

# The Future of CAP: Community led local development based on Leader approach

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# 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

## ***Leader approach as basis for community-led local development in the CSF-Funds 2014-20:***

- Possibility for Leader territories to implement „multi-funded“ strategies



# From Leader I via the „Leader axis“ to „Leader 5.0“?

		<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	2.331 (not yet completely selected in BG, RO)
<i>„Leader 5.0“</i>	<i>2014- 2020</i>	<i>EAFRD, ERDF, ESF, EMFF</i>	<i>EAFRD: proposed minimum 4.5 billion (min. 5% in each RDP)</i>	<i>????</i>



# 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





# Rural Development Policy 2007-2013: Architecture

Rural  
Development  
2007-2013

« **LEADER Axis** » (min. 5% of the EAFRD budget)

**Axis 1**  
Competi -  
tiveness

**Axis 2**  
Environment  
+  
Land  
Management

**Axis 3**  
Economic  
Diver.  
+  
Quality of  
Life

Single set of programming, financing, monitoring, auditing rules

Single Rural Development Fund (EAFRD)



# 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)***



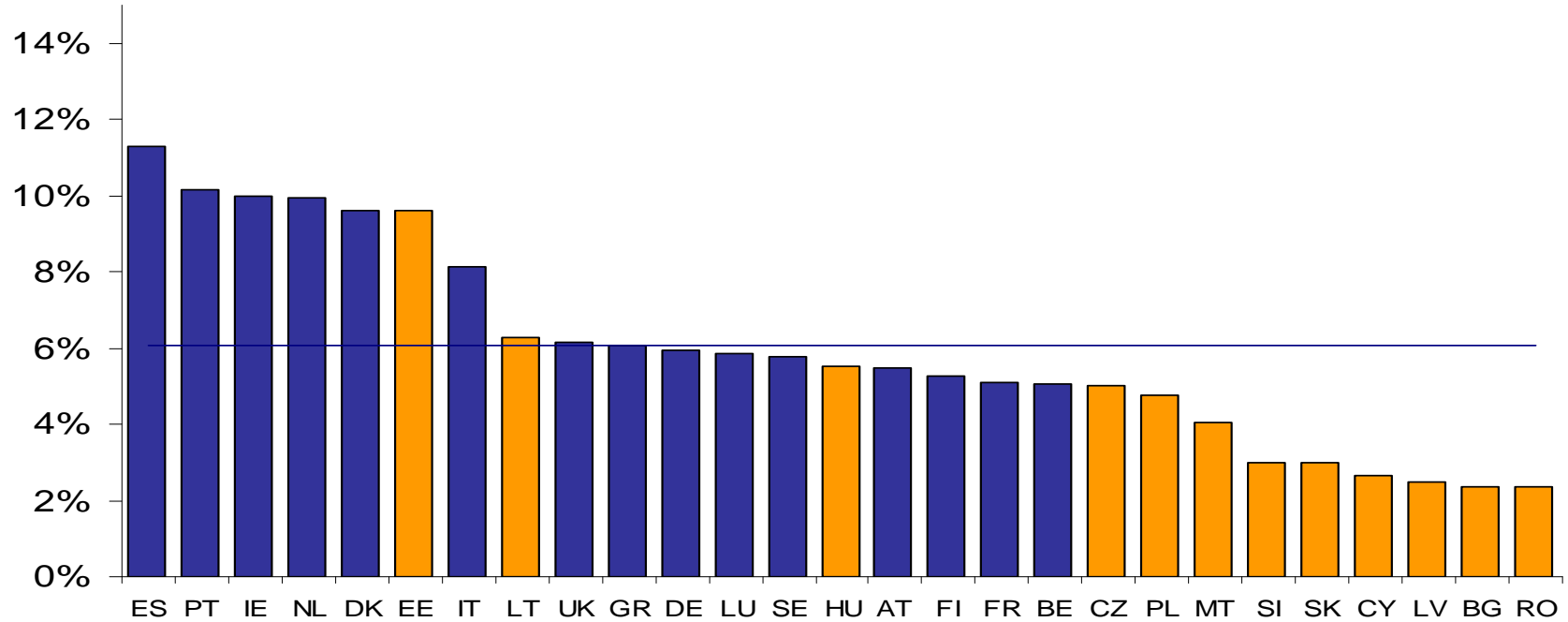
# Leader 2007-2013:

- **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%**

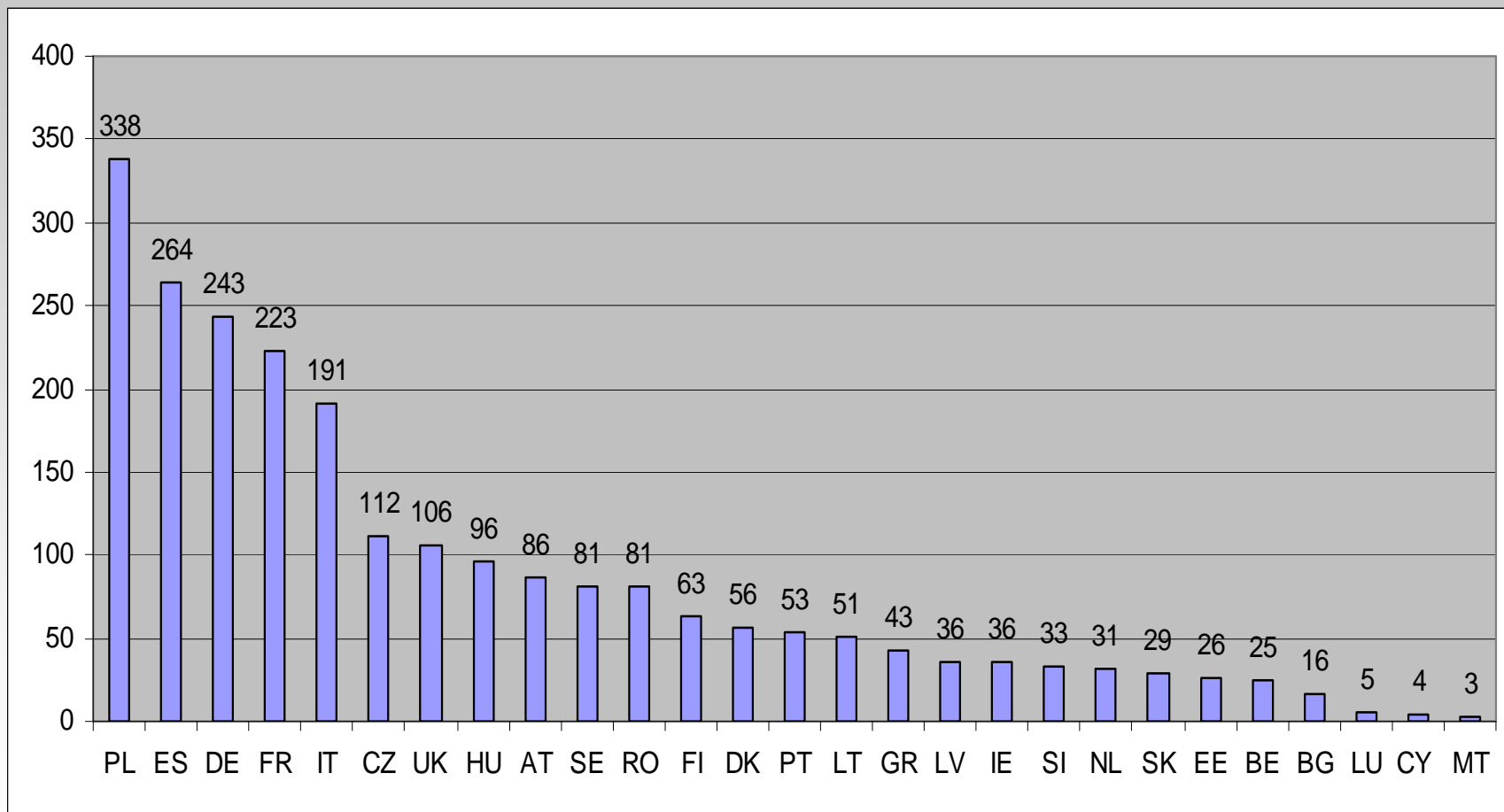


# Leader 2007-2013:

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

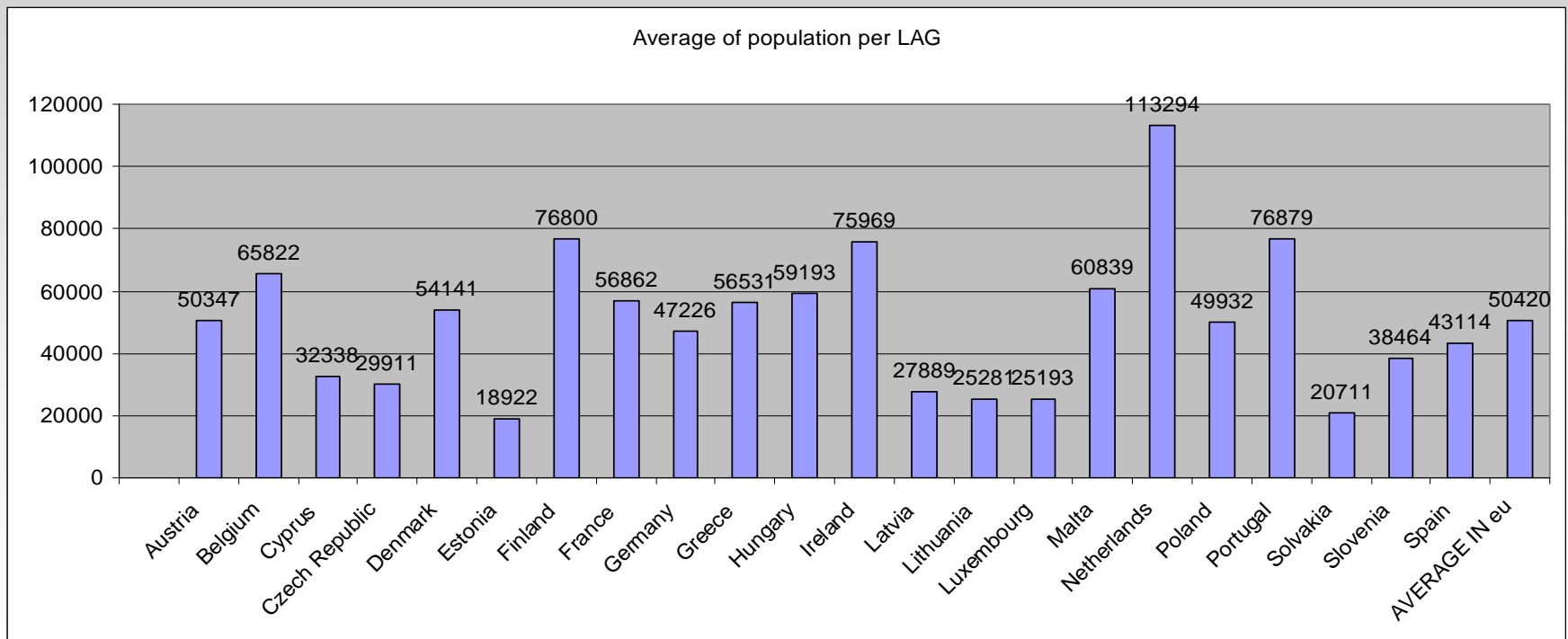


# LAG selection: 2.331 selected LAGs (situation Nov 2011)



# Leader 2007-2013:

- **EU average population of LAG areas: around 67.000 inhabitants**
- **EU average surface: around 1.780 km<sup>2</sup>**



