



3 STANDARD PACKAGE FOR PPP AGREEMENTS: COMMUNITY-LED LOCAL DEVELOPMENT INITIATIVES

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INTRODUCTION

This document is produced in the framework of the FISH MED NET project co-funded by the ENI CBC MED Programme. FISH MED NET involves public and private partner organizations from France (notably Corsica), Italy (notably Sardinia, Liguria and Puglia), Tunisia, Lebanon and Palestine. The project aims to develop Mediterranean Alliances between the enterprises active in the Blue economy following the diversification of artisanal fishing, and to develop public authorities' capacity to encourage sustainable development of the fishing sector. Following the analysis "Mapping of the needs of the Public Authorities related to fishery activities and support schemes in place", as well as the results of the rounds tables held in all partner countries that have engaged both public and private stakeholders from the fishery sector, the Ministry of Agriculture of Lebanon, in cooperation with all partners, has produced some standard packages including procedures and formats that might be useful to develop Public-Private Partnerships (PPPs). According to the different national contexts, norms and legislations, the typologies of potential PPPs could change and vary from country to country. Also considering the differences between the fishery sectors in the involved countries at economic, social and legislative level, there is a certain level of heterogeneity within countries. So that, it must be noted that the standard packages should be always adapted to the country's characteristics and norms, and must not in any way be used as a substitute for specific legal advice.

The following standard packages are identified on the basis of existing practices of Public-Private Partnerships (PPPs) in each target territory:

1. The concession agreement
2. The memorandum of understanding
3. Community-led local development initiatives
4. The service agreement

Each standard package includes the same structure:

- Procedures
- Standard template
- Bibliography

This specific document includes a focus on one form of public private agreement that has been developed in the framework of the **Community-led local development initiatives** implemented under the European Maritime and Fisheries Fund (EMFF) and the European Rural Development Fund (ERDF) of the European Union in the Member States.

3. THE COMMUNITY-LED LOCAL DEVELOPMENT INITIATIVES

The Community-Led Local Development (CLLD) is a methodology for local development adopted for engaging local actors in the design and delivery of strategies, decision-making and resource allocation for the development of rural areas. The methodology, previously known as LEADER (*Liaison Entre Actions de Développement de l'Économie Rurale*), has been implemented for more than 30 years at the European Union level by all the Local Action Groups (LAGs), which bring together all the public, private and civil-society stakeholders in a particular area (situation as of end 2018 – EU-28). In the rural development context, LEADER is implemented under the Rural Development Programmes (RDPs) of each EU Member State, co-financed from the European Agricultural Fund for Rural Development (EAFRD). In the 2014-2020 programming period, the LEADER method has been extended under the broader term Community-Led Local Development (CLLD) to three additional EU Funds: the European Maritime and Fisheries Fund (EMFF); the European Regional Development Fund (ERDF); and the European Social Fund (ESF).

Community-led local development (CLLD) is a participatory approach for involving partners at local level including the civil society and local economic actors in designing and implementing local integrated strategies that help their areas make a transition to a more sustainable future.

Community-led local development shall be:

- focused on specific sub-regional areas;
- led by local action groups composed of representatives of public and private local socio-economic interests, in which, at the decision making level neither public authorities, as defined in accordance with national rules, nor any single interest group represents more than 49% of the voting rights;
- carried out through integrated and multi-sectoral area-based local development strategies;
- designed taking into consideration local needs and potential, and shall include innovative features in the local context, networking and, where appropriate, cooperation¹.

The idea is to mobilise the energy and resources of people and organisations and to encourage partnerships at a sub-regional level between the public, private and civil sectors. This concept of “bottom-up” development led by people in the local area, was quite new, in contrast to the traditional “top-down” approach to development. The establishment of Fisheries Local Action Groups (FLAGs) in EU Member States aims at increasing employment and territorial cohesion in coastal and inland fisheries-dependent communities through local initiatives and involvement of local stakeholders in decision-making.

¹ Commons Provisions Regulation (CPR) No 1303/2013, European Union.

A FLAG includes a coastal community development strategy that seeks to encourage and enable local communities involved in fishery and aquaculture sectors to become the drivers of sustainable growth in their areas. To achieve wide public acceptance, it is important to involve all possible interest groups right from the start. A FLAG may have to comply with a legal registration process early in its formation if so required by the national legislation. A FLAG may be a legally constituted body, for example a company limited by guarantee, a community interest company or a non-profit association enabling free membership for anyone living in the territory. The statutes (whatever their legal form) should define the basis of FLAG membership, its size and composition as well as that of the Board of Directors or decision-making bodies and any General Assembly and their associated decision-making procedures. The consultation and design process for the local development strategy normally starts immediately after the emerging partnership is established (any formal legal structure can be established later). This gives an opportunity for the partnership stakeholders to get to know each other better and learn to work together for a common goal. Building trust amongst the partners is one of the main cornerstones of the CLLD approach and this must be worked at and sustained². The Local Development Strategy is the key document for each FLAG area. It sets out, in a consistent format, a detailed explanation of the area; an analysis of that area through a SWOT assessment; a series of aims and objectives for the area and proposals for activities or initiatives that would achieve those aims and objectives. The Local Development Strategy must complement and not duplicate national, regional and local strategic policy objectives.

