

The principles of the Leader approach: lessons learned and future potential for local rural development

Pedro BROSEI, European Commission DG AGRI G.1

European Economic and Social Committee
Public Hearing “Leader as a tool for local development”

20 June 2011



Structure of the presentation

- Concept of the Leader approach and the history of its implementation through the European rural development policy (slides 2 – 8)
- State of play of the implementation of Leader; analysis and actions taken (slides 9-22)
- Views on the future (slides 23-30)

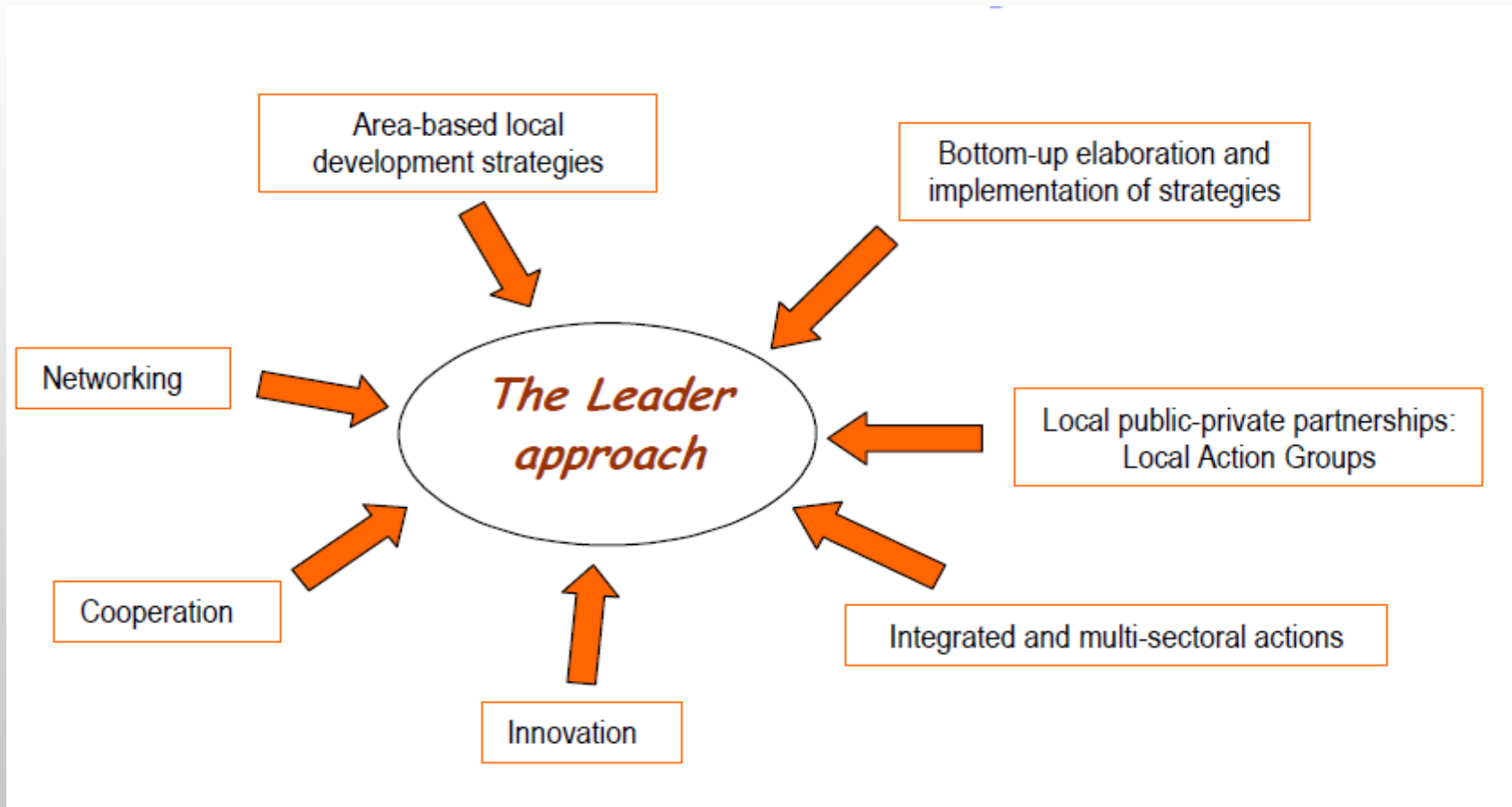
The main concept of the Leader approach

LEADER: Liens Entre Actions de Developpement de l'Economie Rurale = Linkages between development actions regarding the rural economy

Given the diversity of rural areas, development strategies are more effective and efficient if ...

