

European LEADER Association for Rural Development - AISBL

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**Submission on**  
**the Reform of Common Agricultural Policy Post 2013**  
**by the**  
**European LEADER Association for Rural Development – AISBL**  
**(ELARD)**

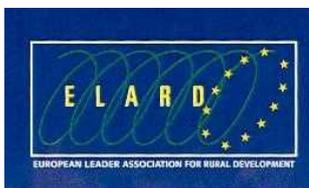
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*"Rural areas cover 80 % of the European Union's (EU) territory and are home to approximately 25% of its population. A distinguishing feature of Europe's rural areas is their diversity both in geographical and landscape features, and in the different challenges they face. These range from restructuring of the agricultural sector, remoteness, poor service provision and depopulation to population influx and pressure on the natural environment, particularly in rural areas near to urban centres. European citizens value rural areas as offering an alternative landscape and quality of life in their highly urbanised society".*

*Fact Sheet "Rural Development in the European Union", European Commission.*

**JUNE 2010**



## 1. About ELARD

The **European LEADER Association for Rural Development (ELARD)** is an international non-profit making association (aisbl) set up to support the improvement of the quality of life in rural areas and to maintain their population through sustainable, integrated local development strategies, which are implemented under the “bottom up” principle (LEADER approach).

The distinctive feature of ELARD is that it *brings together* Local Action Groups (LAG's), established under the LEADER method and committed to involving all stakeholders in local rural development.

ELARD submits this Position Paper in the context of the public debate on the reform of Common Agricultural Policy Post 2013, and is focusing on the potential of enhancing LEADER but also maintaining the specific features of the LEADER programme in delivering more cohesive rural development in the next programme from 2014 onwards.

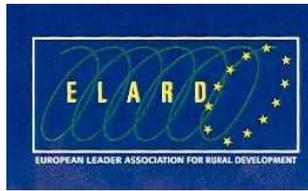
## 2. Who are the members of ELARD?

ELARD was founded in Belgium in 1999 the by the following National LEADER Networks of Local Action Groups (LAGs):

- *French LEADER Network - LEADER France*
- *Greek LEADER Network - Ελληνικό Δίκτυο LEADER*
- *Irish LEADER Network - Comhar LEADER na hEireann*
- *Italian LEADER Network - AssoLEADER*
- *Spanish LEADER Network - REDR*

At present, more than half of the 890 Local Action Groups (LAGs) that manage the LEADER+ Community Initiative are involved - either through their national or regional networks or as individual members. Today ELARD represents voluntary LEADER networks from 15 Member states, the founder networks having been joined over the years by the following:

- *Irish Local Development Network - **Ireland***
- *Društvo za razvoj slovenskega podeželja (SRDN) - **Slovenia***
- *Greek LEADER+ Network - **Greece***
- *Hungarian LEADER Alliance - **Hungary***
- *LEADERFRANCE - **France***
- *LITHUANIAN RURAL COMMUNITIES UNION - **Lithuania***
- *MINHA TERRA – Federação Portuguesa de Associações de Desenvolvimento Local - **Portugal***
- *Národní síť Místních Akčních Skupin České republiky, o.s. - **Czech Republic***
- *National "Latvian Rural Forum" - **Latvia***



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- *NORTHERN IRELAND LEADER NETWORK - **United Kingdom***
- *RED ESPAÑOLA DE DESARROLLO RURAL. (REDR) - **Spain***
- *The Malopolska Network of LAGs - **Poland***
- *Village Action Association of Finland (SYTY) - **Finland***
- *Association for zone development Medgidia, Local Action Group Medgidia - **Romania***
- *AssoGal Toscana – Associazione dei GAL Toscani - **Italy***
- *Wallonia Rural Foundation - **Belgium***

This number is set to increase over the coming years as ELARD is currently in contact with LEADER Networks in, Bulgaria, Croatia, Cyprus, and Sweden.

