

Defining fisheries areas under Axis 4 EFF

Axis 4 of the European Fisheries Fund is different from the other three Axes, since it is targeted on fisheries areas (it is entitled 'Sustainable development of **fisheries areas**') rather than just the fisheries sector. The use of funds allocated to EFF Axis 4 requires three basic conditions to be fulfilled:

- a local **area** must be selected, in conformity with EU and national requirements;
- a local **partnership** or group must be created (the Fisheries Local Action Group or FLAG), involving key actors in the given local fisheries area; and
- the partnership, together with the wider community, must prepare and implement a local development **strategy** for the fisheries area.

The measures in the EFF Regulation for Axis 4 (Article 43) aim to achieve the sustainable development of fisheries areas in a number of ways:

- by promoting the economic and social prosperity of the area - particularly through adding value to fisheries products;
- by developing jobs in the area through support for diversification ;
- by enhancing the quality of the coastal environment (*ergo* of the area); and
- by encouraging cooperation between fisheries areas.

So the **area** constitutes the common basis for forming the partnership, preparing the strategy and implementing the proposed actions. The strategy and the activities financed under it must be closely related to the characteristics, conditions and needs of the fisheries area. Fundamentally it is the area itself (and not individual projects) which is the subject and target of the public funding and it is those living or working in the area who decide on the priorities and projects that will be supported.

What do the EU regulations say about fisheries areas?

The EFF Regulation imposes relatively few conditions on the fisheries areas, stating that:

- the areas must be limited in size and, as a general rule, smaller than NUTS 3 (Article 43.3);
- the priority areas should either have a low population density or fishing in decline or small fisheries communities (Article 43.4);
- the area should also be sufficiently "coherent from a geographical, economic and social point of view" (Article 43.3) and "have sufficient critical mass in terms of human, financial and economic resources to support a viable local development strategy" (Article 45.3)

The Implementing Regulation adds that:

- the operational programme shall specify the procedures and the criteria for selecting the fisheries areas. Member States shall decide how they will apply articles 43.3 and 43.4 of the Regulation (IR Article 22.1);
- the fisheries areas selected do not necessarily have to coincide with a national administrative area or with zones established for the purposes of eligibility under the objectives established by the Structural Funds (IR Article 22.2).

WHO DEFINES THE AREA?

In practice, the definition of fisheries areas is often one of the most hotly contested issues in Axis 4. It is frequently the result of long discussions and negotiations involving key local, regional and national authorities. During these negotiations there is often strong pressure to satisfy a wide range of stakeholders and this can lead to an expansion of the boundaries of fisheries areas and a dilution of the funding.

Despite the fact that, under Axis 4, fisheries areas do not have to be confined to existing administrative boundaries, the result of the negotiations is usually a combination of municipalities (NUTS 5 areas). In fact, in some countries the formal declaration of the local authority (e.g. the local council or mayor) is a necessary condition for the given locality to be formally included in the FLAG area.

In this context, the Regulations allow Member States (or regions) to use different approaches to area selection.

For example, some Managing Authorities may describe only the broad conditions which a territory has to meet in order to benefit from Axis 4, inviting fisheries communities from most of the country to make proposals as FLAG areas. This has the advantage of being more bottom up but Member States have to judge whether they have the systems in place which will allow them to select the areas which genuinely have the “critical mass” and are the most “coherent and able to support a viable development strategy”, as required in the Regulation.

Other Managing Authorities may prioritise territories which meet certain characteristics and then encourage the creation of partnerships and development of strategies in these areas. This has the disadvantage of being more rigid and top down, but, in certain circumstances, it can ensure that funding is concentrated on areas that fulfil the conditions for meeting the strategic objectives for Axis 4.

There can be also intermediate options, e.g. the Managing Authorities indicates the broad geographic scope of Axis 4 eligibility (e.g. only a certain part of the coast, exclusion of certain large ports and so on), but the actual number of groups and their borders are negotiated between the local authorities and other partners.