- decided and implemented at local level by local actors;
- accompanied by clear and transparent procedures;
- the support of the relevant public administrations;
- and necessary technical assistance for the transfer of good practice

The 7 key features of Leader



Local Action Groups (composition and role)

- **Public-private partnership**

- At decision making level the economic and social partners as well as other representatives of the civil society, such as farmers, rural women, young people and their associations must make up at least 50 % of the local partnership.
- The partnership must be representative for the area.
- The partners must be locally based.
- The groups draw up an integrated local development strategy for their territory and are responsible for implementing it.

The Local Action Group



Evolution of the Leader approach

The Community Initiatives:

- Leader I (1991-93) – experiment: result of criticism to the individual project approach in the Structural Policy
- Leader II (1994-99) - laboratory: limited to disadvantaged rural areas, innovation, pilot actions, introduction of transnational cooperation
- Leader+ (2000-06) - maturity phase: eligibility of the whole rural territory; reinforced role of networks and transnational cooperation
- (Leader+ type measure for new Member States 2004-2006)

„Mainstreamed Leader“ 2007-13:

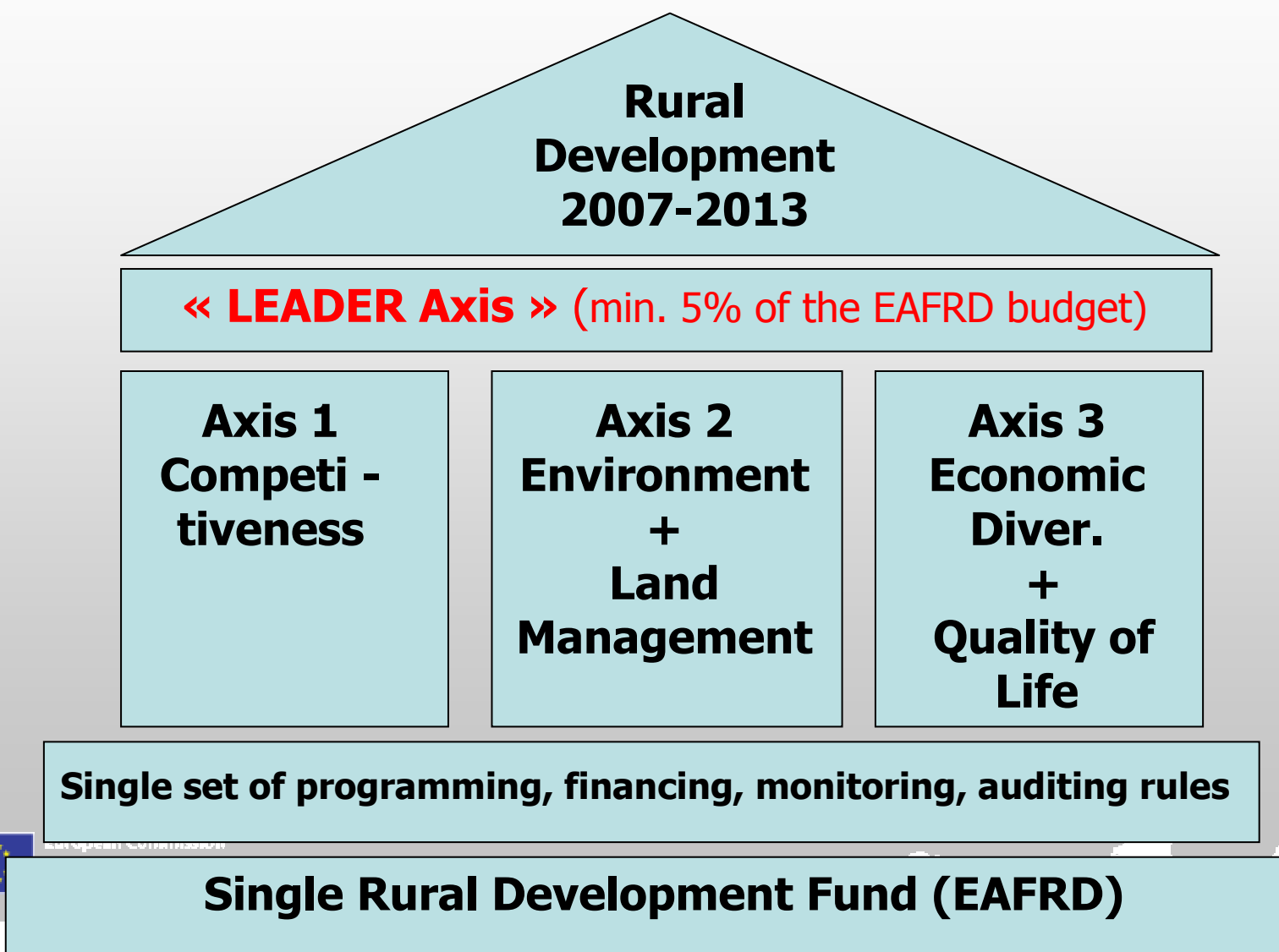
- Leader axis – not any longer specific programmes; methodological approach to mainstream RD programming