### 3. ELARD's aim

One of the most important aims of ELARD is to:

- ***"campaign to spread the philosophy, principles and reach of the LEADER method grounded in the seven specific features in order to achieve sustainable rural development across Europe".***

The association aims also to:

- ***"represent the interests and needs of its members in front of other international, European, and national institutions to liaise with other stakeholders and institutions working towards an integrated rural development and to influence EU policies in favour of rural development".***

Furthermore ELARD:

- supports its members in their efforts to carry out innovative work in the field of rural development;
- encourages solidarity amongst the citizens of rural areas within the European Union, in particular those areas that receive the support of the LEADER programme;
- encourages initiatives that will lead to cooperation;
- serves as a link with similar networks and institutions that work towards an integrated rural development model;

### 4. Links with the European Commission

ELARD has been accepted by September 2008, as the European Association representing Local Action Groups at European level in the European Network for Rural Development (ENRD) set up by the Commission. In this respect representatives of ELARD are participating both:



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- *in the Coordination Committee of ENRD;*
- *In the LEADER SubCommittee of ENRD;*

ELARD is also active in the various initiatives undertaken by ENRD:

- *co chairs along with the Italian NRN the Focus Group 1. "Implementation of the bottom-up approach under LEADER Axis";*

Furthermore ELARD is participating with two of its member in Thematic Working Groups of ENRD:

- *TWG 1. "Targeting territorial specificities and needs in Rural Development Programmes;*
- *TWG 4. "Delivery Mechanisms of European rural development policy";*

We attended the Rural Development Conference in Cyprus and other events, and have made submissions on the relevant issues discussed. Through our national partners, we have good understanding of rural issues and policies in the member states that we cover.

## 5. ELARD's activities are based on a series of principles:

- ***ELARD stands for uniting rural development policies***

All of the Local Action Groups in ELARD follow the LEADER method. However, many Local Action Groups are not funded by the LEADER axis alone; more now manage a wide range of rural and other funds programmes.

In countries such as Ireland, Finland, Spain, Portugal and Greece, these Local Action Groups cover nearly all rural areas and are gradually becoming a much needed one-stop shop for delivering many policies to rural citizens.

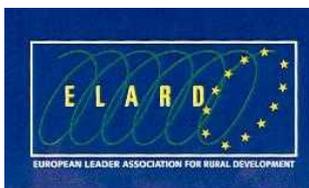
*ELARD believes that every rural area should have a Local Action Group to service its needs. They are also an ideal tool for co-ordinating more policies in the Rural Development Regulation and Social Cohesion, Competitiveness and Sustainability Policies.*

- ***ELARD stands for uniting people and building partnerships***

More important than joining up the policies - is joining up the people whose lives they affect. The LEADER method is unique among EU policies in applying the 50% rule that at least half of the Local Action Group members must be from the local community.

Sitting on the board of a typical Local Action Group will be the representatives of farmers, environmental organisations, women, young people, private firms, State Agencies and elected local authority members. Through the Local Action Group Structure 1,000's of local people have an active role in the development of their rural area.

*ELARD believes that the LEADER method can deepen the engagement of all local stakeholders.*



- ***ELARD stands for the rural areas that are competitive, sustainable and socially cohesive.***

Across Europe, thousands of Local Action Group's are showing that this can be done - with the right approach. This means taking a far broader approach to competition and innovation. It means finding new ways of mobilising the unique human, social, economic, cultural and environmental potential of each area.

The European evaluation of LEADER shows that Local Action Groups have created or maintained over 100,000 jobs at a lower cost than other programmes; they successfully levered in more private investment and tapped more voluntary labour; they have sparked off more innovation and have created a new sense of optimism around both the identity and image of rural areas.