ADDRESSING NATIONAL PRIORITIES IN SELECTING THE TYPES OF AREAS

The overall size of the Axis 4 budget and the number of groups proposed influences area selection. Countries or regions with relatively large budgets can “afford” to allow more flexibility in selecting the areas and groups. Countries with a very limited budget may tend to focus the funds on a small number of areas which may in turn have to meet stricter selection criteria; this can limit the scope for initiative by the local communities themselves to define their own area.

Normally Managing Authorities will prioritise areas that are clearly dependent on the fisheries sector, analysing such characteristics as:

- the economic importance of fisheries, e.g. as measured by the percentage of area or sectoral GDP, GVA or employment generated by the local fisheries sector;
- the social importance of fisheries, i.e. the implications of the current and historical dependency of the community on fisheries activities e.g. in terms of local infrastructure and services;
- the degree to which the fisheries sector in the area has been affected by wider or global trends and influences;
- the heritage, tradition and culture of fisheries; and

- the fisheries sector's role in the preservation of valuable natural or cultural assets.

Managing Authorities may also decide to use additional criteria in order to target more deprived areas (e.g. GDP or unemployment level). However, the main focus of selection should remain the quality of strategy and partnership and not deeply rooted socio-economic deprivation which cannot be significantly reduced solely by local action.

HOW CAN THE DEFINITION OF AN AREA INFLUENCE AXIS 4 IMPLEMENTATION?

The process of establishing a Fisheries Local Action Group and the Managing Authorities' criteria for evaluating group proposals should seek to ensure that areas selected constitute a good basis for the local partnership and strategy. In selecting and defining areas, at least the following factors should be taken into account:

- the size and critical mass of the area;
- the common characteristics of the area and its coherence;
- the sense of local identity; and
- the development potential of the area.

SIZE AND CRITICAL MASS OF THE AREA

There is no “golden rule” concerning the size of the area, however areas that are too small or too big can have serious disadvantages.

The minimum population size that is thought to ensure the necessary “critical mass” is usually 10 000 but in some countries or regions with low population density this threshold can be reduced to as low as 5 000 inhabitants. An area which is very small (especially in terms of population) is unlikely to have sufficient “critical mass”, which might mean, for instance:

- that there may be too few local leaders or other active people capable of ensuring implementation of the strategy (frequently in small areas much of the activity depends on key individuals, when they retire or depart they are difficult to replace);
- that there are too few entrepreneurs to propose good private sector projects;
- that there is insufficient local funding or other resources available to co-finance the projects or otherwise contribute to their delivery.
- The administrative costs of setting up and running the partnership can also be disproportionately high in a very small area.

On the other hand, an area that is too large can create other types of problems. Large populations, e.g. circa 100 000 may limit the extent of direct contact between the FLAG and the fisheries community, and this may reduce the level of trust between the different actors. Where a local group covers a very large geographical area, e.g. in sparsely populated countries, the physical distance between the local actors can make cooperation difficult. If the budget allocated to such an area is low, Axis 4 resources may be “spread too thinly” to achieve a real change. Both these scenarios challenge the FLAG to demonstrate the required critical mass.

Some countries exclude towns over a certain size (e.g. ports) from participating in the FLAG as there is a risk that they absorb the whole budget. However, the importance of the role of market towns and ports in stimulating the development of surrounding areas should not be underestimated, and it is important to choose an area that constitutes a coherent and

functional whole. If they fulfil this role they can be included on the grounds of “fishing decline”.

COMMON CHARACTERISTICS OF THE AREA AND ITS COHERENCE

If the FLAG's activities are to contribute to the sustainable development of the given area, it is important for the area to demonstrate sufficient coherence in geographical, economic and social terms. Large disparities should be avoided, as they will make it difficult to identify common priorities and reach agreement on a common strategy.

In general terms this means that the different parts of the area (e.g. the different villages or municipalities that constitute the area) should have some common or shared factors which bind them together. They may share certain characteristics or resources, or they may face common or shared issues, needs and opportunities. This does not mean areas should be homogenous. Indeed, different parts may be highly complementary with e.g. some part of an area offering tourist facilities and another part providing the staff that can be employed in those facilities. Such complementarities and links may therefore contribute to the area's coherence.

