 municipalities designated as Black Sea. At the same time, none of the 24 Danube municipalities is included. Two of the territories along the Black Sea coast and one inland territory fall partially into agglomeration areas.

The total number of jobs in fishing territories related to fisheries and aquaculture (including in the field of processing fishery and aquaculture products) reaches 2,509. Compared to EU countries, the average number of jobs in a fishing territory is low in Bulgaria - 279 in our country against 678 on average for the EU. The average area and the average number of people employed in the fisheries and aquaculture sector in the Bulgarian fishing territories (on the basis of minimum area and minimum population) have one of the lowest indicators compared to these indicators of other EU countries, about 3 times lower than the EU average. This logically leads to higher costs for one workplace by 60% (BGN 14,000 versus BGN 9,350 in the EU).

For the current program period, capacity building and preparatory actions are planned to support the development and future implementation of strategies for Community-Led Local Development (16 local development plans), and along with the nine active groups, 7 new ones will be created. The latter should be implemented at least 255 projects, of which at least 30 are for collaboration. The total budget for the activity is EUR 248,500 EMFAF.

Implementation of 15 strategies for Community-Led Local Development and 255 realized projects, of which at least 30 for cooperation between groups, is planned. With their implementation, more than 225 jobs will be created and more than 337 will be preserved. Social sustainability is essential for the development of rural areas. Regarding this indicator, at least 30% of the beneficiaries of the approach are expected to contribute to its implementation.

The comparison between the almost completed two program periods gives grounds for conclusions related to expanding the scope of the territorial development approach (local development in rural areas, regions and seas); to implement a more flexible model and wider

opportunities for local beneficiaries to adapt to local conditions and experience innovation, etc. [13]. All this is the basis of the integrated territorial management and the promotion of economic recovery through the creation of employment with an emphasis on the specific needs of the individual territories; investments to improve the quality of life and well-being of the local community, etc.

5 Analysis of the direction of the projects and the problems of their financing

Within the second programming period, there is an increased interest in preparatory activities for creating administrative capacity and preparing strategies for local development. The completed 14 projects, realized under measure 4.1., created prerequisites for more proposals for participation in measure 4.2. At the end of 2017, 11 proposals were approved, of which 9 are being implemented.

By the end of 2020, 127 project proposals have been submitted for evaluation and financing in implementation of the strategies of the FLAGs. The largest presence of projects (Figure 1) developed by the non-governmental sector (47.3 %), followed by the public sector (30.2 %) and business organizations (22.5 %). There are significant differences in the activity on the territory of the different territories. The developed projects are between 9 and 20 or an average of 14 per FLAG.

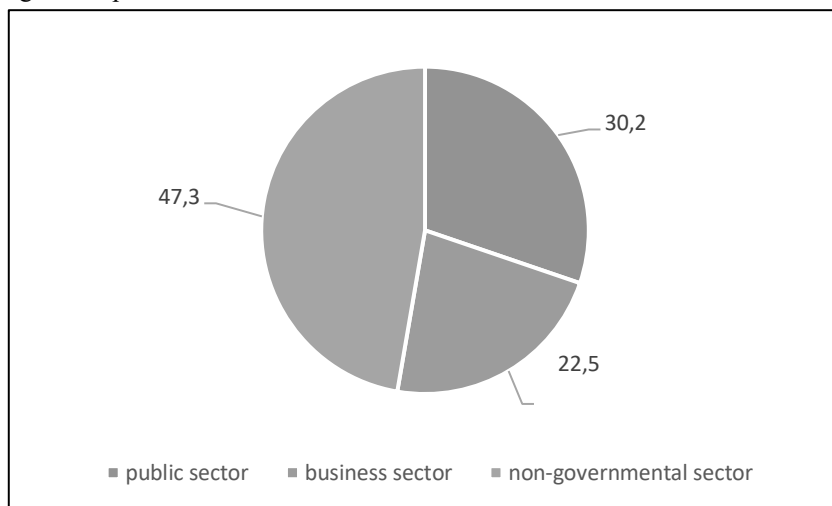


Fig. 1. Distribution of projects by sector
Source: [31].

For a period of about 12 months from the receipt of the first proposals to the Managing Authority of the Maritime and Fisheries Program, 46 project proposals were approved and 19 were rejected (29.2%). In practice, an average of about 5 were approved for each FLAG, but as shown in Figure 2, the number of approvals varied between 0 (FLAG BG 9) and 10 proposals (FLAG BG 3) for different FLAGs.