*ELARD believes that the LEADER Method is an ideal tool for ensuring that rural areas bring out their full potential and maximise their contribution to the 2020 agenda for the benefit of all EU citizens.*

## 6. LEADER approach today

- ***LEADER approach in the institutional framework of Community RD Policy 2007 - 2013.***

- a. Mainstreaming of LEADER approach*

The approval of the Regulation of Rural Development (1698/2005) and the creation of one EAFRD Fund have meant a clear sign that European Policy gives significant importance in implementing integrated territorial rural policy approaches. From 1991 to 2006, LEADER I, LEADER II and LEADER+ have been conceived as a laboratory to encourage the emergence and testing of new approaches to integrated and sustainable development and to influence, complete and/or reinforce rural development policy in the Community.

The LEADER initiative, after having experienced these three programming periods, has reached a level of maturity enabling Member States competent authorities and local action groups in rural areas to implement the LEADER approach more widely in mainstream rural development programming. Contribution of LEADER method has recognized and demonstrated in the new Community RD Policy 2007 – 2013 capitalizing its 3 round experimental period as Initiative and its specific features and principles were used to build the current Priority Axis 4 of EAFRD.

The crucial difference between LEADER Axis and other Axes in this programming period of the EAFRD is not so much in the content of the actions. In fact, many of the actions carried out in LEADER Axis will probably be similar to those implemented under the other Axes. The main added value of LEADER Axis is to be found in the way in which these actions are implemented and linked together, both in and by, rural communities themselves in their effort to create a diverse countryside instead of one created by a "one-size-fits-all" policy.

Unfortunately there is little evidence so far that LEADER programme has been mainstreamed, in fact the LEADER 'bottom up approach' is under severe threat of eradication by the administrative procedures issued. Although major variations apply in the way LEADER is implemented in the Member States in the 2007-2013 programming period, its mainstreaming is broadly perceived as having created *general implementation conditions which are not in line with the spirit of the bottom up and territorial approach of LEADER.*

- b. The current regulatory framework and the resulting bureaucracy.*

Changing LEADER from a pilot initiative to a mainstream programme is good news as it recognises the strong contribution the programme makes in EU overall RD Programming. However mainstreaming can often over-define activities resulting in overlapping and loss of flexibility and autonomy.



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The bottom up approach of local decisions being made within the framework of LEADER regulations is being challenged by the weight of the regulations of the current RDP being brought to bear. Changes to the operating rules are resulting in a more rigid programme which will not be as effective on the ground.

With respect to subsidiarity principle, it is also vital that the programme maintains a strong remit and core activities of its own. Introducing of the new payment and control system is leading to burdensome and bureaucratic administrative processes which result an added strain and cost on already limited resources of LAG's. New administration rules, guidelines -and their continual amendments-seems to put a strangle hold on the role out of the LEADER programme.

In reference to Regulation 1975/2006 with respect to Axes 3 & 4 and for part of Axis 2, although it indicates that "*administrations and control rules need to be adapted to [the axes] particular characteristic... special provisions therefore need to be established for these support schemes*", it seems that the vast majority of MS were reluctant to make use of the opportunity to establish a regulatory implementation system for Axis 4, that better fits to the specific LEADER method characteristics.

Other examples that could be examined as "fields of simplification" that could allow better space to innovation include the:

- *operations outside the scope of rural development measures.* Few programmes have taken the opportunity afforded by Council regulation N °1698/2005 to allow operations outside the scope of rural development measures or programmed measures in Axes 1 to 3. This is proving a limiting factor in applying the LEADER approach and maintaining innovation, intangible effects, and projects "adjusted to local conditions and needs. Broad eligibility to perform measures out of the scope of RD measures is crucial in order to maintain innovation under the LEADER approach.
- The same way regarding *complex projects*, measure-by-measure is the predominant current approach creating serious constraints on operations combining several measures. Nevertheless, there are also examples of good practice with programmes introducing an integrated approach and, inter alia, using a single project application form and approval procedure. Complex Projects eligible under several measures has to be allowed under LEADER approach in order to meet local needs and encourage local creativity and innovation to flourish at local level;
- Separate rules for *small scale projects* have been adopted by a few numbers of programmes. This is regarded as a good practice that other programmes could also *adopt* as it offers less bureaucracy and simplified procedures compatible with the LEADER approach. The opportunity of MA to make use of exceptions in heavy management systems under the Small scale projects can be encouraged and promoted;