From Leader I to the „Leader axis“

<u>Stage</u>	<u>Duration</u>	<u>Funds</u>	<u>EU Budget (EUR)</u>	<u>LAGs</u>
Leader I	1991– 1993	EAGGF-Guidance, ESF, ERDF	450 million	217
Leader II	1994- 1999	EAGGF-Guidance, ESF, ERDF	1.7 billion	821
Leader+	2000- 2006	EAGGF- Guidance	2.1 billion	893 in EU-15 (+ 250 in the Leader+ type measure 2004- 2006) in 6 MS
„Leader axis“	2007- 2013	EAFRD	5.5 billion → 6% of the EAFRD funding	2.192 in EU-25 (not yet selected in BG, RO)

Rural Development Policy 2007-2013: Architecture



The Leader axis as a methodological axis in RD 2007-13

The implementation of local development strategies through the Leader approach offers the possibility to combine all three objectives building on local needs and strengths:

- ***Reinforcement of territorial coherence and synergies between measures intended for the broader rural economy and population***
- ***ensuring innovative and experimental RD interventions***
- ***in an integrated way: involving all actors in the design and implementation of actions***

Horizontal priorities covered with Leader:

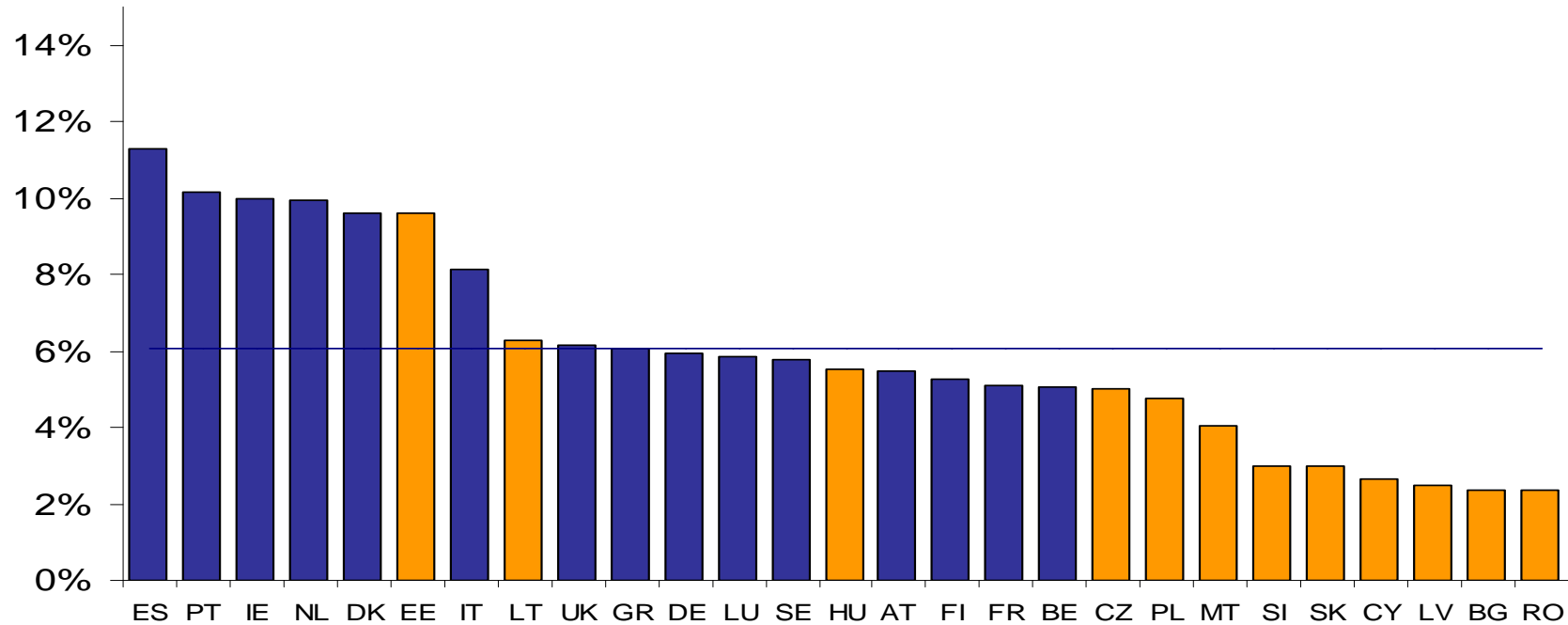
- ***better governance at the local level***
- ***endogenous development (local resources for growth and jobs)***