# 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.



# Improvement steps taken by DG AGRI and the Member States since 2008

- 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 post-2013 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.*”



# Rural development in a new framework

## Europe 2020 strategy

## Common Strategic Framework (CSF)

– covering the EAFRD, ERDF, ESF, Cohesion Fund and EMFF, and reflecting EU2020 through common thematic objectives to be addressed by key actions for each of the funds

## Partnership Contract

– national document outlining the intended use of the funds in the pursuit of EU2020 objectives

## Rural development policy: EAFRD

## Other CSF funds (ERDF, ESF, CF, EMFF)

*Innovation, Environment and Climate Change as cross-cutting objectives*

Priorities

*Fostering knowledge transfer and innovation in agriculture, forestry and rural areas*

Enhancing competitiveness of all types of agriculture and farm viability

Promoting food chain organisation and risk management in agriculture

Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry

Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

Promoting social inclusion, poverty reduction and economic development in rural areas

Rural Development Programme(s)



European Union  
Rural Development

# Leader approach at the core of Community-led local development

- Exists as LEADER (EAFRD) and Axis 4 of the EFF; applicability of the method extended to ERDF and ESF
- At the moment, local action groups (EAFRD/EFF) potentially benefit from the other Funds, too, but not in a coordinated way
- The common approach for all policies as set out in the proposed provisions enables MS and territories/LAGs to coordinate the integrated use of all CSF Funds



# Common instrument/approach to support community-led local development

- **Background:** The Common Strategic Framework (CSF) to strengthen the coordination and integration of EU policies for the delivery of the Europe 2020 strategy: **Territorial development on sub-regional level as a cross-cutting issue for inclusive growth**
- **Legal proposals of the Commission for 2014-2020:** A common instrument/approach to support community-led local development: based on a single set of rules with policy-specific features
  - **Reinforcing multi level governance through „multi-funded“ local development strategies**
  - **To improve strategic choices at Member State level regarding local development**



# Definition – Art. 28.1 Common Provision Reg.

- (a) **Focused on specific sub-regional territories**, *which should be rural in case of LEADER/EAFRD, but can also be mixed with urban or coastal in case of coordinated “multi-funding”*  
→ Requirements on the definition of the areas and the population in delegated acts (Art. 29.6)
- (a) **Community-led**, by local action groups composed of representatives of public and private socio-economic interests, where at decision-making level neither the public sector nor any single interest group shall represent more than 49% of the voting rights
- (a) Carried out through **integrated and multi-sectoral area based local development strategies**
- (a) Takes into consideration **local needs and potential, including local innovation, networking, cooperation**



# Consistency and coordination between the CSF-Funds: Art. 28.2 Common provision regulation

- Consistency and coordination of the support to community-led local development (CLLD) between the CSF Funds as guiding principle

→ ensured through coordination of:

- Capacity building
- Selection and approval of the local development strategies
- Funding of the implementation of the LDS



## LDS selection/approval process: Art. 29.2 to 29.5 Common Provision Regulation.

- MS shall define criteria for the selection of LDS. Fund-specific rules *may* set out selection criteria. → *EAFRD Reg. is **not** setting out selection criteria.*
- Managing authorities have to set up the selection committee → *in case of „multifunding“, the authorities responsible for the different Funds*
- LDS should be approved by the end of 2015 → *to allow sufficient time for implementation*
- The decision to approve a local development strategy by the managing authority should
  - set out the allocations of each CSF Fund
  - set out the roles of the authorities responsible for the implementation of the relevant programmes for all implementation tasks relating to the strategy



