Axis 4 Factsheet: Poland

Geographical map: Poland

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

With its population of almost 40 million inhabitants, and as the largest of the new Member States (EU 10), Poland is the target of substantial EU funds.

It has approximately 550 000 hectares of inland waters and its Baltic coastline stretches for 491 km between the Russian exclave of Kaliningrad to the east and Germany to the west.

But, fish production in Poland is low in terms of overall GDP as well as the tonnage of its production which accounted for less than 3% of EU production in 2006. Moreover, at just 9.5 kg/year in 2005[1], fish consumption per capita is less than half that of the EU average.

Poland´s fleet of some 800 vessels is among the smallest in the EU. However, the fisheries industry is an important element of the economies of the coastal regions and, in the inland regions, freshwater fish production can be an important source of income at the local level. It is also worth noting that fish products constitute as much as 10% of the total Polish agri-food exports.

Sea fishing accounts for 70% of Poland´s total annual production of 180 000 tonnes, however, this sector has faced a declining cod population since the late 1970s. The herring population is more stable while the sprat population is stable but intensely exploited. Although the quantity of saltwater fish on the Polish market remains more or less constant (from 2004 - 2005 it saw an increase of 2.2%), this is mostly thanks to imported fish as domestic production is decreasing.

Inland fisheries and freshwater fish production could still have potential for development. Out of its 70 000 hectares of ponds, only 50 000 are currently used for fish production and although about 10 000 farms in Poland have fish ponds as part of their activity, only about 600 of them are specialised fish farms. However, most of these focus on the production of carp (Poland is among the largest carp producers in Europe selling about 15 600 tonnes annually) which is facing severely falling demand. Indeed, the overall production of freshwater fish has been decreasing steadily over the last decade, from 55 500 tonnes in 2002 to 51 400 tonnes in 2008.

The fisheries sector makes up just 0.1% of overall employment in Poland, providing jobs for approximately 2 700 people in sea fishing in 2008 (down from 9 400 in 1995) and 1 650 in inland fisheries. The number of people employed in the fish processing industry is substantially higher
(17 100 in 2006) and increasing gradually. The number of anglers is estimated to be around 1.5 million, and they are relatively well-organised.

[1] FAO 2005, expressed in live weight.

2. The National Response in terms of Axis 4

Poland decided to allocate 32% of its EFF budget to Axis 4. This makes it the country with by far the biggest Axis 4 budget: €235 million of EFF money, ahead of the second biggest budget in Europe – Romania with 75 million. In fact, Poland accounts for approximately 40% of the whole of the EU´s Axis 4 budget.

The proposed shape of Axis 4 takes into account the above characteristics of the fisheries sector, in particular the role of inland fisheries and freshwater fish production. Thus, the whole area of Poland is considered eligible for Axis 4 groups, provided that it can be proven that the area is sufficiently "dependent on fisheries", i.e. that it has the required minimum number of fishermen per 1000 inhabitants. This "index of dependency on fisheries" has been subject of much debate and even controversy at the time when the regulations were being drafted.

It should also be stressed that the method of calculating the index strongly favours fishermen and employees of fish farms against employees of fish processing plants (one fish processing company, irrespective of the number of people it employs, has the equivalent weight of one fisherman or one employee of a fish farm).

3. The areas and their key characteristics

typical for all of the EU (area smaller than NUTS 3, contiguous, with more than 10 000 and less than 100 000 inhabitants; cities below 100 000 inhabitants are eligible). The Operational Programme also makes reference to the historical tradition of fishing in the region and to characteristics such as low population density, decline of the fishing sector or a significant proportion of small fishing communities.

However, the most important – and most controversial[2] – requirement is that the number of persons employed in the fisheries sector is more than 0.5 per 1000 inhabitants. A "person employed in the fisheries sector" is defined as: fishermen, farmers owning fish ponds, employees of fish farms and household members of fish farmers (but not more than one employee or household member per 20 hectares) and employees of associations and other NGOs dealing with the organisation and promotion of fishing or fish production.

There are no specific eligibility criteria concerning population density. However, there are preferences for lower population density in the selection criteria (areas with more than 150 inhabitants per square km receive a score of 0, while areas with fewer than 50 inhabitants per km are given the maximum score of 6).

As for the number of groups, the programme mentions 30, but it is almost certain that this number will be higher; the Ministry has contracted training for 60 potential local groups. 61 Local Strategies were received by the Managing Authority in the first call for proposals and it is expected that the number of groups finally selected will be around 50.

4. The selection process

In Poland a one-stage selection process has been adopted in which both the groups and their strategies are evaluated at the same time. Some capacity building support is provided to the groups (in the form of training and on-line advice, and in some regions also in the form of information provided by the regional offices), and those groups which are successful in their applications may receive funding towards the costs they have incurred for developing their strategy.