² Implementing LAGs and Local Strategies, LEADER Toolkit: Implementing LAGs and Local Strategies (europa.eu;

³ Fisheries Local Action Group: eligibility guidance, Fisheries Local Action Group: eligibility guidance | GOV.WALES;

3.1 Procedures: Community-led local development initiatives

The CLLD is a methodology and it can be therefore implemented all over the world for the co-planning of the initiatives, whatever is the legislation in place. In the EU the methodology is framed into the legislation in order to adopt it in a structural way for managing the public funds for rural and coastal development. Therefore, we'll here make reference to the main features of the EU legislation on the subject as an example of a more structured procedure. The Common Provisions Regulation (CPR) EU No 1305/2013 Articles 32 – 34 sets common basic requirements for FLAGs and Community-Led Local Development. The Rural Development Regulation EU No 1305/2013 Articles 42 – 44 makes additional specific provisions. The main common criteria include⁴:

The area defined

The operational area of a FLAG must be a specific sub-regional area with a population normally between 10,000 and 150,000. These elements should be defined in the FLAG's Local Development Strategy. The area of the FLAG does not necessarily have to follow administrative borders.

Sufficient resources

The Local Development Strategy shall include a description of the management and monitoring arrangements for the strategy and demonstrate the capacity of the FLAG to implement the strategy.

Administrative and financial lead partner

Managing authorities are responsible for ensuring that FLAGs either select one partner within the group as administrative and financial lead or that the group come together in a legally constituted common structure.

⁴ Implementing LAGs and Local Strategies, [LEADER Toolkit: Implementing LAGs and Local Strategies \(europa.eu\)](#) and LEADER Local Development Strategies (LDS) – Guidance on design and implementation, ENRD, 2016, [enrd-guidance_lds.pdf \(europa.eu\)](#).

Public-private principle

Community-led local development must be led by local action groups composed of representatives of public and private local socio-economic interests, in which, at the decision-making level neither public authorities, as defined in accordance with national rules, nor any single interest group represents more than 49 % of the voting rights.

Skills to administer public funds

The FLAG must show in its statutes and strategy how it will organise itself internally and acquire the sufficient economic and administrative skills required to administrate public funds.

FLAG roles

States define the respective roles of the FLAGs and the authorities responsible for the implementation tasks relating to the Local Development Strategy. FLAG tasks include:

- Designing and implementing the community-led local development strategies;
- Building the capacity of local actors to develop and implement the operations;
- Drawing up a transparent and non-discriminatory selection procedure including defining objective selection criteria for selecting operations. This should avoid conflicts of interest and ensure that at least 50% of votes cast in selection are from non-public authority partners;
- Ensuring that selected operations fit the Local Development Strategy and are prioritised according to their contribution to its objectives and targets. They may also be responsible for the selection of cooperation projects;
- Prepare and publish calls (or an ongoing process) for project submissions and receiving and assessing such applications;
- Monitor the implementation of the strategy and its supported operations including carrying out specific evaluation activities;
- FLAGs may be a beneficiary and implement operations under the strategy.

The FLAG's structure

The main components of FLAGs are typically their membership, decision making bodies and their professional staff team. The scale and nature of this varies from LAG to LAG and is often governed by the scale of the LAG budget. LAG membership is normally open to individuals and representatives of organisations and businesses living and / or working within the FLAG boundaries. Both private individuals and local public/private organisations can become members. The members are the most important resource for the FLAG's operation. Some FLAGs set up a small membership fee in order to collect private funds and strengthen the members' commitment to the work of the FLAG. Good practice suggests that FLAGs should carry out a mapping exercise to ensure that their membership is broadly representative and inclusive and includes key local partners who can contribute to its work.

Governance Structures

Subject to having fulfilled Member State legal considerations a FLAG can otherwise freely organise itself internally, according to its constitution. Some FLAGs operate as a relatively small partnership with all members actively participating in the work and decision making of the FLAG, others have a more complex governance structure e.g. involving an executive committee or board, a General Assembly and specific sub committees.

General Assembly

Where a LAG employs a General Assembly, it is common for all FLAG members to be invited to meet once or twice a year. Where used, a General Assembly is normally in charge of selecting the Board and the Chairperson (sometimes referred to as the President) from amongst the LAG members. Such a selection process should normally respect the public-private partnership principle as well as those of social inclusion e.g. in terms of territorial, gender and age equity. A General Assembly may have other formal duties defined by the constitution like approving the annual reports, accounts and financial statements of each year. It may also have the power to change the LAG's constitution. The makeup of the General Assembly must reflect that set out in the CPR and no more than 49% of the membership of any decision-making body may come from a single interest group.

