

LOCAL ACTION GROUPS – A NEW FORM OF PUBLIC-PRIVATE PARTNERSHIP IN RURAL AREAS OF BULGARIA

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Abstract

Purpose of the paper is to assess the problems of creation and functioning of local action groups as form of public-private partnership. It is based on the survey and data provided by Ministry of Agriculture and Food. Conclusions in this report reflect the results of a research project of the University of National and World Economy, developed by the author team.

Keywords: local action groups, rural development

INTRODUCTION

In the pre-accession period of our country's membership in the EU were gradually introduced a number of approaches and instruments of the Common Agricultural Policy. The LEADER approach was first included in the Program for Rural Development (2007-2013) after the country's accession to the European Union. For this reason it was approbated in a limited number of Bulgarian municipalities included in the projects of the Ministry of Agriculture and Food and other international organizations.

After long preparation, in early 2008 was carried out the first procedure for approval of proposals of sub-measure 431-2 "Acquisition of skills and reaching community activity of the relevant territories for potential local action groups in rural areas."

The implementation of this preparatory measure led to approval of 102 projects for development of potential local action groups and funding of 8.45 million. € Of these, 93 projects are realized. They cover 158 rural communities, an area of 64,070 km² and a population of 2.266 million (Table 1).

Although the Program for Rural Development in Bulgaria is carried out since 2007, the actual work on the implementation of strategies for local development started only in 2012. For these reasons, the subject of scientific interest is the nature and development of the LEADER

approach [1, 2], its application in other EU countries [3] and creation of local action groups [3].

Table 1. Number of projects and territorial scope of local action groups

Specification	Units	Value	% of rural areas
Potential LAG	Number	93	
Rural municipalities	Number	158	68.40%
Territory	km ²	64 070	70.97%
Population	Number (mln.)	2. 266	72.25%

The purpose of this paper is to evaluate the problems in the creation of local action groups and the development of their strategies for local development.

MATERIAL AND METHOD

The study of the process and problems in the creation and registration of local action groups, as well as the development and adoption of local development strategies was accomplished through: Selection of the objects of study; Study of documents of the status and problems of the territories for the creation of potential local groups in order to assess their potential for development; Conducting of structured interviews with representatives of local action groups and municipal leaders regarding preparation, launch and implementation of projects; Analysis and evaluation of materials for implementation of project activities for acquisition of skills and reaching public activity

on the territory of potential local action groups in rural areas and to develop strategies for local development, made them public on the websites of local action groups; Survey of the problems of project implementation.

In choosing the objects of study were used six criteria: Areas with high activity of municipalities and civil society on the axis "Leader"; Areas with high potential for development due to their spatial location and opportunities for cross-border cooperation; Disadvantaged and other rural areas with natural and climatic, terrain and other constraints; Municipalities with low number of population, united in a common local action group; Municipalities included in project preparation for the implementation of the approach "Leader;" Potential local action groups with various beneficiaries of aid projects. The study included the territories of twenty-one municipalities in different areas. They are located in 9 areas and five planning regions. The included municipalities are with populations between 4,636 and 41,582 inhabitants, ie the differences are more than 9 times.

RESULTS AND DISCUSSIONS

Data from the survey shows that municipalities are the main initiator of the creation of prerequisites for realization of LEADER approach. They are motivators in the process of creating LAGs in 64% of cases. For this reason they are the beneficiaries of the projects as well. Exceptions are two local action groups with beneficiaries - a community center and a NGO and two others where the local business entities are the initiators.

Depending on the scope of the territories in which they were established eight LAGs are in the territory of one municipality, 5 include the territories of two municipalities and one covers the territory of three municipalities.

Table 2. Distribution of municipalities and local action groups formed according to the initiators of the LAG, %

Initiators for LAG formation	Structure of the formed LAG	Structure of the municipalities
Municipality	64	52
Local business structure	7	14
NGO structure	29	34
Total	100	100

The territories in 36% LAG have occurred conflicts with respect to the territorial scope. They are the reason for refusal of two municipalities to participate in joint LAG with neighboring municipalities and for the change of partners in other two LAGs.

This led to difficulties in developing their applications on the project and causes two LAGs to fail within the first procedure.

Respondents were unanimous in their assessments for the too long delay in approval of projects and awarding contracts for implementation and funding. In interviews many of the representatives of the municipal administration share their negative views mostly on the work of the funding body, as well as the discrepancy in the assessments of the incurred costs between the Managing Authority - Ministry of Agriculture and Food and the Paying Agency.

Regardless of the training according to 52% of respondents administrative capacity of local administration is insufficient as there are "only certain employees who are competent on the problems for developing and managing of projects." Only in three municipalities (14%) - the assessment is that employees are sufficiently qualified for developing and managing various projects, and in 29% of the municipalities the employees need additional training to deal with the work of the LAGs (Table 3).

