



## THE PROCESS OF CREATING LOCAL ACTION GROUPS IN BULGARIA - PROBLEMS AND PROSPECTS

**Julia DOITCHINOVA**

Business Faculty  
University of National and World Economy  
Sofia, Bulgaria  
*juliadoj@abv.bg*

**Albena MITEVA**

Business Faculty  
University of National and World Economy  
Sofia, Bulgaria  
*albenakm@yahoo.com*

**Zornitsa STOYANOVA**

Business Faculty  
University of National and World Economy  
Sofia, Bulgaria  
*zori\_stojanowa@yahoo.de*

### Abstract

*Local action group (LAG) is a new form of public-private partnership in rural Bulgaria. It is called to mobilize local communities and make it empathetic with the problems of rural development.*

*The purpose of this paper is to evaluate the process of setting up local action groups LAG in Bulgaria and based on the analysis of the problems of their operation, to develop guidelines and recommendations for improving implementation of LEADER approach.*

*The paper includes an assessment of the process of creating LAG and presents the results of the study of problems of their operation in different regions of Bulgaria. The study used questionnaire method, structured interviews, strategies and other documents. The conclusions and proposals are derived based on the evaluation of information for 14 LAG on the territory of 21 municipalities in different regions of Bulgaria*

**Keywords:** LEADER approach, LAG, rural regions

**JEL classification:** R58

### 1. INTRODUCTION

CAP (Common Agricultural Policy) creates new opportunities for development of rural areas through the implementation of policies for environmental protection, safety and food quality, promoting the use of local resources and competitive advantages of regions

and by activating the participation of local residents and various solutions for different regions.

The LEADER approach was introduced at the beginning of the 1990s to promote a new model of rural development based on the initiatives of local communities. The endogenous type of development is based on a set of principles giving priority to innovation, the development of small-scale activities, the involvement of local communities, and the promotion of their resources. Its distinctive characteristic is having confidence a priori in the populations living in the rural areas, and in their capacity to discover what is best adapted to their environment, their culture, and their traditions (Shortall, Shucksmith, 1998, Dargan, Shucksmith, 2008, Chevalier, Maurel C., 2010).

Unlike previous approaches to regional development, the approach "bottom up" is consensus-oriented, multi-decision levels-based, with dynamic interactivity among a plurality of actors, including civil-society actors such as private partners or environmental organized interests (Non Government Organizations), inter-sectoral links and less defined tasks (Kjær, 2004).

The originality of LEADER lies above all in the method on which the decision-making and the initiatives arising from it are based. In a bottom-up process, the LEADER method is based on the principles of subsidiarity and partnership. These two principles underlie the creation of a decision-making entity, a Local Action Group (LAG), appearing as the project manager for the projects carried out by three categories of local stakeholders - self-governments, entrepreneurs, associations (Chevalier, Maurel, 2010). LAG as type of partnership is a system of formalized cooperation, grounded in legally binding arrangements or in formal undertaking of co-operative working relationships and mutually adopted plans among a number of institutions (OECD 1990, p. 18). Such a definition is convenient due to different legal systems in various countries determining formal legal structures of partnerships and a great variety of functions and targets. The area-based partnership can define as a voluntary and open coalition of leaders from different public sectors (territorial self-government, NGOs, companies, state institutions, schools etc.), which together prepare and realise practical, long-term activities aimed at local development and the solving of economic, social and ecological problems in a particular territory (Biderman et al., 2004). Involving local people is one of the pillars of LEADER local action groups and plays a key role to stimulate the development of the territory, not just to administer (Dubost, 2008, p.7).

Decisions on the strategy of local development and on projects are prepared by the LAG. In terms of consultation and cooperation between the stakeholders, it is the representatives of the local self-governments who are called on to be the driving force. They delegate their responsibilities to local managers. The partnership principle implies the participation of local stakeholders in the design of the development strategy and its implementation. With reason, some authors emphasize, that in conferring on the LAG the status of collective actors, the LEADER approach shows itself to carry on decentralising public actions as far as possible. With this in mind, analysing the conditions under which the LAGs are formed, and examining their composition and ways of functioning become central to understanding the real impact of experimenting with the LEADER programme.

The LEADER rules are perceived as a new „grammar“ that just has to be learnt. The unoriginal nature of some projects reflects a lack of critical thinking. The strategy documents are prepared by development „managers“, or designed by consultancy offices and development agencies. The risk is to produce „turnkey“ recipes for unoriginal, one-size-fits-all projects. In such cases, the real purpose of the LEADER approach, namely innovation in

strategic thinking is missing (Dargan, Shucksmith, 2008). Emulation or copying the LEADER recipes without adopting the philosophy of bottom-up approach seems to be the strongest form of transfer. Experimenting with the LEADER approach does not simply mean the imitation of a new approach to development.

The transition in the implementation of the LEADER approach in early 2007 - from Commission to national level posed a number of problems for its implementation mainly in the new EU members. A number of researchers (Gorton M., Hubbard C., Hubbard L., 2009) consider the lack of convergence in the socio-economic conditions of rural areas in NMS and established Member States to be an explanation why the CAP does not fit Central and Eastern Europe. For these reasons, any analysis and evaluation of the implementation of LEADER approach and proposals for adapting it to the particularities of rural regions to the respective country can contribute to its successful implementation.

The purpose of this paper is to evaluate the process of setting up local action groups (LAG) in Bulgaria and based on the analysis of the problems of their operation, to develop guidelines and recommendations for improving application of LEADER approach.

## **2. LOCAL ACTION GROUPS AND IMPLEMENTATION OF THE LEADER APPROACH IN BULGARIA**

In the process of creating LAG and implementing the LEADER approach in Bulgaria can be defined three main periods. They differ in purpose, problems and results of implementation of various projects and programs. With the inevitable convention for similar classifications we define the three periods as a pilot, preparation and sheer periods for LEADER approach implementation our country.

The first period covers the years 2003-2007, when were successfully implemented several projects for the creation of knowledge, skills and residents' associations for organizing local action groups and building administrative capacity for preparation of local development strategies. They are aimed primarily at small communities in disadvantaged areas and their purpose is execution of piloting activities and preparation of local communities for implementing the LEADER approach. Thus the initial period has the character of a pilot period for building capacity at local level.

Within the frames the following projects were implemented:

➤ Project "Sustainable Development of Rural Regions"

The project strengthens the capacity of local government, farmers, landowners and forestry owners, small and medium entrepreneurs, NGOs and professional branch organizations and cooperatives and makes them key players in the process of achievement of sustainable rural development through the creation, training and development of LAG. The project supports the formation, training and operation of the first LAG. "Sustainable Rural Development" supports a "bottom-up" approach for strategic planning and local development in 11 small rural municipalities in Pernik, Montana, Blagoevgrad, Kardjali and Haskovo regions (NUT level 3) with a predominantly agricultural and forestry outlook, high levels of poverty and potential for cooperation.

The project duration is from 2003 to 2006, funding of 1325 thousand U.S. dollars is conducted by the Ministry of Agriculture and Forestry, UNDP and the eleven involved municipalities. Work began in April 2003 with the establishment of LAG in each municipality and a strategy for sustainable development. Practical training of LAG members included preparation of local plans for sustainable development and development and management of

small pilot projects (total 220 thousand USD) in all 11 municipalities. As a result, during the period 2004 - 2005, was formed a special Fund for Demonstration Initiatives (has a total of 580 thousand USD), which provides on a competitive principle grants to final beneficiaries of the project within four schemes: public private projects, innovative projects, micro credit and training projects.

Main results of the project are:

- was established a Unit Project Management in the Ministry of Agriculture in April 2003 and local units of the project in each of the municipalities that support the efforts to build capacity and develop partnerships with experts from the "Rural Development" Department of MAF and local authorities;
- were created 11 LAG as NGOs. Their members were trained in strategic planning and the principles of sustainable development.