Leader 2007-2013:

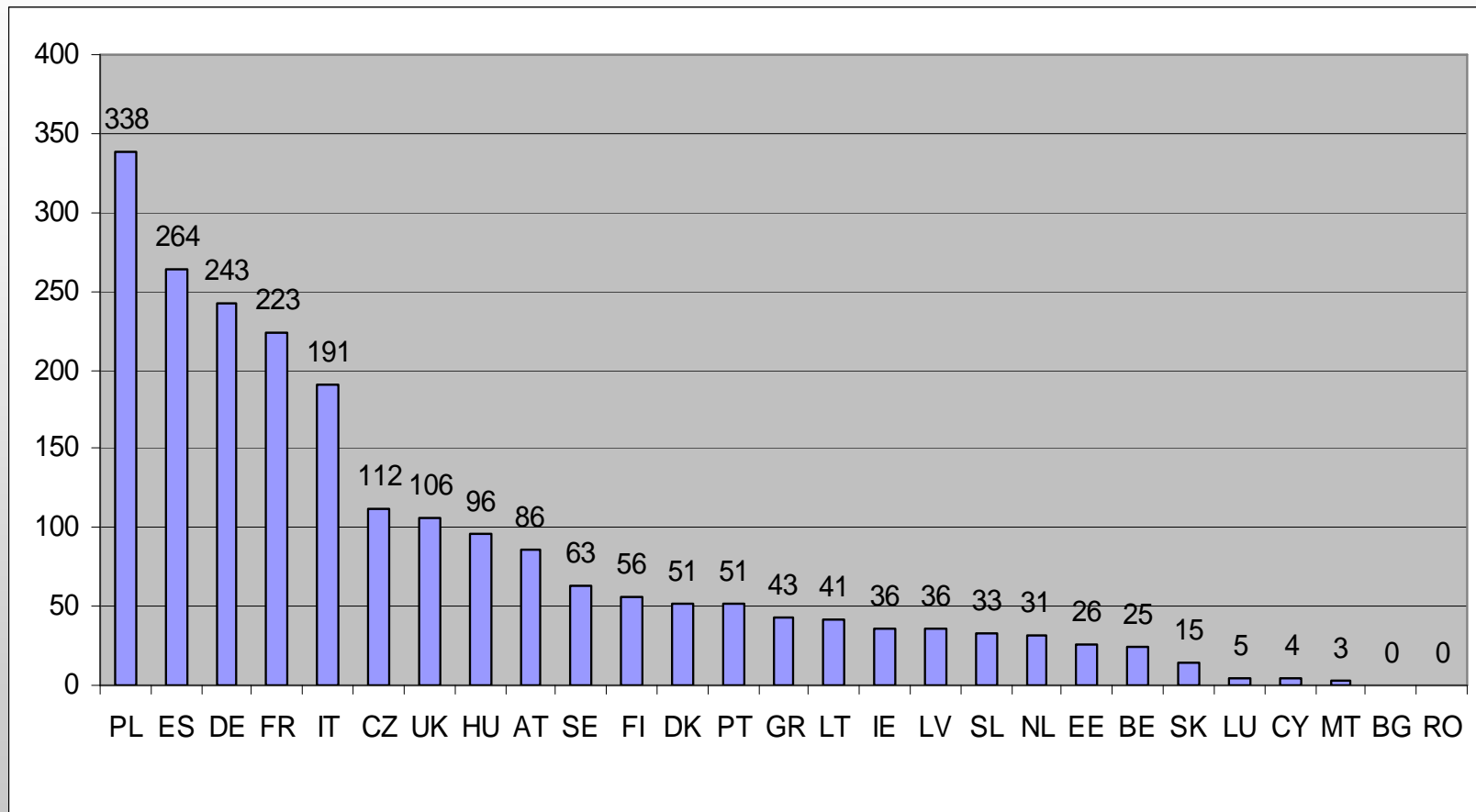
- **Programmed expenditure for Leader in the EU:**
 - Public: € 8.9 billion
 - **of which EAFRD: € 5.5 billion**
 - **Total Public: € 13.9 billion**
 - Private: € 5.0 billion
- **Maximum co-financing rate of 55% (80% in Convergence regions).**
- **Breakdown of the EAFRD contribution according to the measures for Leader:**
 - **Implementation of local development strategies (Measure 41): 77, 5%**
 - Competitiveness (sub-measure 411) : 9,5%
 - Environment and Land Management (sub-measure 412): 3,0 %
 - Quality of Life and Economic Diversification (sub-measure 413) : 65,0%
 - **Interterritorial and transnational cooperation (Measure 421) : 5,0%**
 - **LAG running costs, skills acquisition and animation (Measure 431) 16,5%**