Innovation, flexibility and the ability to respond quickly to local need were the lauded aspects of previous LEADER round programmes and need to continue to be cornerstones. In that respect:

- LAGs should have autonomy in the implementation of their local development strategy and should be endowed with the necessary resources and capacity to perform all essential implementation (development, management and control) tasks.
- There should be specific eligibility rules and simpler procedures under the RD programmes to implement the LEADER principles, in particular for small scale projects, innovative projects, and integrated/complex projects.
- To the extent that it is legally possible, LAGs should have autonomy for managing flexibly the financial envelope (budget) of their local development strategy, including flexibility in the global (as against project-by-project) provision of EU and national (public and private) co-funding and co-funding rates over a given period.



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- Special eligibility rules for LEADER axis could substantially contribute to the revival and a return to a “genuine LEADER approach”, allowing radical simplification of the management system and providing with necessary flexibility and autonomy to the LAG’s which would be more focussed more on strategic issues rather than spending effort and recourses to carry out simply a vast administrative task;

c. *The variety of LEADER implementation models.*

There has been observed that there are several LEADER implementation models applied in the various Ms’s, mainly distinguished on the basis of the degree of decentralisation of implementation tasks to LAG’s.

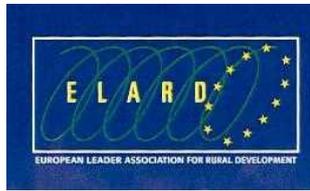
The majority of LAGs execute the bulk of implementing responsibilities, but in a large number of cases there are varying degrees of involvement by the programme authorities. Moreover in some cases these involvements put in question the LEADER approach itself as a method with specific characteristics. Such overlapping tasks between LAGs, MA and PA in several MS, reflect differences in administrative rules, know-how and experience, and in some cases a deficit in trust between actors, and it is considered as constraining factor in the smooth and genuine LEADER-type implementation of the programmes.

Relationship of Managing Authorities (MA), Paying Agencies (PA) and LEADER LAGs reflected worrying signals about the dominant bureaucracy over LAGs. Observed relationships of Managing Authorities (MA), Paying Agencies (PA) and LAGs show that there is a great space for improvements, concerning harmonious project implementation and project financing, especially to the new MS. It is an extremely important and trust-building element, which goes to the real substance of the community programme, decision, project management and financial monitoring. This is why the *autonomy with transparency* is essential and as such must be emphasized in all means.

Only if major tasks in all stages of LEADER implementation are attributed to LAGs, it can be anticipated that, in the long term, LAGs can become reliable Local Development Structures, capable of conveying RD policies to rural Europe in the form of local development strategies. This have a side effect in the 20% running cost ceiling which is likely not to be enough in the case of LAGs with a heavy implementation model or in the case of local development strategies with very low budgets, or in cases where the MA rules stipulate that the cost of animation should be included under the 20% ceiling (e.g. IT). Derogation could be envisaged if additional tasks are delegated (payment and control) on the initiative of the MS. Also, the practice followed in several programmes of animation activities being funded under acquisition of skills measure would be of relevance and could be considered further.

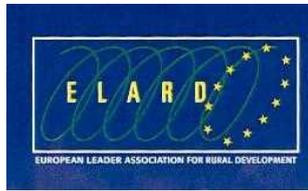
The role of MA should be more focussed on tasks that aim to facilitate the work of LAG’s at local level, by providing the necessary implementation framework for LAGs and a supervising system for being able to monitor the implementation at the local level. In the same way PA should be focussed on control tasks in order to ensure that eligibility rules are respected while public money is spent.