Through the implementation of the project "Sustainable Rural Development" is achieved:

- introducing the principles of sustainable development in rural communities;
- planning of participation in horizontal partnerships of stakeholders;
- networking and commitment to local development processes;
- development of social capital in involved communities;
- involvement of local administrations in LAG activities, which is a prerequisite for opening the local authorities to public-private partnerships and consultations with citizens.

➤ Project Forum LEADER

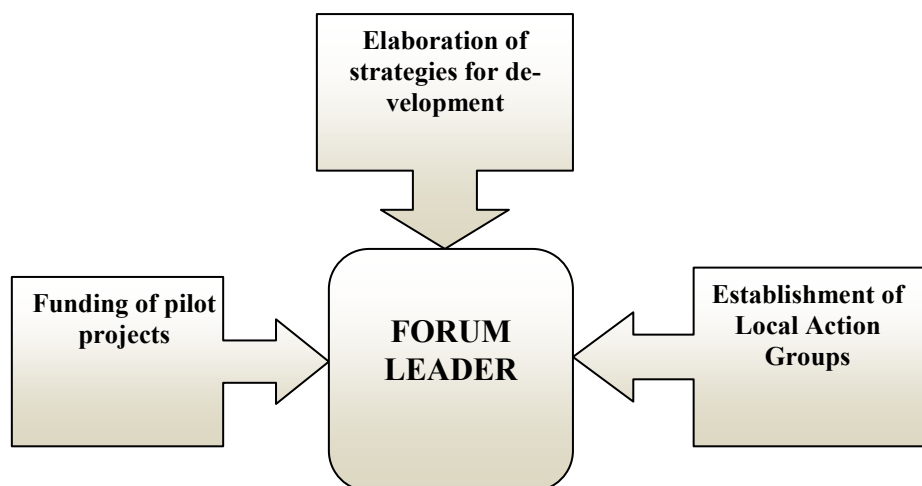
The project is implemented by the Agency for Socio-economic Analyzes, with funding from the Swiss Agency for Development and Cooperation, comprising 11 municipalities united geographically into four LAG - 1) Panagyurishte - Lesichovo - Strelcha, 2) Hisar-Kaloyanovo - Saedinie; 3) Karlovo - Sopot 4) Brezovo – Rakovski – Daskalovi - Brothers.

The project has three tasks that are critical to the process of creating LAG. The first is the development of strategies for rural development in certain municipalities, for the implementation of these strategies was provided funding from the Ministry of Agriculture and Food from the LEADER axis. Secondly the project has the task of setting up local action groups. Finally, Forum LEADER aims financing of pilot projects under LEADER methodology, and through these projects the newly established LAG can gain practical experience in implementing the rules and mechanisms of the Leader. (Figure 1)

This project enables the 11 municipalities of the South Central Planning Region to set up their LAG through the mechanisms of the program, to develop strategies and local development projects which to be recognized by the Ministry of Agriculture and Food, and to receive funding from the European Fund for Rural Areas Development.

A significant proportion of municipalities in the project alone do not cover the requirement for minimum number of people in order to be assisted in the creation of local action group. For these reasons, the emphasis in project activities is the creation of successful public-private partnerships with business and NGO sectors and the administration of 2-3 municipalities.

Project activities include establishment of inter-municipal forums, development of local strategies (plans) for development, establishment and recognition of LAG, choice of local project(s) by LAG, co-financing of local projects: in public - 75% (SHARS) 15% (municipality), 10% (beneficiary) and in private: 50% (beneficiary), 50% (SHARS).



**Figure no. 1 Tasks of project Forum LEADER**

➤ Project „Rural Network and LEADER”

Project Rural Network and LEADER support preparation for assimilation of funds by the European Agricultural Fund for Rural Development for the period 2007-2013. Its practical application is to increase the interest and capacity of communities and stakeholders in rural areas to plan and use financial resources through networking and through the development and implementation of integrated local development strategies. It aims to build social capital, activating local communities and poverty reduction in rural Bulgaria, simultaneously promoting cooperation between municipalities, especially among smaller municipalities, and horizontal links between actors in rural areas, including public - private partnerships.

This project distributes the work and achievements of the above mentioned project "Sustainable Rural Development" (2003-2006) of UNDP and Ministry of Agriculture and Food. The scope of the project includes the territories of the already established 11 local action groups in the Eastern Rhodopes, Western Rhodopes, Strandja - Sakar, Central and Western Bulgaria, Northwest Bulgaria. The project aims to disseminate the learned lessons and best practices on adjacent territories, depending on the interests and intentions of local stakeholders. Meanwhile, efforts are directed towards areas where information on the LEADER approach has not been disseminated and there was no initiative to form a LAG.

Components, securing project implementation are four: preparation to launch the National Network for Rural Development; providing consultancy support to the Directorate for Rural Development at Ministry of agriculture and food (MAF) in developing procedures for the implementation of Axis 4 Leader within the National Program for Rural Development (NRDP) for the period 2007 – 2013; consolidation of at least 5 eligible under LEADER local action groups and 10 new groups prepared to apply under the measure "Animation of the territory" under Axis 4 of the NRDP and training and practical work of Bulgarian specialists under LEADER. The four components of the project evolve alongside in the period May 2006 - June 2008.

Within the project activities were held five information meetings within the National Program for Rural Development in Bulgaria for 2007-2013, were done training for fifty ap-

plicants from around the country, were prepared Leader experts and were held a national conference "First Steps of the Rural Network."

The established National Rural Network (NRN) is part of the European Network for Rural Development, which aims to assist countries - EU Member States in the implementation of policy for rural development. National Network for Rural Development in Bulgaria operates under the policy for rural development, the administrative and social culture of stakeholders at local, regional and national levels and meets existing needs.

National Network for Rural Development in Bulgaria is determined as an open, informal national movement involving all institutions, business, administrative structures at central and local governments, non profit organizations, community centres, professional associations and cooperatives, academia, interested in contributing the development of rural areas in the country.

The basic principle for participation in the National Rural Network is an organized and representative membership of organizations and institutions involved in sustainable local and regional development, promotion of employment and improvement of the quality of life in rural areas. Another principle is representation of all future beneficiary groups which will participate in the implementation of the Program for Rural Development for 2007 - 2013 г. Participants in the Rural Network are two groups. The first group are organizations that represent the various categories of potential beneficiaries under the National Plan for Rural parties or third parties interested directly or indirectly from the application of measures under the program. The second group involved the administration of the Ministry of Agriculture and Food and its regional structures, the Paying Agency and its regional bodies and other ministries and their regional structures related to the development of rural communities and municipalities and others.

The most numerous participants in the network are potential beneficiaries under Axis 1 and Axis 2. These are associations of farmers, agricultural chambers, producer groups and associations of agricultural and forestry cooperatives, including associations of forest owners; processing organizations, agencies, land management, the Natura 2000 network, NGOs working in the field of environmental environment, agri-environment and forestry research institutes, agricultural research institutes, training organizations in the field of agriculture and forestry sector, a network of institutions who provide services in agriculture and forestry.

Another group of participants are potential beneficiaries under Axis 3 - local, regional or national non profit organizations and their networks, NGOs working in the field of sustainable development and rural areas, business associations of producers and industry organizations, NGOs in rural tourism, environmental protection, heritage preservation, training organizations and vocational training organizations.

Potential beneficiaries under Axis 4 LEADER are local action groups and their informal network, municipalities, associations of municipalities, municipalities.