The call for proposals was launched in October 2009 and the Fisheries Local Action Groups (FLAGs) submitted their strategies by 31 March 2010. The selection process is expected to be finalised by mid-2010.

5. The group

The final composition of the FLAGs and their main stakeholders is not yet known. From informal contacts with many local groups it is clear that there are at present two strong interest groups among the local partners: one is the local authorities (municipalities and *powiats*[3]) who would like to use the funds from the European Fisheries Fund (EFF) mainly for investment projects in public infrastructure, and the other is the fishermen and fisheries associations, quite numerous and well organised in some areas, who would like to use it to improve their economic situation. Taking into account the objectives of Axis 4, both groups may be disappointed; it is therefore of great

[2] This figure of 0.5 underwent several changes (0.4 was originally proposed, this then increased to 0.8, and – when this proposal caused too many objections and protests – it was finally fixed at 0.5).

[3] *Powiat: an* administrative unit larger than a municipality and smaller than a region

importance to ensure a balanced representation of other local interests, including NGOs, environmental groups and community groups who might take a broader view of local development.

The legal form of the FLAGs is the same as has been developed for the LEADER groups. In the Pilot LEADER+ Programme the groups had to be formally registered as any of the following existing NGO forms: association, foundation or union of associations. However, none of these forms was appropriate for the LEADER partnerships (e.g. municipalities and businesses were not allowed as full members).

Thus, at the initiative of the Ministry of Agriculture and some rural NGOs, a new law was passed which created a special legal form for the LEADER groups. It is an association very similar to any other association, except that municipalities and other legal entities can be members on equal terms with individuals; the LAGs are also allowed to carry out business activity.

The same legal form will be applicable for the FLAGs. In theory the LEADER LAGs may directly apply for EFF money, but many groups may decide to create a new legal entity for the EFF, either because they include new areas compared to the LEADER area (e.g. cities or new municipalities) or new partners (fisheries associations etc.). However, even with separate groups there is likely to be a lot of synergies in running the administrative work.

Each group must set up a special committee (the decision-making body) which is responsible for the selection of projects within the strategy. At least 50% of places in the committee are reserved for representatives of the social and business sector; another requirement is that at least 50% of committee members must be linked with fisheries.

6. The strategies

It is not yet known what priority aims the groups will select, since very few groups have formally started work on their strategies (some will simply update their Leader strategies; many others are carrying out informal consultations and meetings but the results are not yet known. The average budget per group will be between €5M and €10M, depending on the number of inhabitants and the level of fisheries index.

The budget per group is calculated according to a formula which specifies a basic sum per inhabitant of the area. This sum differs depending on the “index of dependency on fisheries” and is equivalent to approximately €64 for areas where this index is between 0.5 and 1.2; €91 in areas where this index is between 1.2 and 1.6; €135 in areas where this index is between 1.6 and 4.0, and €182 in areas where it is above 4.

7. Key features of administrative and financial systems

EFF Budget 2007-2013 and public funding from national and regional level.

% of EFF Budget on Axis 4	EFF Budget on Axis 4 / €	National Funding /€	Total Budget / €	Average Budget per group / €	Number of groups
32	234 909 624	78 303 208	313 212 832	7M	40-50

The FLAGs will be selected by the Ministry of Agriculture, but the regional offices (Marshall Offices) will have the role of intermediary institution. The individual projects will therefore be selected by the groups and verified by the regional offices before payments are made by the Paying Agency (the Agricultural Restructuring and Modernisation Agency).

- Local actors (potential beneficiaries) present projects to the FLAG
- Selection committee of FLAG considers and selects projects
- The regional offices (Marshall Offices) check the formal and legal eligibility of the projects selected and sign grant agreement with the beneficiary
- The Paying Agency delivers the funding to the final beneficiary.

8. Networking and capacity building

There is currently no FLAG network in Poland since the groups have only recently been formed and, as such, there have been limited opportunities (and time) for networking. The LEADER groups have strong networks both at national and regional level and it is hoped that the FLAGs (of which many will involve the same areas and partners) will be included in this process.

9. Any resource or idea that may be of interest to other countries

The Polish experience in LEADER is very positive and the enormous interest and response of local communities was extremely valuable. Thus the rural communities' experience in creating partnerships and joint action is quite strong and can be shared with the fisheries groups, both in Poland and abroad. In the early stages of LEADER, the LAGs faced considerable administrative obstacles and the experience in dealing with these obstacles may be valuable to those groups which have not had previous LEADER experience, and also to other new Member States.

Among issues to watch out for the most important one is the sustainability of the groups and their ability to use all funds in view of the large total budget, the high number of groups, and a short period of time for groups to form strong partnerships and develop a good strategy in a fully participatory manner.

10. Contacts and links

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