# Local development strategies:

- **Art. 29.1: Minimum requirements for LDS**
  - (a) the **definition of the area and population** covered by the strategy;
  - (b) an **analysis of the development needs and potential of the area**, including a **SWOT analysis**;
  - (c) a description of the strategy and its **objectives**, a description of the integrated and innovative character of the strategy and a hierarchy of objectives, including **clear and measurable targets for outputs or results**.
  - (d) a description of the **process of community involvement** in the development of the strategy;
  - (e) an **action plan** demonstrating how objectives are translated into actions;
  - (f) a description of the **management and monitoring arrangements of the strategy**, demonstrating the capacity of the local action group to implement the strategy and a description of **specific arrangements for evaluation**;
  - (g) the **financial plan of the strategy**, including the planned allocation of each of the CSF Funds.





# Local Action Groups

- Principle that LAGs shall design and implement the LDS as well as responsibility of MS to define the roles of the LAG and the authorities for all implementation tasks
- Legally constituted structure or lead partner in administrative and financial matters
- Minimum tasks of LAGs
  - (a) **Building the capacity** of local actors to develop and implement operations;
  - (b) Drawing up a **non-discriminatory and transparent selection procedure and criteria for the selection of operations**, which **avoids conflicts of interest**, that shall **ensure that at least 50% of the votes in selection decisions are from the non public sector partners**, providing for the **possibility of appeal against selection decisions** and **allowing selection by written procedure**



## Local action groups:

### Minimum tasks of LAGs *(continued)*

- (c) Ensuring **coherence with the LDS when selecting operations**, by **prioritising them** according to their contribution to meeting the strategies' objectives and targets;
- (d) Preparing and publishing calls for proposals or an ongoing project submission procedure, including definition of selection criteria;
- (e) Receiving applications for support and assessing them;
- (f) Selecting operations and fixing the amount of support, and where relevant, presenting the proposals to the responsible body for final verification before approval
- (g) Monitoring the implementation of the LDS and the operations supported and carrying out specific evaluation activities linked to the LDS