National Rural Network has four advisory groups that correspond to each of the priorities within the NRDP for 2007 – 2013. During its registration in the rural network, each participant indicated the chosen priority area. Based on the formed participation in the event of need for consultation, initiation of consultations with all stakeholders and dissemination of information to a specific range of organizations, administrations, associations can be used the public register of participants in the Rural Network. The idea of creating thematic groups within the network is determined from one side by the existing need for discussion, consultation and participation of interested socio-economic partners in the process of formation of

national policies for rural areas and from the other side is a prerequisite integrated and inter-sector approach when discussing and implementing the policies for rural development in Bulgaria. Such establishment of thematic groups network will allow for more structured work and presentation of the interests of the members of the National Network on national level. Thematic axis within the rural network will not divide the participants into 4 different groups, but rather will provide flexible and interconnected interaction between them.

➤ Program "Community Forum"

This program is implemented by the Swiss Agency for Development and Cooperation (SDC) since 2000, as its main objective is to improve the quality of life and promote direct citizen participation through the implementation of innovative forum approaches on local level. It involves more than 50 municipalities, the forum is a cycle of open and structured discussion between equals, which may include representatives of civil society, businessmen, municipal officers, doctors, activists, cultural workers, youth, minority groups. The forum is a place for public discussion of a wide range of current topics in the local community, and at the same time it is a tool for strengthening citizen participation.

Through the LEADER approach the public forum provides access to communities to EU structural funds and operational programs.

This new type of forums provides the two most important tools to involve communities in the process: preparation of Programs for Regional Development and putting out and registration of the local action group. According to estimates of experts, through the LEADER approach public forum may give powers of administration and the citizens to participate and funding of projects for the period 2007 - 2013.

The second period is from 2008 till 2011, when were made preparations for implementing the LEADER approach in rural areas of the country. In early 2008, was held the first procedure for approval of proposals under sub-measure 431-2 "Acquisition of skills and animating the territory for potential local action groups in rural areas."

After the conclusion of the first call for from 91 proposals were approved 71 projects. As a result of the application for the second call were received another 45 proposals. Of them after the ending the procedure was approved 32 projects. On 28 December 2009 were concluded 32 contracts. The total public contribution approved under this sub-measure (EAFRD and National budget) was 8.46 million EUR (Table 1). Thus conditions are created for formation of 103 LAG in 25 districts covering the territory of over 147 communities located in rural Bulgaria.

Twenty-two of the project beneficiaries for LAG creation, ie 21% of them are non-governmental organizations and the other beneficiaries are 81 municipalities. In Vidin, Sliven and Sofia no LAG were established. Total projects in sub-measure 431-2 cover approximately 68% of the rural areas. The result surpassed expectations defined in the Programme for Rural Development to "prepare at least 60 potential LAG, of which at least 50 later to be supported under Measure 41," Implementation of Local Development Strategies "and sub-measure 431-1 "Management of the LAG, acquiring skills and animating in the territories of selected and approved Local Action Groups."

At the same time, data from a table 1 indirectly confirmed some of the problems when implementing the preparatory phase. They relate mainly to lengthy delays in the implementation of preparatory measures, with extension of the payment deadlines of the costs incurred for implementation of activities. Particularly revealing are the data for refusal of 13 groups to conclude contract or to suspend the implementation of already signed contracts

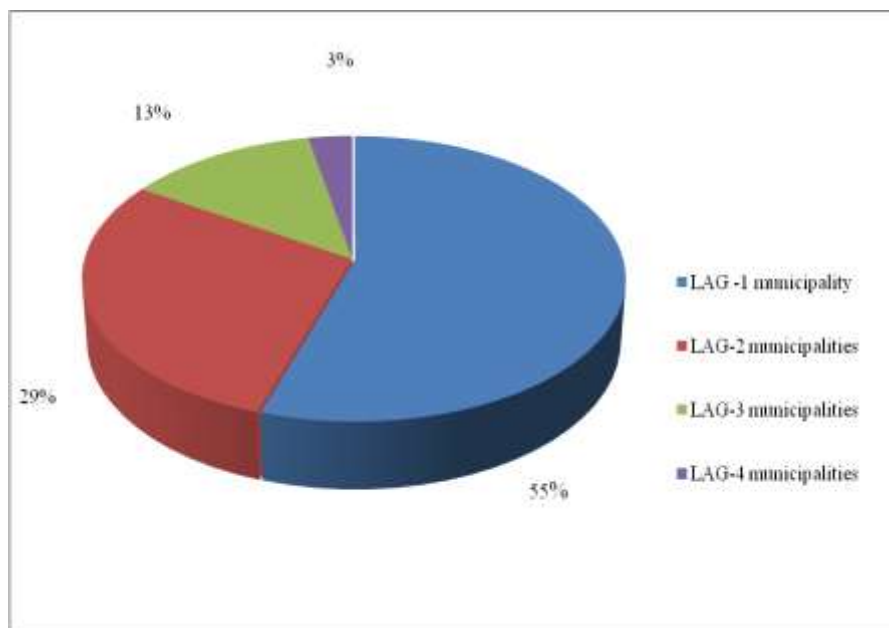
under measure 431-2. At the same time, although projects in the first call ended in February 2011 - some of them have not reached the stages of completely financing.

*Table no. 1 Number of project applications and approved projects*

Indicators	I call	II call	Total	Total public expenses
Project applications	91	45	136	11.093 mln. €
Approved projects	71	32	103	8.642 mln. €
Relative share of the approved projects from all applications	78	71	75.7 %	78.2 %
Realized projects and executed payments for them till February 2012	x	x	90	4.208 mln. €
Relative share of realized projects from approved projects	x	x	87.4 %	48.7 %

Source: [Program for Rural Development]

The most often case is when the local action group is established on the territory of one municipality (55%). Twenty-one of the established LAG cover the territory of two municipalities and nine operate in the territories of three municipalities. Only 3% of formed LAGs cover areas of four municipalities (Figure 2).



**Figure no. 2 Structure of LAG according to the number of municipalities comprised in their territory**

During this period, MIG developed and presented their strategies for development of regions. The first call for administration of projects under measure 41 ended August 2010. Were presented local development strategies developed by 67 local action groups. At the end of October 2011 from them were approved local development strategies of 16 LAGs.



These are only 24% of applicants with a population of 455.8 thousand inhabitants. Moreover 25% of the approved strategies are of LAGs which were not realized project under the preparatory measure (431-2) or organized new LAGs, regardless of the created under the project.

Most numerous are the LAG strategies approved in the territory of one municipality (62%) 19.25% combined territories of two municipalities, 12.5% of LAGs are in 3 municipalities and 6.25% are within 4 municipalities. Data from Table 2 show that that prevail LAG with number of people in the area between 20 and 30,000 inhabitants.

Table no. 2 Distribution of LAG per number of inhabitants in their territories

Indicators	Number of inhabitants on the territory of one LAG					
	10001-20000	20001-30000	30001-40000	40001-50000	50001-60000	over 60001
Groups						
Number	3	8	3			2
Structure	19.25	50	19.25			12.5

Source: [Program for Rural Development]

The third stage in the process of full implementation of the LEADER approach is the period after 2011. Its main aim is the realization of local development strategies and organization and conduction of procedures for admission and selection of projects under various measures of the Program for Rural Development. Currently delayed by more than a year starts the preparation of initial estimates of projects. This required a partial revision of strategies and transfer of activities planned for 2011 in the coming years. By February 2012 one of the local action groups started the reception of the projects themselves. In some of the other municipalities were announced the deadlines and the measures under which projects will be accepted.

In 2012 began the implementation of Measure 421 "Internal territorial and transnational cooperation" for those LAGs who will begin the implementation of strategies for local development funded under Measure 41 Implementation of local development strategies and measure 431-1 Expenses for management, acquiring of skills and animating- for selected LAG.