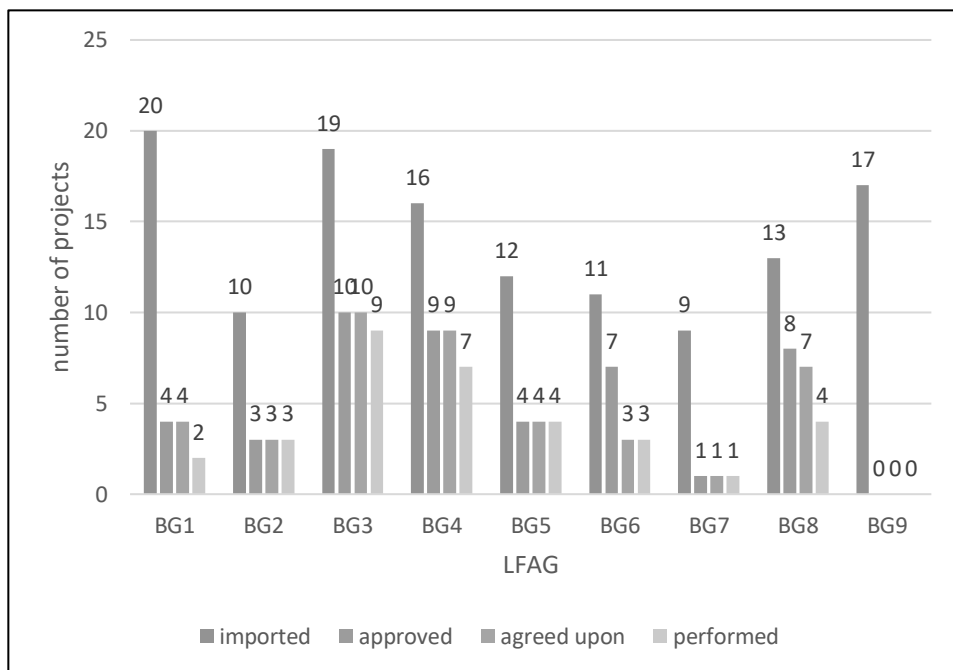


Fig. 2. Number of received, approved, agreed and implemented projects as of 31.12.2020.
 Source: [31].

The delay in the evaluation of almost half of the received projects confirms findings from the previous period about the too long periods for evaluation and decision on financing the projects [9, 10], which demotivates part of the potential beneficiaries. This is probably also the reason why five of the approved projects (12.2%) did not conclude contracts for their implementation.

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The implementation of 6 projects has been completed and funds have been paid for two of them.

The procedures for acceptance of project approval do not sufficiently take into account the specificities of FLAGs. Practically the same administrative system is applied as for the other measures within the MFOP 2014-2020, but with the presence of one more structure in it. This two-level administrative system of selection and evaluation is characterized by "a high degree of time-consumingness - an excessively long and cyclical process of movement of a project proposal from its idea to its realization [31].

The practice of constant changes in the project cycle administration system continues. In May 2018, the previously planned delegation of the project proposal evaluation process was canceled on the basis of a letter from the Directorate-General of MARE on the occasion of an audit carried out in November 2017. The consequence of this is that after the initial selection of projects by FLAGs, the MA of MFOP performs a comprehensive administrative, technical and financial evaluation of the submitted project proposals.

The applied project cycle administration system reproduces the weaknesses characteristic of the first program period, such as limiting the possibility of innovation and the development of territorially related project proposals, etc. A logical result is the refusal to develop projects

by potential beneficiaries and to negotiate and implement them by already approved beneficiaries. At the same time, the fact that the assessment is carried out at the level of measures and not at the level of strategies makes it very difficult to assess the contribution of a given project at the level of strategy.

In terms of content, 30 projects are classified as fish farming (23.3%), followed by environment (18 projects), blue economy (16 projects), trade and marketing (4 projects), aquaculture (2 projects), etc. The most numerous 59 are the projects in the field of culture and traditions.

6 Opportunities, guidelines and recommendations

In the specialized literature on the problems of development of the territories with FLAGs, differences are found between the countries of Northern and Southern Europe. It is concluded that in northern countries the emphasis is on wind farms and renewable ocean energies as key drivers of blue growth and multi-use sectors, while in southern European countries tourism is its main and stable source of income, it mainly represents a trend to create smart, small and soft [32] co-locations of both traditional and emerging maritime economic industries. The combination of fishing, tourism and environmental protection in European seas is concentrated on the French Atlantic coast [33], in the Mediterranean Sea [34], the Adriatic Sea, the Aegean Sea, etc. The indicated direction of the projects in the previous part proves that the trend in the countries of Southern Europe is also characteristic of our country.

The possibilities for expanding the distribution and diversifying the implemented projects during the current program period are synthesized in Priority 3 "Creating prerequisites for the growth of the sustainable blue economy and stimulating the development of communities involved in fisheries and aquaculture in coastal and inland areas" of The Maritime and Fisheries Program. For the implementation of the Priority, interventions have been developed that are key to the development of the territories defined in the Program. Through the application of CLLD, the aim is to achieve the optimal effect and the greatest added value for overcoming the economic and social problems and the significant differences in the development of fishing areas.

The thematic focus of local development strategies is expected to be: adding value, creating jobs, attracting young people and promoting innovation at all stages of the supply chain of fisheries and aquaculture products, as well as supporting diversification within of commercial or non-commercial fishing. In this direction are the other areas related to the improvement and use of the ecological features of the fisheries and aquaculture areas (including operations to mitigate the impact of climate change); promoting social well-being and cultural heritage in fisheries areas and strengthening the role of fishing communities in local development and management of local resources in fisheries and marine activities.

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