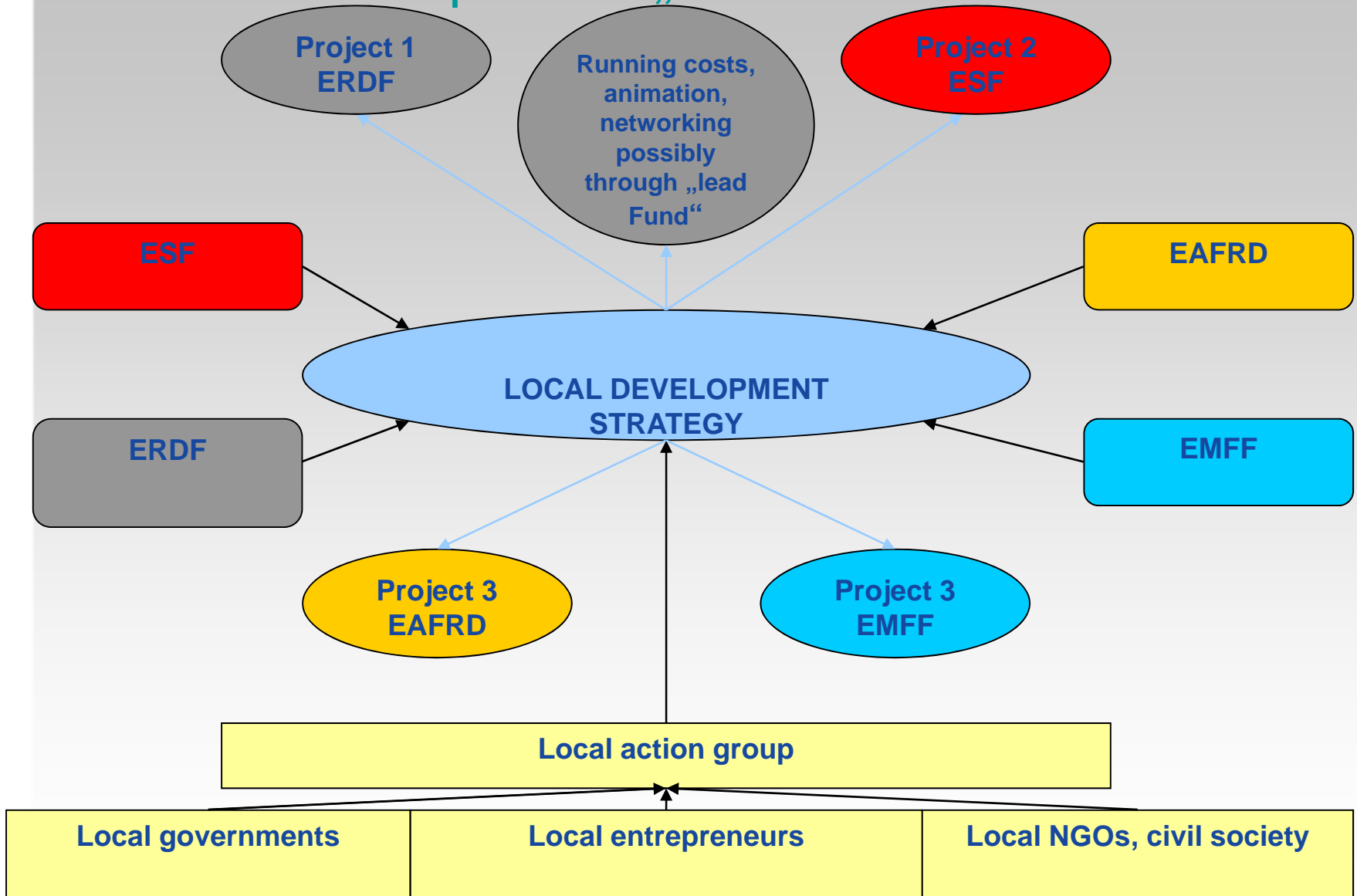


## „Multi-funding“ of LDS/ „Lead-Fund“:

- Local development strategies are selected for EU funding by a selection committee under the **responsibility of the relevant managing authorities**; and *can be financed from several EU instruments in parallel ... “Multi-funding” as an option!*
- If the decision of the selection committee determines that the LDS requires multi-fund support, MS can designate a „**lead Fund**“ which covers all management costs (running costs, animation and networking)– *simplification in management*;
- Local development carried out by the CSF Funds shall be **carried out under one or more priorities of the programme.**



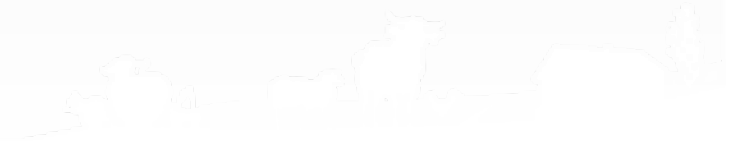
# Example of a „multi-funded“ LDS



# Eligible actions under Leader: Art. 31 Common Provision support + Art. 43-45 EAFRD

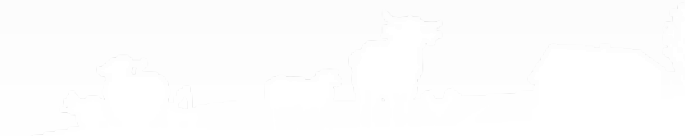
## 4 categories of actions:

- **Preparatory support:**  
→ Art. 31 (a) CSF-Funds Reg + **Art. 43 EAFRD**
- **Implementation of operations under the LDS:**  
→ **Art. 31 (b) CSF-Funds Reg**
- **Preparation and implementation of cooperation activities:**  
→ Art. 31 (c) CSF-Funds Reg + **Art. 44 EAFRD**
- **Running costs and animation up to 25% of the LDS budget:**  
→ **Art. 31 (d) CSF-Funds Reg + Art 45 EAFRD**