Based on evaluation of the process of creating LAGs in Bulgaria can be made the following generalized conclusions:

- During the pilot period (2003-2008) was build a practical experience in applying the rules and mechanisms of the Leader approach and increased the interest and capacity of communities and stakeholders in rural areas to plan and use financial resources through networking. Was acquired experience of cooperation between representatives of the municipal administration, business and voluntary sector within their respective territories;
- During the preparatory period from 2008 to 2010 are formed over 100 LAGs in 25 districts covering the territory of 147 municipalities, encompassing 68% of rural areas. Are exceeded the indicators contained in the Plan for Rural Development, "to prepare at least 60 potential local";
- The actual period started with the adoption of local development strategies and the low percentage of approved strategies.

### 3. METHODOLOGICAL FRAMEWORK OF THE STUDY

In the paper are used various research methods, as shown in the table 3. To explore the process of creating LAG, their opportunities and problems are applied the inquiry method, structured interviews, observation methods, and various documents related to the implementation of project activities in the tested LAG. For their implementation are visited the offices of local action groups in various regions of the country.

*Table no. 3 Used sources of information and methods of their collection*

<b>Information</b>	<b>Primary sources</b>	<b>Secondary sources</b>
Qualitative	Structured interviews with LAG representatives and local administration	Program documents (Profile of LAG territories, summaries of local development strategies) Various reports and publications related to the activities of LAG
Quantitative	Questionnaires for members of the LAG	Annual progress reports on program for rural development

To achieve the objectives of the study and to collect data for representatives of local action groups were implemented the inquiry method of study. Through it was collected qualitative information on the activities during their functioning and on the problems in the process of LAG creation. The goal was to outline the challenges and opportunities faced by local action groups.

The object of research in the analytical part is the problems faced by local action groups that are related to building and recognition.

The study included 10% of LAG that have applied for funding in the Ministry of Agriculture and Food under the measure 431-2 "Acquiring skills and animating the territory of potential local action groups in rural areas." In selecting the objects of interest were used the following criteria:

- Areas with high activity of the municipalities and civic structures under Axis Leader. These are areas in which the majority of rural LAG are formed during the period until 2009;
- Areas with high potential for development due to their spatial location and opportunities for cross-border cooperation;
- Disadvantaged and other rural areas with natural climatic, terrain and other constraints;
- Municipalities with fewer people, united in a common local action group;
- Municipalities involved in the preparation of projects for "Leader" implementation;
- Potential local action groups with various beneficiaries of aid projects.

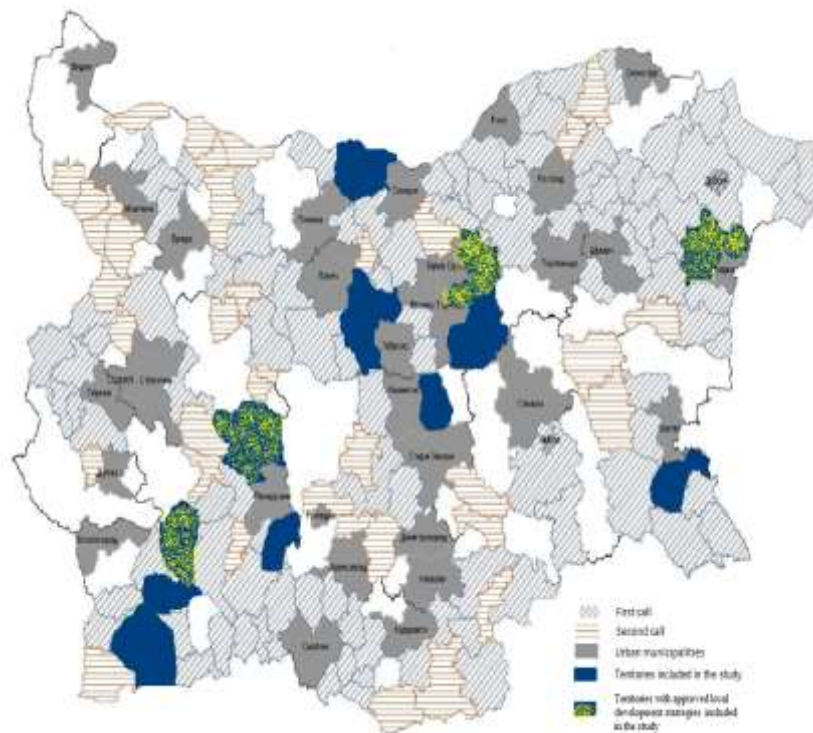
The choice of objects of study is conducted by using at least two criteria. The majority of the municipalities are eligible for three, even four criteria.

The survey includes the territories of 21 municipalities in different areas with potential for formation of fourteen local action groups. They represent 14% of municipalities, realizing the Leader approach in our country (Figure 3) and are located within five of the six planning regions in Bulgaria.

During the next stage are conducted structured interviews with representatives of local action groups and community authorities on the preparation, launch and implementation of projects. Over the potential area of each local action group are realized meetings with repre-

representatives of municipal authorities and local citizenship in the face of the representatives of the NGO and business entities - participants in the process of implementation of project activities. To gather information were used questionnaires. Thus, information is collected for:

- Territorial scope of the LAG;
- Problems of an administrative nature in the process of LAG creation and recognition;
- Problems with coordination and relationships in LAG;
- Difficulties in developing local strategies and in the process of their realization;
- Issues of awareness of population and its activity;
- Problems of administrative capacity of municipal administration and the participants in the LAG.



**Figure no. 3 Geographical location of LAG territories included in the study**

To assess the problems in implementation of project activities is used Likert positive five-degree scale to grade the assessments from:

- None difficulties;
- We had the usual minor problems typical of such activities;
- We had some difficulties, but they do not affect the quality of performance activity;
- We had significant difficulties that impacted the quality of activity;
- We had difficulties, who questioned the success of the operation.

Thus, information is collected for expert assessment of the difficulties to implement the Leader approach in the preparatory phase of its realization.

#### 4. EVALUATION OF THE PROCESS OF ESTABLISHMENT OF LOCAL ACTION GROUPS IN BULGARIA

The analysis of the problems of creating LAGs was made based on a study of 14 groups spread on the territory of 21 municipalities. The most numerous is the population Sandanski municipality - 41 thousand inhabitants, and the smallest is the number of inhabitants of Nikopol municipality - 10.6 thousand inhabitants. The data in Table 4 show that prevail LAG with a population close to the lower limit of the constitution, followed by areas with a population between 30 and 40 thousand inhabitants.

Table no. 4 Distribution of local action groups per population

Indicators	Number of inhabitants on the territory of one LAG			
	10001-20000	20001-30000	30001-40000	40001-50000
Number	7	2	4	1
Structure, %	50	14	29	7

Source: [ Project No 28/2009, 2009. Possibilities of LEADER approach for development of viable rural areas and protection of natural recourses, University of National and World Economy, Sofia.]

From the 14 groups - 78.6% were implementing a project within the first call under the measure 431-2 "Acquiring skills and animating the territory of potential local action groups in rural areas", 14.2% within the second call and one LAG was not approved for such project.

Data from the survey show that municipalities are the main initiator for realization of the LEADER approach. They are motivators in the process of LAGs creating in 64% of the cases. For this reason they are the beneficiaries of the projects. Exceptions are - LAG "Panagyurishte – Strelcha - Lesichovo and LAG-Bansko, where beneficiaries are popular community centre and NGO and LAG Novi Pazar - Kaspichan initiated by a Business Centre (Table 5).

Table no. 5 Distribution of municipalities and formed local action groups according to the initiators of the LAG, %

Initiators for LAG establishment	Structure of the established LAG	Municipalities structure
Municipality	64	52
Local business entities	7	14
NGOs	29	34
Total	100	100

Source: [Project No 28/2009,2009. Possibilities of LEADER approach for development of viable rural areas and protection of natural recourses, University of National and World Economy, Sofia.]