Leader 2007-2013:

- **Planned expenditure for Leader by MS**
(EAFRD funding: Ø 6,1 %)

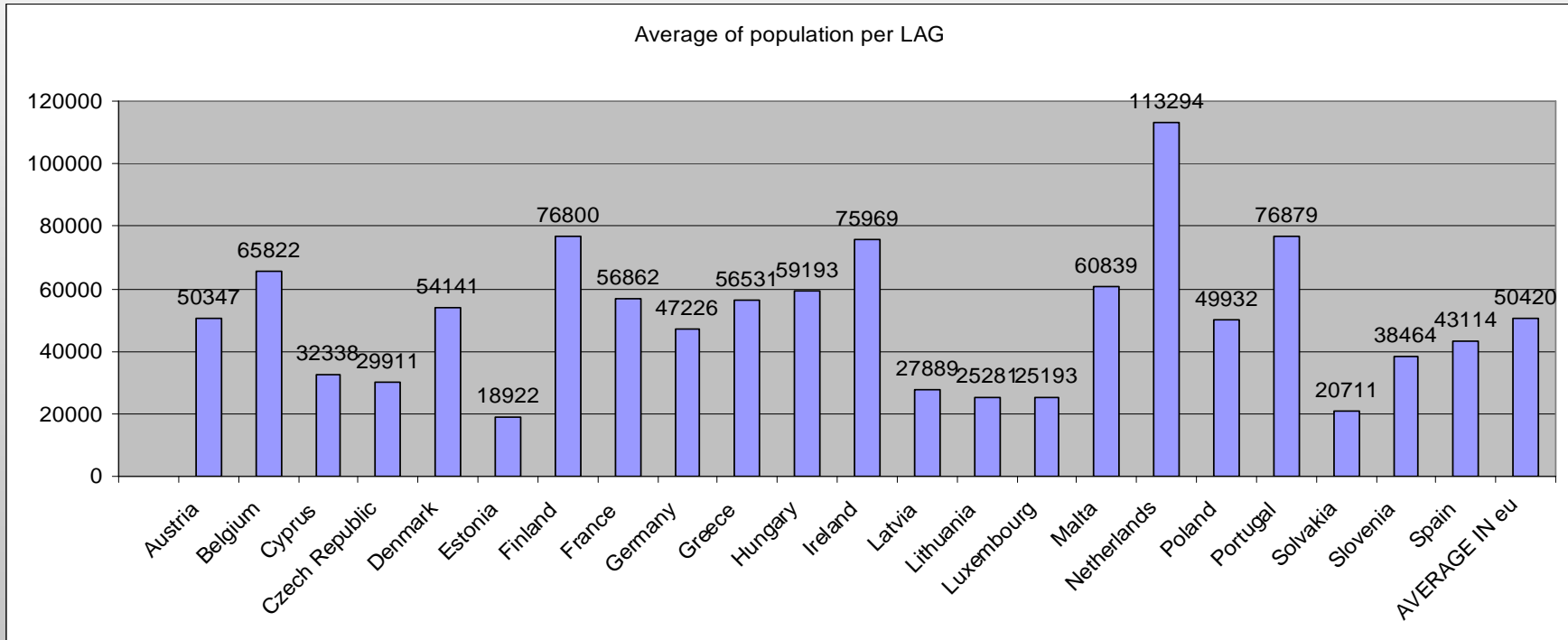


LAG selection: 2.192 selected LAGs (situation May 2011)