Board / Executive Committee

The FLAG Board may comprise the full LAG membership or be a subset of the membership, it will have an elected chair or president. It undertakes the everyday decision-making of the FLAG and oversees its activities, legal and financial functions. The membership of the Board is normally defined in the constitution: typically, it would involve between 10 and 20 members and would meet monthly or bimonthly. The composition of this body must also reflect that set out in the CPR and no more than 49% of the membership of any decision-making body may come from a single interest group, including the public sector as a whole. Board members normally sign a statement of confidentiality regarding all information obtained through their position e.g. regarding project applications. As local activists and residents Board members may sometimes face a 'conflict of interests' situation, consequently there must be a robust conflict of interests procedure in place specifying when they cannot take part in FLAG decision-making.

Sub-committees

The FLAG General Assembly or Board may designate sub-committees or expert groups to undertake specific tasks either on a short term or ongoing basis. Such a sub group may prepare and evaluate material to be presented to the Board for decision-making. Project evaluation, project monitoring and cooperation sub-committees are typical examples, here issues can be discussed and prepared more in depth than in the Board.

Staff

The FLAG / Board hires the FLAG staff, they may be employed by one of the partners, often the 'administrative and financial lead partner'. This must be done within the FLAG's management and animation budget. As the FLAG budgets and the management and animation tasks are highly variable so too is their level of staffing. Manager, project advisor, animateur, business advisor, transnational coordinator and office assistant are typical FLAG staff roles.

Accountant & auditors

An accountant can also be a FLAG staff member but more usually this role is outsourced or located within the 'administrative and financial lead partner' team. The accountant plays a key role in successful FLAG management and financial reporting together with the financial auditors. The auditors can also provide administrative and financial advice throughout the year, not only when auditing the accounts.

The tasks of the Board and staff

Having led and overseen the development and approval of the Local Development Strategy the next main duty for the FLAG members or board is to evaluate, prioritise and select the project applications that implement the strategy. The Board also has many other roles. The members should be knowledgeable antennae for the LAG's animation and advisory work with project applicants. They may also be project applicants and implementers themselves but must respect LAG conflict of interest procedures.

The role of the Manager and other staff

The FLAG Manager together with other staff members and possible sub-committees may support the turning of an applicant's initial idea into a project plan and a viable funding application. The Manager and the FLAG team normally review project applications against the strategy selection criteria using the FLAGs specific evaluation mechanism. The FLAG Manager is in charge of preparing the project presentations to the Board. The Manager's role is central in supporting the project preparation and selection processes and also in supporting or overseeing other FLAG staff and their duties like advisory activities, animation, payments, administration, cooperation and monitoring and evaluation. The Manager often represents the voice or face of the FLAG in communications and is involved with cooperation and networking activities.

Implementing the strategy: how to get value-adding project applications?

It is important to remember that a FLAG is not just a decentralised office to deliver EU Funds, the role of the partnership is not simply to wait for applicants to come with their projects and then select those that should receive funding. One of the key roles of the FLAG is to actively encourage and support beneficiaries to submit projects which drive forward its strategy, so the focus is not on selecting projects but on developing them! This 'project animation' is a central part of CCLD implementation, having considerable impact on local capacity building and increasing public participation.

Animation events and the FLAG staff input

Traditionally animation refers to information events, workshops and training organised within the FLAG territory. This should start during the consultations in the preparation of the Local Development Strategy and then continue during its implementation to inform and engage local people and organisations. Local people may be able to bring up new ideas for implementing the Local Development Strategy. FLAG staff input here is crucial from the beginning to provide up-to-date information on what is possible and what is not and to help ensure coordination and that planned activities do not duplicate or displace each other. They may also help to ensure that transferable practices or innovations from elsewhere can be utilised. The outputs of these events and activities should be recorded as part of the FLAG reporting process.

Risk of dead-weight

Dead-weight is a major risk to the added value produced by implementing the Local Development Strategy. Funds should not be allocated to activities that would largely happen without CLLD funding or which could produce the same results through other means. CLLD's added value often stems from the projects' experimental, sustaining and innovative elements that would be impossible to implement as envisaged without CLLD support.