The common characteristics of the area could involve:

- similar or shared geographic features, e.g. an area situated along a specific type of coastline or along a river valley;
- similar or shared historical or cultural heritage;
- common or similar social challenges e.g. small isolated communities, ethnic minorities or an aging population;
- similar environmental factors e.g. water pollution, high natural value areas or shared resources; and
- common economic situation e.g. post-industrial or transformation areas, tourist resorts, areas in decline or growth areas where the fisheries sector is in decline and facing user conflicts.

It is not necessary for the borders of the FLAG area to correspond with administrative boundaries (Implementing Regulation, Article 22.2), other common characteristics may be more important in defining the area.

Some countries require Axis 4 areas to be geographically continuous (with the possible exclusion of big cities mentioned above), in others this is not mandatory as long as the different parts of the area show enough common characteristics (as e.g. in the case of several small islands forming a FLAG). Although a lack of continuity can make it extremely difficult to develop and implement an effective group and strategy, the continuity of an area may sometimes be less important than its cohesion.

THE SENSE OF LOCAL IDENTITY

A sense of local identity is extremely important in an area based bottom-up approach. This is because:

- it contributes to social capital, especially mutual trust between the local partners and within the whole community, which makes cooperation easier;
- it strengthens the sense that something can be achieved, in spite of problems and difficulties, thus improving the chance that the strategy will be successful; and
- it encourages the local actors to contribute their own time and effort to community work more willingly.

Although local identity is commonly rather stronger in homogeneous areas than in highly diverse ones, this is not necessarily so: people may not feel they belong together, whilst those in a diverse or diffuse area may share a stronger common identity. It may be based not so much on “what do we have in common”, but on ‘what do we face in common’ or “what is it that makes us different from others”, or a combination of these, and it often contains a strong component of local pride. Establishing a “sense of place” and building on that can be an extremely important motivator and a positive driver in the development of the group and the strategy and may be an inherent part of the projects and products developed.

A sense of local identity develops over time and may be weak in communities of recent origin (e.g. re-settled by inhabitants from another part of the country), or where a large part of the population spends much of their time elsewhere (e.g. commuting areas neighbouring a city). Where this is the case efforts to strengthen local identity, including activities such as community animation and joint work on the strategy, should be one of the first priorities of the local partnership. Successful implementation of the strategy will also help to reinforce and strengthen local pride.

DEVELOPMENT POTENTIAL OF THE AREA

The development potential of the area is here understood as the degree to which the economy of the area can utilise the range of endogenous resources present to provide a sustainable income for the local population. This is related to many factors such as:

- the distance from markets for local products and/or places of work, e.g. cities;
- the level of education and economic mobility of the inhabitants;
- skills and organisation of the community;
- the nature and extent of the natural and cultural assets;
- the extent of dependency of the local economy on a single or narrow range of sectors;
- the nature, extent or potential for economic diversification; the attractiveness of the area from the external investor's or tourist's point of view;
- the nature and extent of inward or outward migration;
- the proximity and accessibility of neighbouring areas which may present complementary opportunities; and
- the ability of the local people and enterprises to attract investment, etc.

No two fisheries areas have identical development potential although, through the consideration of factors such as those above, the nature and extent of this can be assessed.

These considerations will have a direct bearing on the FLAG strategy and area. For instance, in some areas which are or have been heavily dependent on the fishing industry it might not be easy to find alternative or additional activities. Providing extensive re-training and re-orientation for the people employed in the fisheries sector may therefore be a strategic priority. The proposed FLAG area itself may also be amended to include neighbouring areas which offer alternative employment.

CONCLUSION

The careful definition and selection of the FLAG area will contribute to the success of the FLAG partnership and its local strategy as these three elements are closely linked. The guidance provided in this note and the other sections highlights many of the key factors which will help the local partnership and its strategy work together to implement Axis 4 to the benefit of the fisheries area and its people.