Leader 2007-2013:

- **Average population of LAG areas;
EU average: 50.420 (based on 22 MS)**



The importance of Leader in Rural Development Programmes 2007-13

A) Territorial criteria

- LAGs act in all types of rural areas (wide territorial mainstreaming)
- LAGs act only in specific rural areas (remote and most disadvantaged areas) (narrow territorial mainstreaming)

B) Thematic criteria

- LAGs are local governance bodies to implement the whole rural development toolkit (wide thematic mainstreaming)
- LAGs are rural (local) development agencies who implement specific measures (rural tourism, village renewal) or support schemes like niche markets or innovation) (narrow thematic mainstreaming)

C) Financial criteria

- Leader has a high budgetary priority. The share of axis 4 is above Community average (6%). The LAG budget has generally a critical mass allowing local development strategies to impact on the territories.
- Leader has a low budgetary priority. The share of axis 4 corresponds to the minimum percentage. The LAG budget is generally limited allowing only for the implementation of small scale actions.



Analysis of the implementation: Leader+ ex post evaluation: Main messages

- Leader+ (2000-2006) addressed a large number of needs of rural areas
- important complement to mainstream policies
- distinguished from other mainstream programmes through its flexibility, sensitivity to local needs, and small scale
- addressed needs and exploited potentials considered
- 'unreachable' by more conventional channels
- Networking and cooperation are crucial elements for a successful implementation



Analysis of the implementation: Special report of the European Court of Auditors

- carried out in 2008/2009; covered Leader+ and the design of the Leader axis in the 2007-13 RDPs

Main issues raised:

- Level of local development strategies / LAGs:
 - Little relevance of the strategies and their objectives
 - Weaknesses in decision making and sound financial management of the strategies
 - Lack of monitoring and evaluation on all levels
 - Responsibility of the Commission and the Member States
- „Integration“ of Leader into the RDPs 2007-13 did not take into account the specificities of Leader

Analysis of the Leader implementation 2007-13

Issues (1)

- The innovative and multi-sectoral character of Leader:
 - Restrictive „integration“ of Leader into the RDPs („measure approach“)
 - The application of the common RDP delivery system (“top-down”) to Leader can result in limitation of scope and flexibility
 - Lack of appropriateness of eligibility rules and definition of selection criteria on local level
 - Risk of inability of LAGs to implement innovative and more complex projects; specific solutions needed for small projects
- Unclear division of tasks between LAGs, Paying Agency and Managing Authority:
 - Strengthening role of paying agency can potentially weaken the decision taking power of LAGs in the project selection process
 - Local development strategy risks to lose its central role

Analysis of the Leader implementation 2007-13

Issues (2)

- Question of the proportionality in the application of financial and control rules in the Leader context (small projects!)
- Difficulties of LAGs to obtain national match funding
- Little emphasis on capacity building on all levels (local actors AND administration)
- Need for monitoring and evaluation on LAG (strategy) level (also a point of criticism from the CoA)



Implementation models: LAG competences as regards project selection, approval and payment tasks

Model 1 :

LAG is only in charge of project selection

-In 19 MS (41% of RDPs)

AT, CZ, DE, DK, EE, ES (Galicia, Pais Vasco), FI, IT (Bolzano, Friuli Venezia Giulia, Veneto, Lombardia), LT, LV, NL, PL, RO, SE, SI, SK, UK

Model 2 :

LAG is in charge of project selection and has payment tasks

- In 4 MS (4,5% of RDPs)

BE (Wallonia), LU, SL, UK (Wales)

Model 3:

LAG is in charge of project selection, approval and has payment tasks

-In 12 MS (54,5% of RDPs)

- With payment tasks:

PT, BG, BE (Flanders), ES (Cataluna), IT (Emilia Romagna, Liguria, Piemonte, Toscana, Trento), MT (notifying the beneficiary)

- Without payment tasks:

EL, IE, ES (all regions except Galicia, Pais Vasco, Cataluna), HU, UK (Scotland),

- « French model »

(LAG and MA sign both a grant contract with the beneficiary)