Fostering innovation

Innovation is both a core principle and objective of CLLD. It can be defined as the development or adoption of new concepts or ideas, and/or the new or adopted ideas themselves as well as the successful exploitation of new ideas. Creativity is having ideas, and innovation is its application. Innovation only emerges when the creative thinker takes the idea and does something with it. Examples of forms of innovation which commonly emerge include:

- New methods for the way a project is developed or managed including the involvement of the local population in the decision-making process and in implementing the project;
- Who is involved in the project and how they are involved e.g. combining and linking economic sectors which are traditionally separate;
- How the project is resourced e.g. combining the area's human, natural and/or financial resources, resulting in better use of indigenous potential;
- The emergence of new products and services which incorporate the distinctiveness of the local area;

- How the results or lessons are identified, used, disseminated or communicated;
- How the project becomes self-sustaining;
- How the project links to other initiatives;
- The use of an innovation coordinator or animateur;
- Bringing new and surprising interest groups together;
- Developing transnational cooperation allowing the exchange of the best practices;
- And implementing locally relevant and reactive Local Development Strategies offering risk-tolerant support.

Bringing different actors together Innovation in local development is often based on unexpected meetings of people or local actors with different backgrounds. A FLAG is an unbiased, non-profit and non-political arena suitable for bringing these actors together. Transnational cooperation is another surprising arena prone to innovation. From new perspectives one can see the new opportunities better. Identification and transfer of new and innovative practices is an essential part of transnational cooperation.

Effective project development and selection

It may seem self-evident that it is through project activity the FLAGs will achieve their objectives, but it is only through effective project development and selection processes that FLAGs are able to select and support those projects which contribute most to achieving the objectives of their Local Development Strategy (LDS). The right projects are needed to deliver the desired outcomes. The selection of projects to deliver the strategy is therefore one of the most important strategic functions which the FLAG carries out and as such it is vital that this is carefully designed to align with the Local Development Strategy itself. There are four main elements – prior to the actual selection decision – which need to be considered, these are:

- The way in which projects are animated and developed;
- The application process;
- The selection criteria; and
- The assessment process.

Project animation and development is a strategic process. The way in which projects are developed can have a very considerable bearing on the type and quality of projects submitted and their ability to deliver against your Local Development Strategy objectives. FLAGs should therefore design and employ a project development process which encourages and supports the types of projects which can deliver their priorities. The assessment criteria should be set out in the Local Development Strategy implementation arrangements and should be consistent with and directly linked to the territorial analysis and intervention logic of the Local Development Strategy, the objectives and the proposed monitoring and evaluation indicators. These will include both technical and quality criteria. The assessment process should be set out in the Local Development Strategy management arrangements and should be designed to enable well informed, objective and carefully considered decision making through a robust and transparent procedure. In the interests of transparency, appraisal criteria should be available and accessible to potential applicants. Ensuring the transparency of the application and selection procedure is of the utmost importance in maintaining the motivation and trust of local actors. The application and decision-making procedures and criteria should be very clearly set out in the application materials and any associated publicity, where possible, staff should seek to ensure that these are clearly understood. Whilst the procedures themselves are important these must be seen to be applied in practice, it is essential that the FLAG does what it says it will do and clearly communicates that to applicants.

Strategic project animation and development: Linking delivery to the strategy

Once the FLAG has had its Local Development Strategy approved and is moving into action, the next step in the development process is the preparation and selection of the projects through which the Local Development Strategy will be delivered. How does the FLAG ensure that the 'right' projects are initiated, developed and selected, the projects which are not only consistent with, but which will contribute most to, the achievement of the objectives of the Local Development Strategy? How can the FLAG develop successful projects? What are the key considerations? What tools can they use?

Development Strategy priorities

The first thing the FLAG will have to consider is the context within which projects are being developed; project demand will not necessarily match the objectives of the FLAG and its Local Development Strategy. There may be a high level of demand, but this doesn't match the Local Development Strategy or its objectives e.g. inappropriate or generic projects which lack strategic focus or links to the Local Development Strategy. Here the FLAG needs to work with applicants, inform, encourage and steer, provide incentives for the 'right' types of proposals and actively support their development. There may be a shortage of projects, a lack of momentum and motivation e.g. where there are economic difficulties and a shortage of match funding. Here the FLAG can pump prime activity by supporting capacity building and developing some 'quick wins', small projects capable of rapidly converting into action, results and local momentum. Communicating the Local Development Strategy and its objectives and selection criteria is therefore a key animation activity for FLAGs in generating appropriate and good quality projects contributing to the delivery of the objectives.

Generating the 'right' projects

There are two main approaches which FLAGs can employ in generating projects, they can either be proactive or reactive (although in reality many will operate somewhere in between). Actively supporting project development and development actors is one of the key factors differentiating CLLD and other territorial development initiatives from more conventional mainstream approaches.

The application process

There are two main approaches to developing and selecting project applications, either:

- A call for submissions followed by project development and support activities leading to the actual selection process; or
- Direct implementation and delivery by the FLAG (or on their behalf by a third party).