Therefore is a generally expressed need to define more clearly the division of labour/tasks in LEADER programme implementation by specifying the responsibilities of MA, PA and LAG in detail. In this respect MA / PA / LAG agreements defining well determined roles and responsibilities represent good practice for the future. In that respect the encouragement of creation of *"informal LAG networks"* has to emphasised, as from current experience has proved their useful role in facilitating effective cooperation with the rest of implementation competent authorities to solve problems in all implementation stages.



## 7. LEADER approach post 2013 – a new delivery mechanism to be put in place

1. The integrated and territorial approach to rural development that we support is closely related to LEADER approach to which we are strongly committed, namely the delivery of development through sub-regional partnerships between public, private and voluntary sectors.
2. We wish to see that LEADER bottom up approach is central element of the post 2013 EU rural development policy. The LEADER approach, which has now been developed and refined over four programmes, has proven its capacity to bring about real sustainable development in rural areas, which is led by communities themselves. This approach must be at the centre of future implementation of EU rural development policy.
3. On the other hand the regulation under the current programme has been a challenge for all parties and is one of a number of factors impacting negatively on delivery of Axis 4. In the Post 2013 context, a clear focus has to be on developing proper accountability while at the same time ensuring flexible delivery on the ground so that the '*LEADER*' Approach can flourish once again.
4. Next LEADER approach to be successful in exploring new approaches to specific problems that rural areas face, needs to be implemented through *a delivery mechanism, tailored to serve the basic principles governing the LEADER approach*. A distinctive and separate LEADER Regulatory Framework for Axis 4. and actions designated from all Axis 1,2 and 3 of the second pillar could then be drawn up. This would result in a supportive yet substantive Regulatory Framework that can concurrently underpin the accountability of the investments and allow the 'development' nature of the LEADER Approach to expand.
5. Therefore we suggest that integrated and territorially place-based rural development programmes, building on the experience of LEADER, shall be given common rules that better fit their purpose and can be introduced by a *new delivery mechanism for LEADER Axis* with its own *regulation framework* and a separated *financial instrument* established within the overall rural development policy in the EU. In this respect the 'old' Global Grant scheme, multi-annual nature of LEADER must be re-instated.
6. *The new delivery mechanism for LEADER Axis* it shall introduce a new multi-level and multi-sectoral governance approach to the development and implementation of rural policies, giving equal opportunities for all stakeholders of the public, private and civil sectors at local, sub-regional, national and EU levels in the decision making process, via the creation and development of genuine partnership – within and across various decision levels.
7. We wish to see under this LEADER approach, that the LAG's are enabled to deliver not only the EAFRD rural development funds but also other appropriate publicly-funded programmes, as happens (for example) in Ireland and Greece where the Local Action Groups are evolved in Local Development Companies (LDC's). The emergence of the Local Development Company as a concept and a reality delivering a suite of programmes including LEADER in an integrated way in a geographically based strategy is one of the innovative outcomes in recent years that could be replicated across Europe.
8. As a long established infrastructure operating in a local context with national coverage, LDC's must remain central to the new delivery mechanism for LEADER and have a key role in broad, social, economic, rural and environmental development programmes. Bottom up, localized delivery of LEADER must remain a core principle. The specific features of LEADER must remain as core principles within the next programme.



## 9. ELARD's position on EU reform of Common Agricultural Policy Post 2013

ELARD believes that at the very least any future EU rural development policy must incorporate the following components:

1. A significant increase in resources for rural development and in particular for LEADER type measures which have a proven capacity to facilitate successful rural restructuring.
2. A greater focus on exploiting and adding value of rural assets. The sustainable development of the rural economy is dependent on finding rural solutions to rural problems and should not be undermined by the importation of short-term urban generated solutions.
3. Our broad emphasis on rural development in no way diminishes the importance that we place on farming, forestry and other primary land use. Farming is vital for its role in assuring food security for Europe, in providing a large proportion of the food that Europeans eat, in achieving substantial exports, in producing the raw material for enterprises which add value to farm products, and also in providing a widening range of environmental and social 'public goods'.
4. A greater emphasis on promoting cooperation between the farming and non-farming rural communities. The sustainable restructuring of the rural economy requires all stakeholders working in partnership. EU policy must aim to facilitate and encourage this process and should avoid measures that promote competitiveness or conflict between rural interests (e.g. modulation).
5. Recognition of the need for a new relationship between urban and rural areas, based on a better mutual understanding of the inherent value of each area and of their contribution and potential contribution to the wider society. This should include new measures aimed at attracting urban resources and entrepreneurship to promoting development in rural areas that is rural rather than urban in character.
6. EU policy must attempt to better quantify the value of the contribution of farming and rural areas generally to the preservation of the landscape and biodiversity. The value to society of rural areas (biodiversity, recreation, air and water quality, food production, etc.) must inform the debate and discussion on the development of EU rural development policy and the role of landowners must be recognised accordingly.
7. That is why in a future regime, we expect from Member States to agree to pursue strong local development strategies, implemented through measures which may include:
  - direct payments to small farmers;
  - agri-environment payments, recognising the high quality of ecosystems, biodiversity and landscapes that have been created, and are maintained, by traditional farming systems;
  - support to semi-subsistence farmers, focused on supporting their economic viability, rather than their competitiveness in a pan-European sense;
  - exceptions, where appropriate, from the application of EU hygiene and other standards for the production and processing of local products;



- support to better leaving for rural areas and their potential, through *Integrated Rural Development Programmes (IRDP)*, where the total current Axis 3 should contribute shall be LEADER type programmes using not EAFRD funds but also through other public programmes such as those now co-funded through the ERDF and the ESF, for the strengthening and diversification of rural economies, social facilities and infrastructure, and for improving the quality of life of the whole rural community
8. EU rural development policy must better develop and exploit and synergies with other EU policies (e.g. Regional Policy, Energy, Social cohesion, Enterprise/Tourism, Environment, etc.) and such synergies should be better coordinated at EU level. All areas of EU policy should recognise the inherent value of rural areas to European society and should include measures to help realise and to protect this value.

## 10. Message from the Board

*" The importance of the LEADER method in the context of local development strategy is recognised all over Europe, and there are many examples under the LEADER approach that show how local development strategies can be developed with LEADER funding and how they may continue to have a positive impact into the next programming period post 2013.*

*Having experienced three programming periods as Initiative, the LEADER approach was mainstreamed currently in the overall rural development programming. The mainstreaming impact of LEADER for this programming period is crucial for maintaining the skills which have been acquired during the three previous consecutive LEADER initiatives, particularly those which relate to forging local partnerships, public and private partnerships, cooperation and innovation, and improving local governance. We really believe that only if LAGs have a certain critical mass of activity and sufficient autonomy, and if funding can devolve to the local level, their actions can be more integrated and 'joined up' and local people and organisations can enjoy a real say in how all activities and expenditure in pillar two of the Common Agricultural Policy should be prioritised.*

*In this respect, it is important that all actors involved in the implementation of the current LEADER programme take this legacy from the past into account along with the lessons from current mainstreaming experience, in order to contribute to future rural area's potential to derive sustainable benefit from their natural and cultural heritage.*

*ELARD will support any effort towards to this direction and relay in all those people who believe that LEADER is not simply another EU programme, but a solution to the problems of rural areas in Europe. In that respect submits the above Position Paper which is written from the standpoint of our aims and of the views of our members on which we focused the previous time period of last 6 months.*

ELARD board

**The issues raised in the reform of CAP are more complex and core than this summary paper reflects. ELARD would welcome dialogue with other organizations, Networks, and rural actors, and the Commission in the coming weeks to develop our ideas of the future of the LEADER approach within a reformed Common Agricultural Policy.**