Leader implementation models used



blue = Model 1

green = Model 2

orange = Model 3

Improvement steps already taken by DG AGRI and the Member States

- Discussions between DG AGRI, Member States, networks and LAGs as regards the implementation of Leader as Axis 4 in the rural development programmes
 - ENRD Leader-subcommittee Focus Groups; Rural Development Committee; bilateral discussions with MS administrations
- Follow up to the Special report of the European Court of Auditors on the implementation of the Leader approach

Steps taken:

- Commission level: adjustment of the regulatory framework; improvement of guidance documents
- National level: Modification of RDPs and/or national rules

Views on the future of Leader in the EU rural development policy:

- **Conclusions of the Council on the Special Report of the Court of Auditors** (as agreed on 15 March 2011 by the Working Party on Financial Agricultural Questions AGRIFIN):

„(...)

(2) *UNDERLINES the need to continue with the concept of the Leader approach in the future, without prejudice to the negotiations on the next multiannual financial framework;*

(...)

(5) *IS AWARE of the need to improve the management of local development strategies by ensuring transparent project selection procedures and applying the necessary monitoring and evaluation systems at the level of local action groups as well as appropriate control systems and UNDERLINES that these improvements must allow an efficient implementation of local development strategies and avoid any counterproductive effect;*

(6) *REQUESTS the European Commission to continue its permanent dialogue with Member States to improve the implementation of the Leader approach and to provide support for Member States in this regard on an ongoing basis.*”

View on the future of Leader from a DG AGRI perspective: General context EU's growth strategy

- Europe 2020 strategy => unlocking the EU's growth potential
- part of potential for smart, sustainable and inclusive growth lies in the **endogenous growth** potential at sub regional level
- Sub-regional development policies acting at grass roots level can in particular contribute to the **social inclusion** targets of Europe 2020
- The EU tools in support of the Europe 2020 strategy include levers for growth and jobs such as the **EU budget**
- EU financial support is delivered through the **EU funds** in shared management (EAFRD, ERDF/CF, ESF, EFF)
- a Common Strategic Framework (**CSF**) is proposed to strengthen the coordination and integration of EU policies for the delivery of the Europe 2020 strategy
- CSF will contain **strategic guidelines** for sub regional/local development
- Rules between the Funds for local development will be **harmonised**

View on the future of Leader from a DG AGRI perspective: Reinforcing multi level governance

Possible actions:

- Improving strategic choices at Member State level regarding local development:
 - Member States would have to choose/define the part of their territory which would be eligible for LDS (“one area = one strategy”)
 - Link local development potential with their overall growth strategy
 - Identify a "lead" Fund (EAFRD, ERDF, ESF or EFF) for each LAG/LDS
 - Broaden the funding base
 - Reinforce rural-urban links

View on the future of Leader from a DG AGRI perspective: Leader as the main local development instrument

- The Leader approach based on its specific features will continue to be an important tool of rural development policy after 2013
- Within the EU priorities for rural development unlocking local potential will continue to be an important element
- The implementation mechanisms of Leader will be improved in order to be able to better meet the expected added-value of the Leader approach

View on the future of Leader from a DG AGRI perspective: Improvements in the implementation of Leader

...on the basis of the lessons learned from the previous Leader Community Initiatives and the „mainstreamed“ Leader in 07-13:

- More guidance to the Member States in the legal framework: offering flexibility for the implementation without being too prescriptive
- Goal: Make Leader fit to better serve innovation and local governance



View on the future of Leader from a DG AGRI perspective: Improvements in the implementation of Leader

Concretely (1):

- Strengthening the role of the local development strategies (LDS) as the central tool to meet objectives: quality of design and implementation (including better monitoring and evaluation)
 - Ensuring the presence of all Leader specificities
- especially: more freedom for LAGs to chose those projects which best fit their strategies

View on the future of Leader from a DG AGRI perspective: Improvements in the implementation of Leader

Concretely (2):

- Clearer distribution of tasks between the authorities and the LAGs (depending on the implementation model followed)
- Greater focus on animation and capacity building (also for the preparation of the strategies)
- Strengthening the participation of the private sector in the partnerships

View on the future of Leader from a DG AGRI perspective: Improvements in the implementation of Leader

Concretely (3):

- Streamlining transnational cooperation
- Re-inforced networking tools for LAGs on EU and national level
 - synergies with the local development networking instruments of the other EU Funds



Thank you very much for your attention!