Here we are dealing with the first approach, the conventional call for projects. In preparing to

undertake a call for projects FLAGs need to consider what method fits their Local Development Strategy best, they can employ either:

- A single call at the beginning of the period;
- A rolling process with open submission of projects; or
- Calls at regular intervals throughout the period.

In the first two cases the projects are normally selected against the selection criteria identified in the Local Development Strategy, in the third case the criteria may be amended between calls to address evolving needs or budgetary considerations. A two-stage application process is generally desirable. Using an expression of interest or initial enquiry for basic information can help screen out ineligible or inappropriate proposals before valuable time and resources are wasted. Projects which are rejected at this stage can either be adapted to better fit the Local Development Strategy priorities or may be redirected to other more appropriate sources of support. For successful applications these forms help inform the FLAG and its staff and engage them with the project promoter. They may then provide guidance and support in developing the full application.

Targeting

In all cases the FLAG may introduce some element of targeting; targeted calls can relate to:

- A specific Local Development Strategy priority or objective;
- Different groups of beneficiaries;
- Themed priorities e.g. environment, tourism, diversification etc;
- Collective projects;
- Different levels of support; and
- Different sizes of projects.

Criteria types

There are two main types of project decision-making criteria which FLAGs have to deal with:

- Eligibility criteria for assessing the admissibility of applications;
- Selection criteria for the qualitative assessment and ranking of applications.

Eligibility criteria

Eligibility criteria are the essential criteria that all projects must meet in order to be admissible for a further qualitative assessment. Commonly these relate to the eligible activities, beneficiaries and expenditure. Such eligibility criteria are normally assessed through a technical

assessment, there are no threshold values applied and the judgement is absolute. Elements of this assessment may be carried out either by the Managing Authority or the FLAG depending on the delivery system employed; ultimate responsibility for ensuring eligibility rests with the MA in all cases. Local Development Strategy-specific eligibility criteria tend to be more associated with the targeting of the strategy in terms of area, beneficiaries or types of activity supported.

These are normally applied by the FLAG to ensure the consistency of project activity with the Local Development Strategy. It is important that the eligibility criteria are applied to projects as early as possible in the application process. These criteria should be clearly communicated in publicity and application materials so that people know the rules. Projects should then be screened against them, ideally in an expression of interest or first stage application. This avoids wasted effort in project development and can provide an opportunity for project proposals to be amended if appropriate. On-going guidance and support for project development should seek to ensure that full applications remain within agreed eligibility parameters or that elements which arise later in the development process, e.g. necessary permissions are addressed prior to presentation for formal decision-making.

Strategy project selection criteria

Good practice also indicates that FLAGs should include selection criteria in their Local Development Strategy action plan. Selection criteria should be adapted to the specificities of the area and should be designed to assess the fit and contribution of project proposals with the strategy, its target groups and its objectives. These may be further refined in calls for project proposals to include criteria which are specific to one type of activity, area or target group. These criteria must be capable of informing the FLAG's decision-making process and this implies both qualitative and quantitative judgements on the project's desirability. Such criteria might include:

- The extent to which the project contributes to the achievement of the strategy and complements activities covered by other relevant initiatives;
- The extent to which the project responds to identified need and is supported by evidence of prospective demand; and
- The degree of local appropriateness and consistency with needs. In order that FLAGs may make objective judgements using these criteria it is essential that they are measurable and repeatable on a consistent basis.

Designing project selection criteria

The objective of designing Local Development Strategy-specific selection criteria is to optimise the decision-making process that helps LAGs select and award appropriate funding to those projects which can contribute most to the achievement of their strategic priorities in an impartial, consistent and transparent manner. It therefore follows that the process and criteria should be developed in conjunction and coordinated with the Local Development Strategy and associated implementation plan and that the criteria should be agreed by the FLAG prior to their submission and implementation. The effective use of an expression of interest or pre-selection process significantly streamlines the decision-making process and clear criteria at this stage are essential. Normally these would represent a simplified subset of the selection criteria as a basis for screening submissions, providing feedback and informing project development and support.

Local Development Strategy-specific selection criteria would normally include the following as a

minimum:

- The extent to which the project contributes to the achievement of the objectives of the strategy;
- The extent to which the project complements activities covered by other relevant initiatives;
- The extent to which the project responds to, and is consistent with, identified need;
- The extent to which the project is supported by evidence of actual or prospective demand (including an assessment of any possible displacement of existing activities);
- The degree of local appropriateness of the proposed project intervention and its delivery method;
- The additionality of the project outcomes;
- The inclusion of realistic and measurable milestones and targets with associated performance indicators;
- Value for money, i.e. the balance of proposed costs and LEADER support vs the outcomes sought (e.g. by comparison with other initiatives or project benchmarks);
- The realism of the proposed approach in terms of its physical and financial deliverability, viability and the applicants' capability to deliver; and
- The sustainability of the proposal, what is the completion, continuation or exit strategy?