On the question of whether conflicts occurred with respect to territorial scope in the process of creating a LAG, 64% of respondents said they did not have such conflicts. Thirty-six percent of respondents had a conflict in determining the territorial scope during the process of LAG creating. These are identified in the structural interviews held in five regions. Conflicts are responsible for creating individual LAG on the territory of some municipalities

and for the change of the originally contracted partners in 3 cases. The latter is the reason for extension of the deadlines for partnership creation and funding application.

When answering questions about the conflicts in the determination of local leaders, the majority of respondents indicated that they have lively discussions in the determination of local leaders, but they have not acquired the characteristics of a conflict.

There are no conflicts in the determination of local leaders in 84% of the municipalities. Eleven percent of the municipalities indicated that there was a conflict in determining the local leaders. According to the local press information conflict situations have arisen in the constituent assembly for LAG creation in municipalities Sredets and Sandanski caused by the illegitimacy of participants in the meetings. The latter has led to their several calling.

On the issue of assessing the administrative capacity of municipal administration and LAG participants, 52% of respondents indicate that despite the training of employees in municipal administrations there are only separate competent municipal employees who are responsible for the problems of developing and managing of the projects. At the same time, insufficient administrative capacity is met only in 5% of cases. In three municipalities (14%) - the assessment is that employees are sufficiently qualified for developing and managing various projects, and in 29% of them that they need additional training to deal with the work of the LAG (Table 6).

Table no. 6 Distribution of estimates of respondents for the capacity of local administration and the participants in LAG (%)

Indicators and assessments	Structure of municipalities	Structure of LAG territories
Are trained to deal with elaboration and management of various projects	14	7
There are separate employees who possess knowledge and potential to elaborate and manage projects	52	57
There is a need of additional training in order to cope with LAG management	29	29
There is not enough administrative capacity	5	7

Source: [Project No 28/2009, 2009. Possibilities of LEADER approach for development of viable rural areas and protection of natural resources, University of National and World Economy, Sofia.]

Regarding the issue of participation of local civil society in the organized meetings and forums, data show that in 48% of the municipalities in the organized events participated only interested citizens and representatives of local administration (Table 7).

Table no. 7 Distribution of respondents according to their assessment of the involvement of local citizenship in organized events - meetings, trainings and others. (%)

Indicators	Structure
Actively participate on the whole territory	19
Actively participate only on separate villages	24
Participate only interested citizens and municipals representatives	48
Participation is unsatisfactory and formal	9

Source: [Project No 28/2009, 2009. Possibilities of LEADER approach for development of viable rural areas and protection of natural resources, University of National and World Economy, Sofia.]

As unsatisfactory and formal is evaluated the participation in 9% of the territories. This response is shared within local action groups involving more than one municipality. In 24% of the 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 the municipal administration. In the territories of 19% of municipalities local citizens actively participate in organized events.

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, only about one third of the population is informed of the potential development of municipalities contained in the Program for Rural Development (Table 8). 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 are with low levels of awareness of the residents of the project actions and establishment of LAG.

*Table no. 8 Distribution of municipalities by degree of awareness of population (%)*

Assessment of the degree of awareness of population	Structure of municipalities	Structure of LAG territories
High degree (over 50 % are informed)	19	14
Medium degree (around one third of citizens are informed)	76	86
Low degree (are informed only the participants in the different activities)	5	

*Source:* [Project No 28/2009, 2009. Possibilities of LEADER approach for development of viable rural areas and protection of natural resources, University of National and World Economy, Sofia.]

In the questionnaire were asked questions to assess the problems aroused during the implementation of projects under measure 431-2 "Acquiring skills and animating the territory of potential local action groups" in rural areas "(Table 9).

*Table no. 9 Estimates of the representatives of LAG for the first phase of the project to create administrative capacity (%)*

Indicators and assessments	No difficulties	Customary petty difficulties	Some difficulties	Significant difficulties	Difficulties, threatening activities execution	Total
Organization of meeting for local citizens information	15	47	15	23	-	100
Defining of local leaders	8	23	53	23	-	100
Training of local leaders	31	31	31	7	-	100
Organization of visits to LAG located in other member states	23	61	16	-	-	100

*Source:* [Project No 28/2009, 2009. Possibilities of LEADER approach for development of viable rural areas and protection of natural resources, University of National and World Economy, Sofia.]

A significant proportion of respondents (47%) share common difficulties in organizing meetings to inform residents, 53% of them share the opinion that they had some difficulty in determining the local leaders, but they did not affect the quality of their activities. Respondents share common problems associated with disease of speakers who have caused a reordering of the planned activities or deposition over time. In this respect, the respondents shared their negative opinion on the complicated procedure to change the period to implement the various activities involved in the project and the need for information for each activity. In comparative perspective between these activities - the greatest difficulty was in determining the local leaders and organization of meetings to inform local residents, and two of the groups had significant difficulties, respectively, 23% of respondents. These are communities with a large number of small settlements, where were carrying out joint activities for residents of several villages.

According to data from interviews, representatives of potential local and rural residents are familiar with the work of local action groups in Italy, Hungary, Slovenia and others and 61% of them share common minor difficulties in organizing visits to LAG from other member states. There is not one LAG, where the execution of project activities was threatened.

On the issue of difficulties in preparing the application documents under sub-measure 431-2, prevail opinions on the existence of some difficulties (62%), and considerable difficulties had 15% of respondents (Table 10). The reasons for such assessments are specific concerning the public-private partnerships in municipalities and general, due to the requirements of the governing body of the Program for Rural Development.

As specific problems are shared by the respondents and they are related to prior distribution of duties and responsibilities between municipalities and representatives of business and NGO sectors and the need for pre-financing of project activities. The conclusion of the project contracts is associated with the long period of time from submission of documents to the start of the project and the need to update some documents.

Overall, the provision of experts in various project activities was not significantly difficult for 69% of the teams. Encountered difficulties are related to non-observation of the time-limits for individual activities, difficulties in documenting costs, changes in the preliminary schedule of training, public meetings and more.

The most significant problems for the realization of projects relate to the long time limit and procedures for changes in their execution. All of the respondents placed the issue of changing the level of surveillance activities from national to regional level. Preparation of documents for recording activities and costs for the various phases also created significant difficulties in 69% of cases. Respondents were unanimous in their assessments for 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 the negative views of the work especially of the funding authority, and for the differing assessments of the incurred costs between the Managing Authority - Ministry of Agriculture and Food and the Paying Agency.

Table no. 10 Distribution of the respondents' assessments for technical and financial support of project activities (%)

Project activities	No difficulties	Customary petty difficulties	Some difficulties	Significant difficulties	Difficulties, threatening activities execution
Preparation of application documents under sub-measure 431-2	8	15	62	15	
Signing a contract with the Ministry of Agriculture and Food and the State Fund "Agriculture"		54	38	8	
Providing experts for the project activities	23	46	31		
Providing the necessary documents for reporting the activities	38	54	8		
The long time limit and procedure for changes in project implementation			23	69	8
Preparation of documents for recording activities and costs for the various phases of the project			31	69	
Approval of expenditures by the Ministry of Agriculture and Food			26	58	16
The examination of documents by the Paying Agency			21	32	47
Final decision of the Paying Agency			11	26	63

Source: [Project No 28/2009, 2009. Possibilities of LEADER approach for development of viable rural areas and protection of natural resources, University of National and World Economy, Sofia.]