## Art. 31 (a) CSF-Funds Reg + Art. 43 EAFRD: Preparatory support

- Scope: capacity building actions prior to the implementation of the LDS
- **2 types of preparatory support (exclusive!):**
  - (a) „LEADER start-up kit“: allows rural territories to "test" the Leader method (“Phasing-in”)
  - (b) preparation of LDS: explicit support for the preparation of the LDS which will be submitted for selection
- *The use of the "Leader start-up kit" is an option for the MS.*
- *In case a MS decides to offer the "Leader start-up kit", territories will be allowed to opt for the "Leader start-up kit" or the preparatory support for capacity building in view of preparing and implementing a fully fledged LDS, depending on their degree of maturity or willingness to implement an LDS for the whole funding period.*
- *budget outside of the LDS budget ( Art. 31 b, c & d)*
- *Respective support schemes have to be designed in the RDP*



# Art. 31 (a) CSF-Funds Reg + Art. 43 EAFRD: Preparatory support

## Art. 43.1 (a) EAFRD: „LEADER start-up kit“

- **Scope:**
  - Capacity building actions for groups who did not implement Leader in 2007-13;
  - Support for small pilot projects
- **Definition of eligible costs in a delegated act (Art. 43.2)**
  - *So far envisaged:*
    - *training actions to prepare local actors to carry out a responsible role in the delivery of development actions or a local development strategy (preparation; implementation);* *local*
    - *studies of the area concerned;*
    - *actions related to public relations regarding the action (pilot schemes)*
    - *administrative costs of the structure coordinating the implementation of pilot project* *schemes*
    - *pilot project schemes*
- **Target beneficiaries: not necessarily constituted LAGs as under Art. 30 CP Reg., but public-private partnerships which seek to become a LAG and who want on the long-term to implement a LDS.**



# Art. 31 (a) CSF-Funds Reg + Art. 43 EAFRD: Preparatory support

## Art. 43.1 (b) EAFRD:

### Capacity building, training and networking with a view to preparing and implementing a local development strategy

- Definition of eligible costs in a delegated act (Art. 43.2)
  - so far envisaged:
    - training actions to prepare local actors to carry out a responsible role in the delivery of the local development strategy (preparation; implementation);
    - studies of the area concerned;
    - actions related to public relations in view of the preparation of the strategy;
    - administrative costs of already existing LAGs during the preparation phase (operating and personnel costs, but to a lesser extent than after selection of the LDS)
- To be taken into account: Funding should be provided to all LAGs or LAGs under formation who want to submit a LDS; taking into account different degrees of experiences of rural areas with the Leader approach
- Territories which are not selected for funding for a LDS in the further process under Leader could later receive funding for projects with a territorial dimension under the "Cooperation" measure (Art. 36 EAFRD) as public-private partnerships (then with less demanding criteria)
- Coordination with the other CSF-Funds (see Art. 28.2 CSF-Funds Reg!)



## 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



## Minimum spending / maximum co-financing rates for Leader

- LEADER is **compulsory** with a minimum of **5%** of the EAFRD funding per MS.
- Maximum co-financing rates (Art. 65.4 EAFRD Reg.):
  - up to 80% in “other regions” (instead of 50%);
  - up to 90% in the less developed regions (instead of 85%)



# 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



# Leader in the context of „multi-funded“ community-led local development under the CSF

The challenges:

- To allow rural territories to implement really integrated and multi-sectoral strategies by benefitting from all EU-Funds → impacts on „size“ of Leader?
- To improve rural-urban and rural-coastal relationships
- To improve intervention as regards the coverage of social issues in the Leader territories

What we expect:

- 2014-2020 as „phasing-in“ for multi-funded CLLD
- Political will in MS to go ahead with the approach

*..to be seen...*



Thank you very much for your attention!



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