Criteria should enable FLAGs to apply the principle of proportionality in their decision-making, the way in which criteria are designed and implemented can enable FLAGs to fine tune the implementation of their Local Development Strategy in line with priorities. For example, in the case of smaller projects FLAGs may wish to consider setting a lower threshold or a modified or differentiated set of criteria. The weightings placed on different selection criteria can also be varied between different sizes or types of application, e.g. with regard to the amount of evidence required for small applications. Proportionality can also be addressed in the way in which criteria are applied, e.g. in the degree of precision or flexibility which is designed into the criteria and their application.

Measurability

In designing selection criteria FLAGs need to consider how these will be applied in practice, i.e. how judgements will be made in decision-making. Common approaches involve scoring of projects against checklists or within matrices; this therefore involves LAGs placing values against criteria. In order to provide a robust basis for justifying decisions, the way in which applications are assessed against criteria needs careful design.

In designing criteria FLAGs should therefore consider their:

- Applicability; i.e. their relevance and practical application against projects;
- Consistency; the criteria should enable the assessment of projects against the Local Development Strategy priorities and the outcomes sought;
- Repeatability; the ability to be applied and judged in the same way against multiple applications;
- Links to indicators; as a basis against which to measure potential Local Development Strategy achievements; and
- Decision-making; the practicalities of how these will be used in practice.

Project selection

The Local Development Strategy management arrangements should therefore clearly set out both the selection criteria and the process through which these will be applied. These should then be very clearly set out in the application materials and any associated publicity. Whilst the procedures themselves are important these must also be seen to be applied in practice; it is essential that the FLAG does what it says it will do and clearly communicates this to applicants. The selection criteria are applicable at all stages in the process, they are a fundamental element of the project animation, pre-selection, development and selection process, they also form part of the Local Development Strategy design process. They are a vital link between project actions and the Local Development Strategy, the needs it addresses and the outcomes sought. They provide a key management tool for the FLAG to steer the delivery and achievement of its strategy. They should therefore be used not just by the LAG in making decisions, but also by applicants and FLAG staff throughout the whole process. Ultimately the criteria do provide the basis for decision-making on which projects to support and, in many cases, the amount of that support. FLAGs use a range of different decision-making processes and criteria will therefore be applied in different ways. Some will formally score and/or collate these scores or votes in a matrix or template; others may discuss projects against the criteria and reach a consensual view. In some cases, the analysis against the criteria may result in recommendations or conditions being applied to projects prior to the award of support. Whatever the decision-making process employed it has to be recorded to provide auditable evidence justifying the decision. This should show that the project selection criteria have been used in a way which is robust, repeatable and consistent and that the specified procedures, e.g. re conflicts of interest or the FLAG decision-making quorum have been followed. By designing the selection criteria into the whole Local Development Strategy implementation process and linking this to the objectives and indicators the FLAG's ability to monitor the progress of individual projects and their contribution to the Local Development Strategy is strengthened. This provides a basis for the on-going review of the progress of the Local Development Strategy and, if required may provide the justification for the modification of the criteria to address evolving needs or delivery in a transparent manner.

3.2 Standard template: statute of an Association establishing Fisheries Local Action Group⁵

Please note that this document is intended to serve as an example and be used as reference only. Articles of the statute have to be adapted on a national basis according to each country's legal and institutional framework.

STATUTE OF ("Action group's name")

I. Name, location and purpose

§ 1 Name

Action group's name is ...

§ 2 Location (Area)

Action group's location is.. (Specify the Municipality/ies involved...)

§ 3 Mission

The association's mission is: To promote local development in fisheries areas through collaboration with voluntary actors and organisations in the community, municipality and region in a way that is consistent with the Fisheries development program for 2007 - 2013; To participate actively in the development of/in the entire area; and To take autonomous initiatives for projects and processes.

II. Members

§ 4 Members

Public and private organisations that are engaged in the small-scale fishery and in the Blue Economy sector in the local communities involved (such as local businesses federations, local nature, environmental, cultural, civic and recreational associations, trade unions, public authorities, etc..).

§ 5 Admission and resignation

- 1) Inclusion in the action group is requested at the founding meeting or via written (email or letter) notice to the Board of the local action group.
- 2) Withdrawal notice shall be given in writing to the Board of the local action group.