In comparative terms the representatives of MIG assessed as greater the difficulties in verification and approval of documents provided by the PA than the approval of the expenditure by the Ministry of Agriculture and Food. According to the respondents - in 32% of the cases the approval of costs has been accompanied by considerable difficulties, and in 47% - the difficulties have questioned the project. Together with the large number of documents and copies are mentioned the changes in regulations which took place during project execution. Even greater were the problems linked with verification of the documents by the Paying Agency and its final decision on payment. According to respondents around 63% of the projects have been threatened with termination. Similar views are shared in interviews primarily by representatives of local administration, where the project beneficiaries are municipalities. The reasons are sought in the difficulties linked with funding the municipal budgets in the past two years, and in the large time limits for approval of already incurred expenses. Moreover, in all projects is monitored a delay after the maximum specified in normative terms time limits. This delay in funding is presented in Table 11. Most of the an-



swers refer the interim payments since at the beginning of March 2011, was finally settled only one project (completed in May 2010).

*Table no. 11 Distribution of projects to create LAG per time of receipt of payments from the Paying Agency*

Payments per stages	Deadline for receipt of payments			
	Up to 3 months	4 – 6 months	7 – 9 months	over 10 months
Interim		3	9	2
Final		1		

*Source:* [Project No 28/2009, 2009. Possibilities of LEADER approach for development of viable rural areas and protection of natural resources, University of National and World Economy, Sofia.]

When asked to assess the problems that hamper the implementation of projects under sub-measure 431-2 "Acquiring skills and animating the territory of potential indigenous groups in rural areas", respondents give three to eight responses.

Some respondents, implementing projects under the first call of the Ministry of Agriculture and Food, believe that the difficulties are due to: lack of developed and approved regulations, lack of experience in managing projects under Axis 4 Leader as by the beneficiaries, as well as by the experts from MAF. They say that communication with the Ministry of Agriculture and Food and Paying Agency is also good. According to some respondents, the delay in agreed terms for payment of aid makes extremely difficult the implementation of projects under this measure. This is especially true for NGOs who have difficulties with the prior provision of financial resources, and expanded in the time payment by the Paying Agency. This is the main reason many projects to be stopped in the process of their implementation.

One of the respondents believes that in the sub-measure is missing an opportunity for advance payment provided by the Ministry of Agriculture and Food for the launch and implementation of the project. Poor organization of work in the Ministry of Agriculture and State Fund "Agriculture" for consideration and approval of interim reports is also a problem that puts the project realization to depend on its funding from the municipal budget.

Opinion shared by one of the respondents is that there is no communication with the governing body, there is a lack of forms for documents, are needed more detailed guidance on project implementation, there must be an advance payment and a longer period of recovery of incurred costs.

These views of respondents about the problems that hamper the realization of projects under the measure 431-2, can be grouped into the following areas:

- Limited experience to implement such projects, by beneficiaries and experts from the Ministry of Agriculture;
- The lack of developed and approved regulations;
- Communication problems with managing and funding bodies;
- Long period of reimbursement of incurred costs, substantially exceeding the statutory period.

Based on an assessment of the views of LAG representatives for the process of creating LAG and aroused difficulties can be made the following generalized conclusions:

- The majority of LAG include areas of one municipality with a population close to the minimum limit for funding;

- Municipal authorities are a key factor for realization of the LEADER approach and motivators in the process of creating LAG;
- In the process of creating LAG the majority of respondents indicated that no conflicts have arisen with regard to determining the territorial scope of the LAG and the determination of local leaders;
- Regardless of training only individual employees have knowledge and ability to develop and manage projects;
- Expert assessment of problems in carrying out the activities involved in the projects varies in scale - from none to few. Neither MIG did not identify problems that jeopardize the implementation of project activities;
- With regard to the difficulties associated with administrative and financial capacity, the prevailing views are for few difficulties in preparing the application documents under sub-measure 431-2 and for routine minor difficulties in the securing of experts for the different activities;
- The majority of respondents indicate significant difficulties associated with long duration of the procedure for recognition of allowable changes in the project and preparation of documents reporting on the activities and costs for the various phases of the project. There are also considerable difficulties with the approval of expenditures by the Ministry of Agriculture and Food and verification of documents provided by the Paying Agency.

#### **5. SUGGESTIONS FOR IMPROVING THE ADMINISTRATION OF THE LEADER APPROACH AND IMPROVEMENT OF THE FUNCTIONING OF LAG IN BULGARIA**

The creation of a favourable and stable environment for the LAG is crucial to building local capacity, skills creation and functioning of local action groups, local development strategies and their implementation. The overall delay of the implementation of the Program for Rural Development affected negatively in particular the implementation of measures under Axis 4. Because of the logical connection of the stages of their implementation, the delayed start of any previous activity slows the execution of the next and the periods of delay accumulate and the possibilities to compensate for the delay are very limited.

The disclosed in the analysis problems demonstrate the need for change in terms of improving coordination both among the participants in the LAG, and between them and the Ministry of Agriculture and Food and the State Fund "Agriculture", enhancement of local self-government, increase of the capacity building of local authorities and participants in the LAG, increasing of transnational cooperation of LAG and others.

To improve the regulatory environment for the LAG is necessary to create some pre-requisites:

- *To improve coordination between the Ministry of Agriculture and Food, Fund "Agriculture" and the beneficiaries of the measures of Axis 4 from the Program for Rural Development.*

Communication and close cooperation between the MA and PA is essential for the successful achievement of the objectives of the Program for Rural Development. To simplify the procedures for implementation of measures is appropriate:

- a considerable part of the administrative procedures to be carried out by decentralized management, i.e. at district level and the level of supervision and approval of

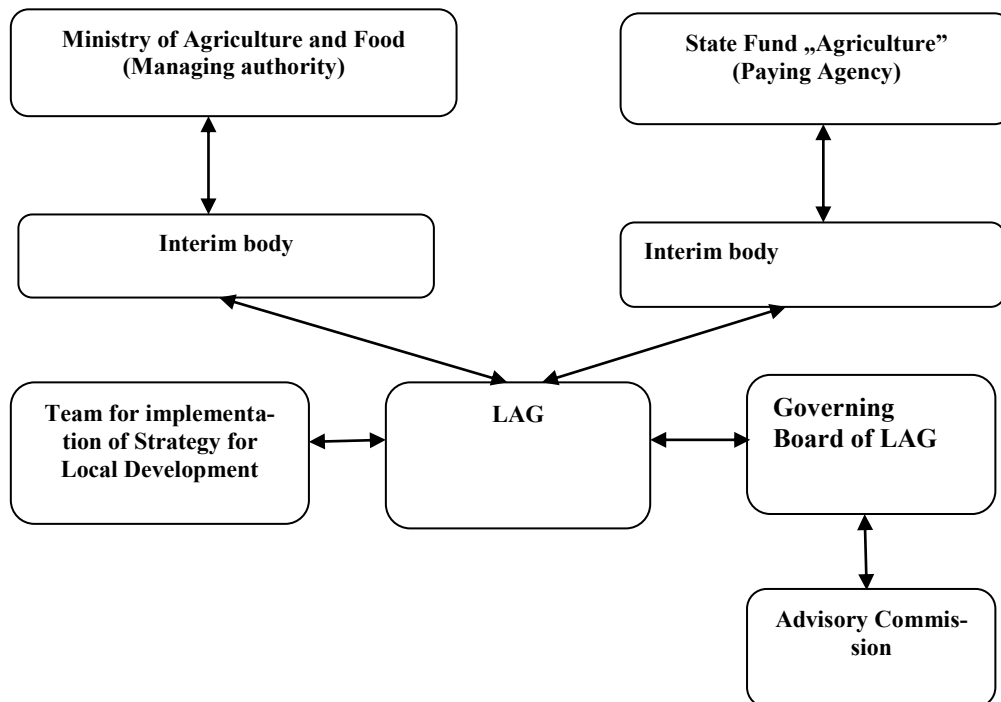
applications for payment to be made at regional level. This is especially true for projects implemented within the local development strategies;