When asked about the level of awareness of people almost all respondents were unanimous in their assessment that, despite the wide publicity of the activities of the project, about one third of the population is informed of the possibilities for development of municipalities contained in the Program for Rural Development. The majority of municipalities (76%) believe that public awareness is moderate. 19% of municipalities are with a high degree of awareness (50%) and only 5% of municipalities have low levels of awareness of the residents for the project actions and establishment of LAGs.

Table 3 - Distribution of the assessments of respondents for the capacity of local administration and the participants in LAG (%)

Indicators and assessments	Municipalities' structure	Structure of LAG areas
They are trained to deal with development and management of various projects	14	7
There are some employees who have knowledge and ability to develop and manage projects	52	57
They need additional training to deal with the activities of LAGs	29	29
There is insufficient administrative capacity	5	7

Local civil society are still underrepresented in the activities included in the Leader approach, since organized meetings and forums in 48% of the municipalities involved only interested citizens and representatives of local administration (Table 4).

Table 4 - Distribution of respondents according to their assessment of the involvement of local citizenship in organized events - meetings, trainings and others (%)

Indicators	Assessment
Actively involved throughout the whole territory	19
Actively involved only in some settlements	24
Participate only certain interested citizens and representatives of local administration	48
Participation is unsatisfactory and formal	9

As unsatisfactory and formal is evaluated the participation in 9% of the territories. This response is shared by local action groups involving more than one municipality. In 24% of cases, residents of some villages in the municipality actively participate. Experts say the reasons for this can be found in the experience of successful implementation of projects of municipal administration.

The study implements five degrees Likert scale to assess the degree of agreement of respondents to the level of expression of the problems for project realization. Overall, it can be concluded that for the first phase related to provision of information to community and identifying of local leaders and their training, evaluations dominate the first three degrees - from separate to none difficulties. Respondents share common problems that have caused a reordering of the planned activities or deposition over time. In this respect, they

shared their negative opinion on the complicated procedure to change the timeframe of the various activities involved in the project and the need to inform for each activity.

On a comparable basis among the preparatory activities for the establishment of local development strategies-the greatest difficulties were in determining the local leaders and organizing meetings to inform local residents, two of the groups had significant difficulties, respectively, 23% of respondents. These are municipalities with a large number of small settlements, where were carried out joint activities for residents of several villages.

According to data from interviews, representatives of potential local groups and rural residents are made familiar with the work of local action groups in Italy, Hungary, Slovenia and others. They evaluated positively the studied experience and problems of implementation of their strategies for local development.

When asked to assess the problems that hinder the implementation of projects under sub-measure 431-2 "Acquisition of skills and reaching community activity on the relative territories for potential local groups in rural areas," respondents gave 3 to eight responses that confirm several of above findings and conclusions. These opinions can be grouped into the following areas:

- Lack of experience in implementing of similar projects, both by the beneficiaries and experts in the MAF;
- The overall procedure for financing the project activities;
- Lack of developed and approved regulations;
- Communication problems with managing and funding bodies;
- Long period of reimbursement of incurred costs;
- Difficulty with communication with institutions.

Together with the high estimates for potential of local action groups as forms of public-private partnership project coordinators in measure 431-2 - identified as major causes of the problems encountered in implementing the project activities as follows:

-Distrust of local residents to the access to program measures for rural development;
-Difficulties in finding local leaders and in mobilization of the public to participate in surveys to determine the strategic objectives of the region;
-The large time lag between the implementation of the first activities in establishing local capacity and the practical start of realization of strategies for local implementation - more than 3, and for some areas - probably 4 years. This is a prerequisite for the emergence of mistrust and rejection of intentions to develop certain activities of potential participants in the projects set out in local development strategies;
-The limited number of experts in the preparatory measure, which has hampered the deployment and implementation of some actions over time.

Despite these difficulties, in October 2011 were approved strategies for local development in four of the surveyed LAG. One of these groups is located on the territory of three municipalities, two LAGs have territorial scope of two municipalities and one is within the boundaries of one municipality. These LAGs constitute 25% of all approved under the measure from the Program for Rural Development.

CONCLUSIONS

Local action groups are new to the Bulgarian countryside, a public-private partnership. Their establishment and operation is accompanied by a number of difficulties associated with limited administrative capacity of municipal administration and low activity of NGOs and business structures. On the other hand, the several years period for their establishment was accompanied by constant changes in regulations governing their organization and financing.

Not least the Bulgarian authorities and the central level were not sufficiently prepared for the administration and financing of measures for "Leader" approach implementation. This is the main reason the implementation of local development strategies to start just in 2012 and

the implementation of projects included in them - probably in 2013. The latter means that the preparatory period actually lasted more than 4 years, discouraging some of the potential beneficiaries of projects.

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