§ 6 Exclusion

The Board may immediately expel a member if it is the Board's view that the member's actions run counter to the association's purpose or deliberately bring discredit to the group. Any exclusion must be included in the Board / Chairman's report of the following General Assembly. If the excluded member wishes so, the exclusion can be brought before the General Assembly, which takes the final decision pursuant to § 18 paragraph. 3. 2

⁵ FARNET, Standard Rules of Association for a Fisheries Local Action Group, [DK_Standard-Articles-of-Association_FLAG_v1_0_0.pdf \(archive-it.org\)](#)

III. Management

§ 7 General Assembly

- 1) The General Assembly has the overall authority in all matters of the action group, within the limits of the law and of these statutes.
- 2) An Ordinary General Assembly (OGA) is held each year within 4 months of the end of the accounting year.
- 3) Extraordinary General Assemblies are held following a decision of a General Assembly or a request from a majority of Board members or 1/3 of the action group members. The request must be submitted in writing to the Board and provide an indication of the agenda. The Extraordinary General Assembly shall be convened within 14 days of receiving the request.
- 4) General Assemblies shall be convened at the initiative of the Board of the local action group with a maximum of 4 and a minimum of 2 weeks notice by advertisement in local newspapers, covering at least the action group's geographic area. Notice shall include the agenda of the meeting and indicate the essence of any proposal.
- 5) Proposals to be considered at a General Assembly shall be sent to the Chairman or the Secretariat not later than 8 days prior to the meeting.
- 6) Agenda for the Ordinary General Assembly shall include: a) Election of President. b) Presentation of the Board's report on the local action group's activities in the past year concluded by a resolution approving it. c) Presentation of financial statements and audit report for the past year, with a resolution approving the income statement and balance sheet. d) Presentation of operating and cash budget for the coming year as well as decision approving it. e) Proposals received from Board members. f) Election of Board Members, substitutes and Chairman, see § 9 g) Appointment of Auditor h) Any other business (AOB).
- 7) The General Assembly shall elect by simple majority, a President who directs the negotiations and settles all questions relating to proceedings and voting.
- 8) At the General Assembly, all members present may speak and vote. The coordinator of the group and auditor along with persons invited by the Board may also take part in the General Assemblies.
- 9) The General Assembly may decide to establish committees and working groups. 3
- 10) The General Assembly decides on issues through simple majority voting, subject to § 18. Voting cannot be done by proxy.

§ 8 Board

- 1) The General Assembly shall elect a Board to undertake the overall management of the action group and implement the General Assembly decisions.
- 2) The daily management is handled by the Board or a person employed by the Board.
- 3) The Board may establish committees and working groups to perform tasks for and with reference to the Board.
- 4) Any member of the association may be proposed to the Board.

§ 9 Board composition

1) Composition

a) The Board shall be composed of persons who can represent the interests of the following four socioeconomic groups: 1. Local citizens. 2. Local businesses and company federations. 3. Local nature, environmental, cultural, civic and recreational associations. 4. Public authorities, including the members designated in advance. One should aim for an even gender, age and geographical distribution of the Board.

b) The Board consists of an odd number of members of at least 7. Representatives of public authorities, including members appointed by the municipal council, regional council and the regional growth forum may not represent more than 30% of the total number of Board members. These members should not be elected by the General Assembly.

c) The municipality may designate no more than 2 members and one substitute to the Board. The Regional Council and the Regional Growth Forum may jointly appoint one member and one substitute to the Board.

d) In cases where a local action group's geographical area spans over 2 or more regions or municipalities, the regions and Growth Fora concerned jointly designates one member and one substitute per region and the municipal councils two members and one substitute each.

e) The General Assembly shall elect the Chairman of the Board.

f) The General Assembly also appoints for 1 year at a time 1 or 2 Board member substitutes, indicating their order of precedence.

g) Board members and substitutes, elected by the General Assembly shall be a member of the local action group, be over 18 years, and the nominee must be present at the General Assembly. The candidate may submit a proxy, indicating expressly that he wishes to be elected to the Board.

h) Members of a local action group can only be elected to the Board of the local action group which covers the geographical area where they reside.

i) The Chairman shall be elected for 2 years at a time by the General Assembly and the other Board members are elected by the General Assembly for 2 years at a time, except for that half of the Board that departs at each ordinary General Assembly.

j) The Board constitutes itself with a vice Chairman, a Secretary and a Treasurer. The Board shall adopt its own rules of procedure.

k) If a member of the Board resigns during its term, a substitute steps in for the period until the next Ordinary General Assembly (OGA). If the Chairman resigns the Vice Chairman takes over until the next OGA. If the number of Board members becomes less than 7 through multiple resignations, an extraordinary General Assembly will be convened to elect new a new Board that will be in place until the next OGA.

l) The Board may assign a member of the action group as an observer to the Board with partial or total participating and speaking rights, but without voting rights.

2) The Board has a quorum when at least half the members are present, including the Chairman or Vice Chairman.

3) The decisions are determined by a simple majority.

4) Meetings of the Board are closed unless the Board decides otherwise.