- organization of meetings between project managers, project experts and representatives of the Managing Authority in order to optimize the process of work and cooperation between the people who implement the projects and the Managing Authority. The initiator of these meetings should be the National Rural Network;
  - LAG management should establish close contacts with certain employees of the Regional Paying Agency for establishing ongoing communication, coordination and preventive action to avoid delays in processing of MIG projects.
- *Improving coordination and conflict resolution between participants in the projects regarding some of the LEADER initiatives through surveillance and supervision regarding the process of decision-making and operational implementation.*

In this connection it is possible and appropriate in the Governing Board of the LAG team to be formed a team as a monitoring committee, supervisory board or advisory committee. This body may consist of already employed people in the local action group, but could also include external experts to ensure objective control of activities implemented by local action group. Participants in this panel can be either members of the Governing Body of LAG and external experts appointed by the Governing Body of the LAG in order to ensure objectivity, openness and transparency. It is possible after a decision of the Board of the LAG in this team to be included a local representative of the Paying Agency in order to facilitate the preparation, approval and funding of projects. Besides controlling functions, this team could work in collaboration with networks, important institutional and other external partners. Decisions are usually taken by the selected board of the LAG. This board assumes the administrative, organizational and representative tasks, but the so-called monitoring committee could propose solutions for the selection of projects and for some operational and strategic issues.

The implementation of the strategy at local level is usually managed by appointed or employed on contract teams. Only in new partnerships or in a simple context, voluntary participants could play an active role. They can be organized in thematic working groups that help both the promoters and the professional staff to implement the strategy for local development.

In order to shorten the physical and financial checks on projects and address the problem of delays in reimbursing beneficiaries could be created an intermediate unit, which can handle technically the documents for incurred expenditures and records, can verify the progress of projects, can assist beneficiaries in projects and can order payment for the Paying agency. This can be implemented by the LAG itself, although in Bulgaria during the period of LAG formation they will not be able to do anything but oversight of the implementation of projects. The role of intermediate body may be done by the Regional Directorates of State Fund "Agriculture", although they are not built with a capacity of being intermediate units and have little experience in this kind of initiatives. The advantages of such proposal are related to decentralization of control and financing of projects included in local development strategy. Figure 4 shows an example of scheme of LAG functioning.



Source: [Stoyanova, Z., 2011]

**Figure no. 4 Example of Scheme of LAG functioning**

- *Implementation of changes in certain procedures related to the implementation of measures and financing of projects.*

In relation to the implementation of sub-measure 431-2 regarding some of the procedures, can be made proposals related to:

- improvement of the organization of project approval in order to reduce the periods for review and approval of applications, applications for interim and final payments;
- reducing the number of rules laid down in Regulation 14, providing implementation of project activities or their adaptation to specific rural areas in Bulgaria (e.g. 5 year period for rental office);
- shortening the deadlines for payment of financial assistance under the measure. They currently range between 100 and 129 days (4.5 - 6 months). Even if all documents of the recipients of aid are with no deficiencies and irregularities 4.5 months are too long period for beneficiaries, and over half-year periods are the reason for the refusal of some municipalities to sign contracts, regardless of the approved grant.

Lack of opportunity for advance payment on a measure 431-2 is the cause of the difficulties associated with securing funds for projects realization. In this connection it is necessary to ensure an easier access to credit for beneficiaries in order to implement the investments envisaged in the project. Experience in developed countries shows that state guarantees and guarantees of loans can be effective tools to support LAG financial position.

In many European countries for financial support of MIG are designed funds to guarantee the loans. Good practice in this connection is the functioning in Lithuania Guarantee Fund which secures the state support for rural development. He is a financial institution established in 1997 by the Ministry of Agriculture of the Republic of Lithuania with a view to provide state support for agriculture. Its mission is to promote the development of rural businesses and to create favourable conditions for lending to the agricultural sector in order to promote economic development of farms and to enable economic operators which are not sufficiently financially to gain easier access to credit.

The main functions of the Fund are:

- issuing of credit guarantees;
- administration of state support for beneficiaries of the loans;
- administer the loan fund.

Credit Guarantee Fund provides guarantees for:

- farmers and agricultural organizations;
- enterprises, which purchase, process and sell agricultural produce and provide services for agricultural production;
- small and medium enterprises located in rural areas (business entities engaged in activities alternative to agriculture);
- rural communities and local action groups who are in a period of implementation of investment projects under the measures of the Program for Development of rural areas in Lithuania 2007-2013, etc.

The implementation of the guarantees by the fund is guaranteed by the state. In this context, in order to secure credit and risk mitigation for banks in Bulgaria it is needed to create a better form of interaction between the lenders and the State Fund "Agriculture". It is advisable that the fund takes over the function of guarantor on bank loans for LAG by issuing guarantees. To guarantee the coverage of the issued guarantee it is necessary that the fund deposits funds in its own accounts in the respective banks. By guaranteeing the loans, LAG will be able to finance their activities associated with their functioning before the financing by the Paying Agency.

To improve the operation of the LAG is appropriate:

- *Improvement of local self-government, which is an important factor in mobilizing local communities and rural areas development and for the increase of public participation at local level.*

It is necessary to gain more experience in local development planning, partnership and mobilization of various stakeholders at the local level. Although during the last decade were implemented a number of initiatives in this direction, public participation at local level is still relatively underdeveloped. It is advisable to create traditions in developing and maintaining local partnerships and in implementation of joint activities, as the evaluation of the development of LAG in the analytical part of the study showed that civil society organizations in rural areas are in the initial phase of their development. A long-term support for the establishment of structures for cooperation in rural development and mobilization of local communities is needed. In this regard, municipalities could be actively involved in initiatives of organizations like the National Association Legal Initiative for Local Government. This would help municipalities to increase their efficiency at work, to improve local services and to lobby more effectively for their interests at national level. Simultaneously, they will gain more experience in terms of improving the capacity of local level to solve various problems of communities and residents, and will be built local capacity to support future

operation of the LAG.

Apart from improving local government, it is needed interested citizens to be informed in a relatively greater extent where to invest and to receive information about the progress of projects implemented in the region. Visibility of projects and an active communication between the interested citizens would increase their competence and they could be involved in most phases of the project. On the other hand, attempts to consult with citizens throughout the entire project design process are an effective way to create a civic responsibility and commitment to local government. Citizens' participation in the maintenance and funding of small projects within the LAG is possible.

- *Increasing the capacity of local authorities and participants in LAG in order to achieve better implementation of the project cycle and increase the knowledge and skills for developing and managing various projects.*

There is a need of additional training for the municipal administration and for the participants in the LAG. Estimates of administrative capacity and the municipal administration shows that there is a need of increased knowledge of employees particularly in terms of their ability to develop and manage projects as municipal administration has a leading role in the project cycle. This can be achieved by involving local NGOs, which have the potential to participate mainly in initial and final phase of the design process. Stakeholder involvement in the final phases of the project cycle is possible despite the limited experience. This participation should be supported by organizational structures that participate in the supervision and evaluation of infrastructural projects. This may be structures of the type Civil Advisory Councils, operational groups such as Forum program, initiative groups on the project Sustainable Rural Development, workshops and more. It is essential that these groups can be raised in democratic way, but to be legitimately recognized. Simultaneously, it is appropriate in these trainings to include more vast civic circles, including business. Training should include both the administration and its local partners, thus strengthening the interaction between them. It is necessary the municipal administration to be incorporated into proposed training courses on innovative forms of financing, environmental protection and social infrastructure projects as far in these subjects relatively few organized training was conducted. Particularly important is training to be practical oriented and linked to immediate needs for project development.

To improve the opportunities for transnational cooperation of LAF on LEADER initiative as well as their participation in a wide range of initiatives linked with an increase of the capacity of groups to exchange information and to share best practices between territories and LAG from different regions is necessary:

- *The activity for realization of a "Leader" and for support of LAG to be stimulated and supported by many organizations.*

In this connection it may be used the initiatives of the "National Rural Network" as its object is the realization of public benefit, aimed at rural development in Bulgaria, through: implementation of local development strategies, supporting small and medium enterprises, development of administrative capacity in rural areas, management of LAG, acquiring skills and social activity in rural areas, participation in cross-border cooperation projects; cooperation with local and regional authorities, professional organizations and civil society. We need to step up efforts to intensify the activities of the National Rural Network in respect of LAG and most of them to be included in thematic groups of the association. Of the 14 LAG applied for inclusion in the third thematic group "Leader Approach", only three have become participants.

Among the activities for implementing the main objectives of the National Rural Network importance to support MIG would have:

- Cooperation with organizations, institutions and individuals in the country and abroad;
- Organization of seminars, conferences and other international meetings covering general and specific issues in the area of the goals of partnership;
- Publication of material relating to the activity;
- Implementation, commissioning and project support and research;
- Information provision and exchange of best practices with similar organizations locally and internationally;
- Information support of network members and others.

National Network for Rural Development could be useful for LAG by one of the activities set in its Action Plan, namely the initiation of annual or if necessary - with greater frequency - national meetings in which participation can take all citizens, businesses, organizations and institutions related to rural development. During these annual meetings can be discussed and developed recommendations and opinions on the formation of policies and their implementation in Bulgaria as well as ways for improving the organization of already established procedures relating to the process and procedures for formation and operation of LAG.

LAG could be supported by the National Rural Network also regarding their awareness as one of the activities of the National Rural Network in Bulgaria is associated with identifying, analyzing and providing information on best practices applicable in Bulgaria (on various topics contained in the Community strategic guidelines for Rural Development and the Program for Rural Development - innovation, renewable energy, rural employment). Through it, the LAG can carry out exchanges of experience and knowledge of administrative rules, procedures and enforcement mechanisms within the program for rural areas and to provide expert assistance to conduct training seminars. Simultaneously, the National Rural Network would encourage dialogue between representatives of different organizations and structures actively involved with rural development and institutions at national and local level.

*This will create conditions for cooperation in the process of building and strengthening the capacity of local action groups and to facilitate and promote inter-regional and trans - national cooperation for LAG.*

- *Strengthening the participation of LAG in initiatives of organizations at European level.*

In this connection, they could be engaged in activities of the European Rural Network, which mainly relate to:

- Collecting, analyzing and disseminating information on countries, regions or topics which are subsequently used by established thematic groups working to create policies at European level;
- Development and publication of thematic information and education materials and methodical publications related to territorial development approaches;
- Developing and maintaining a significant database of organizations and practices, LAG and LEADER best practices;
- Organization of seminars, meetings and trainings;
- Formation and support of functioning of networks for rural development;
- Supporting national rural networks and initiatives related to cross-border cooperation.

- *Bulgaria as an EU member to be engaged in more initiatives for implementation of transnational partnerships.*

There is a need of greater participation of LAG in our country in projects like "Partnership for Rural Europe" (PREPARE), in order to benefit from their help in the creation and strengthening of rural networks. The aim of this project is to strengthen civil society as an important factor and partner of governments in rural areas.

Initial PREPARE partners agree to work together to promote the establishment or strengthening of civil society networks in rural areas of the accession countries of Central Europe. Soon was joined the Hungarian Rural Parliament, established in 1998 with the help of Swedish partners. Partners adopt a program with two objectives - support for newly created networks in certain countries and organization of multinational events to bring people from many countries to share ideas and exchange experiences. Under this initiative was found, that there was no standard model for national rural networks or movements. States vary in size, structure of settlement and social, cultural and political traditions. This type of initiative could be beneficial to the development of the National Rural Network in Bulgaria as organizations involved in the project offer help to create or strengthen a national structure with strong roots locally (when possible). Under this project, over the past six years were created national rural networks or movements in seven countries of Central Europe. They range from "forums" for cooperation between different NGOs to networks of associations of rural communities and/or groups of LEADER.

The need for such local initiatives by NGO type varies between countries, especially concerning the nature of the municipalities. For example, in Sweden, Finland and Estonia municipalities are usually large and often cover many villages in one municipality. In this context it is very important to have a rural initiative groups which are a form of "participatory democracy" and the basic units of national networks and networks for rural areas. On the other hand, in Hungary, the Czech Republic and Slovakia there are small municipalities and the mayors are active, so they do not need individual rural initiative groups. In these countries there is a need for micro-structural regions, enabling a smaller or larger number of municipalities to cooperate, often working with or through sub-regional NGOs.

This type of program would be useful for LAG in Bulgaria by:

- Supporting training programs. Within the initiative is implemented the project "Preparation of local communities for LEADER type of actions" in Poland, financed by the Polish Cooperative Fund and PREPARE. This project focuses on training of trainers who then train local organizers of the partnerships that could benefit from funding from LEADER type. The program includes a series of educational seminars and two study visits to get acquainted with the activities of LEADER in Ireland and Germany. Such training is organized in the countries of the Slovak Rural Parliament and by senior members of the Hungarian Parliament of Rural Regions.
- Encouraging the emergence of multinational events. PREPARE role in this regard is to promote activities and security experts from other countries and if necessary, propose co-funding. In addition to this national activity PREPARE organized every year one or two multinational events, which bring together people from all new Member States and other countries outside so they can see how act NGOs and local action groups. Participants in these events can discuss the fast developing model of policies and practices in rural development in the EU.
- Implementation of travelling seminars, which will create a close relationship between participants from different countries. They will be made familiar with practical projects at local



level and will provide international recognition of the hosts of the seminar. The first initiative of the project is a travelling seminar dedicated to the overall objective to promote the active involvement of rural communities in actions to increase their own wealth. Travelling Seminar, held in 1999 to Sweden and Estonia was visited by people from different NGOs and government agencies of all accession countries of Central Europe. Its results show clearly how rural people can act together to improve their lives, how stimulating it can be to visit another country and see civil action at village level.

The participation of LAG in our country in initiatives of this kind would contribute to enhancing their capacity for transnational cooperation and inclusion in global networks, promoting the relationship between rural people and rural initiative groups in national and European policies and funds.

## 6. CONCLUSION

The survey on the application of a 'LEADER' approach in Bulgaria conducted during the period 2009 - 2012 leads to the following general conclusions:

- Despite the lack of experience and administrative capacity, more than half of Bulgarian municipalities located in rural areas, have made attempts to create public-private partnerships and to apply for funding the preparatory measure 431-2 "Acquiring skills and reaching of public activity on the territory of potential LAGs in rural areas" As a result with 50 percent was exceeded the target number of finance LAGs by the program.
- The extension of time for document processing and approval of projects and their implementation costs, create significant difficulties for newly established LAGs to implement activities in activation of local citizenship, evaluating the capacity of territories and development of local development strategies. In this direction, negatively influenced the repeated changes in the management of the Program for Rural Development and the State Fund "Agriculture".
- Despite the large number of applicants under measure 41 "Implementation of local development strategies", in the first stage were approved only 25% of the local development strategies, and in the second - 27%. Thus, the objective of the Program for Rural Development to finance the implementation of 50 strategies - was fulfilled only at 70%. The reasons are related both to the quality of some of the strategies and with the indicators of part of LAG territory - mostly single municipality with a small population.
- The few trained and recognized experts and the insufficient administrative capacity has led to delays in the establishment of local development strategies. This causes some of them to be executed after the current programming period.

In conclusion, it can be summarized that despite the many problems in the implementation of a 'LEADER' approach in the first programming period of the Bulgaria's membership to the EU, are implemented strategies in more than 1,100 villages with 850,000 inhabitants. Total funding amounts to more than 65 million euro.

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