§ 10 Board duties

- 1) The Board shall undertake the overall management of the local action group's activities and oversees the group's daily operational management, including:
 - a) Discussion and adoption of the overarching vision, values and strategies.
 - b) Approval of projects for funding under the rural development program.
 - c) Presentation of the Board's report on the local action group's activities in the past year for approval at the OGA.
 - d) Presentation of the draft annual accounts and audit report for approval at the OGA.
 - e) Presentation of operating and cash budget for the coming year for approval at the OGA.
 - f) Exclusion of members.
 - g) Development of the association's activities.
 - h) Approval of targets.
 - i) The necessary monitoring and control of the association's activities.
- 2) The Board may, within the given economic framework, hire a coordinator to take care of the association's affairs. The Board shall agree with the coordinator on his duties and powers.
- 3) There shall be no remuneration or other form of compensation for Board members, excluding reimbursement for documented expenses.
- 4) Changes in the composition of the Board shall be submitted to the Food Industry Agency approval within 14 days of the decision.

§ 11 Qualification Rules

- 1) Participation in the work of the Board is subject to disqualification rules in administrative law and the rules of confidentiality in public services.
- 2) All information, oral or written, including documentation, a Board member or any other participant in the work of the Board receives about individuals, private companies or economic associations, personal or domestic affairs, including information on technical instruments, the processes or the operating and/or business matters are confidential. In addition, members and other participants in the work of the Board operate with confidentiality with regard to information essential for public or private interests.
- 3) A Member of the Board is disqualified from the Board for the examination of applications where the Member has a particular personal or financial interest in the outcome, by for example, being closely related to the applicant, in his/her quality of representative or director of the applicant company, association, authority, trust or similar. As per § 6 of the Public Administration Law, the one that can be subject to disqualification has the duty to draw attention to the issue. Notification of disqualification is given as soon as possible, i.e. normally within the proceedings, and in general to the President and the Secretary. The Board Member under scrutiny cannot attend the Board meeting where the question of his disqualification is under consideration and decision.
- 4) The local action group Chairman The Chairman is empowered to adjudicate in cases deemed urgent. The Board shall subsequently approve the Chairman's decision in such cases.

§ 12 The daily management

- 1) The daily management is handled by the Board or a coordinator, according to the responsibilities and competencies established by the Board within the framework of the local action group working plan and budget.
- 2) The Board is responsible for the keeping of records of minutes of the General Assembly and Board meetings. The minutes of the General Assemblies are signed by the President and the Chairman of the Board and minutes of Board meetings are signed by the Board.
- 3) The Board shall appoint and dismiss staff in the local action group's secretariat. IV. Economic conditions 6

§ 13 The local action group's economic base

The funding for local action groups, including the Secretariat's operational costs, are obtained through grants and activities that are relevant to the local action group's purpose.

§ 14 Accounting

- 1) The local action group's financial year runs from 1st January to 31st December.
- 2) The local action group's audited financial statements shall be prepared in accordance with good accounting practice and signed by the Board.
- 3) The Board / coordinator / accountant prepare budgets for the coming year. The budgets are submitted to the Board and the General Assembly for approval.
- 4) Financial resources that are not spent must be used to promote the association's purpose in subsequent financial years.

§ 15 Audit

- 1) The General Assembly shall elect a registered or chartered accountant to audit the financial statements. The auditor must conduct the audit according to the protocol.
- 2) The audited, signed annual accounts along with proposals for operating and cash budget shall be distributed to the action group members along with the call for the OGA.

§ 16 Procurement

- 1) The local action group signs through the Chairman of the Board and two other Board members.
- 2) The Board may grant power of procurement. V. Amendments to the Statutes and Termination.

§ 17 Amendments to the Statutes and exclusion

- 1) Proposed changes to the statute and the termination of the local action can only be decided at a meeting where at least 2/3 of all members are represented, with a majority of at least 2/3 of yes or no votes. If 2/3 of all members were not present at the meeting, but a majority of 2/3 of yes and no votes was obtained for the proposal, another General Assembly may be convened, and this subsequent Assembly may adopt the proposal by a majority of at least 2/3 yes or no votes, regardless of how many members are represented.
- 2) Any statutory changes should be sent to and be approved by the Food Industry Agency before their entry into force.
- 3) If a member has asked a question of exclusion to be presented to the General Assembly, § 6 requires a minimum of 2/3 majority of those voting at a General Assembly for the proposed expulsion to be retained.

§ 18 Termination

- 1) Action Group will terminate automatically upon expiry of the Fisheries Development Programme for 2007–2013.
- 2) Upon termination before the end of the programme period the Board can decide that the local action group activities should be transferred to similar purposes after submission for approval by the General Assembly. Unused budget allocated to the Fisheries Development Programme will be returned to the Food Industry Agency.
- 3) The General Assembly adopted resolution shall be sent to the national supervisory body (Food Industry Agency), which will after the legal check approve or reject the decision. As adopted at the founding General Assembly on dd / mm / yyyy. The Board: (names and signatures)

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