

# **LEADER approach today and after 2013 – new challenges**

**Petri Rinne  
ELARD**

**Newtownabbey, North Ireland  
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# Background: LAG manager since 2001

Joutsenten Reitti LAG (Route of Swans) in SW-Finland – one of the 55 LAGs in the country

The LAG strategy aiming at creation of "cultural river valley" attracting "the creative class"  
→ new businesses, new jobs

LEADER dissemination to the new territories (NMS, Southern Africa, Russia) and new policy fields (fisheries policy) – LEADER Dissemination Guide Book in 2008





# Background: ELARD president for 2011-12

International non-profit organization founded in 1999 by 5 European national informal LEADER networks:

1. *French LEADER Network - LEADER France*
2. *Greek LEADER Network - Ελληνικό Δίκτυο LEADER*
3. *Irish LEADER Network - Comhar LEADER na hEireann*
4. *Italian LEADER Network - AssoLEADER*
5. *Spanish LEADER Network – REDR*

Today, ELARD is representing more than 600 LAGs (from some 2200 in total) through national and regional voluntary networks in:

- ***Belgium, Czech Republic, Denmark, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, North Ireland, Poland, Portugal, Romania, Scotland, Slovenia, Spain + Croatia***
- In contact with Rural Networks in ***Austria, Bulgaria, Cyprus, Estonia, Germany, Sweden***



# ELARD aims

(see more at [www.elard.eu](http://www.elard.eu))

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 eight 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".***



# CAP Reform Position

introduced to Cioloş cabinet &  
EN RD Coodination Committee

1. Food security and maintaining profitable agriculture in all member states is an important CAP objective but for example OECD defines it as part of “old rural policy paradigm”. “The new rural policy paradigm” looks at wider rural economy, where agriculture often plays smaller role than service and manufacturing industries. The general CAP reform objectives (competitiveness of agriculture, environment and rural vitality) are balanced **but the first objective very much dominates the DG Agri’s CAP Communication paper**. For example the demographic problems in rural areas (ageing, out-migration, dropping populations) have not been discussed at all. **Until now the EU hasn’t had a rural development policy – we must use the CAP reform opportunity in order to create one and take few steps towards the new rural policy paradigm (DG Agri’s re-focus scenario).**



# CAP Reform Position

2. Rural tourism, green care and creative industries are good examples of the wider rural economy from the services sector while wood processing, metal processing, mining and construction represent the industry sector. **These rural industries have a good capacity to grow and bring Europe towards that smart, sustainable and inclusive growth targeted in the Europe 2020 strategy.** The main problems of these usually micro-sized rural businesses are 1) lack of capacity to innovate, 2) family-based businesses need support to become growth-oriented, 3) lack of skilled labour and 4) difficulty to access international markets. **These problems must be addressed through the rural development bottom-up measures, where businesses themselves can define their region-specific bottlenecks and apply support for their solution.**



# CAP Reform Position

3. Since early 1990's LEADER method has proved its capacity to mobilise bottom-up local development and bring concrete results like new jobs and businesses to countryside. The major strengths behind the method's widely agreed success are flexibility and adaptability to the whole range of geographic, socio-economic and political circumstances. It fits very well to sparsely populated areas in need of bringing the resources together and finding new solutions. **The method's evolvement within DG Agri and implementation on more than 2 000 areas in all EU member states can be called a European social innovation now spreading to new policy fields and territories even outside the EU. The method must remain in the centre of the future CAP too.** It very well fits the general idea of targeting the larger audience than previous CAPs. Like in the last negotiation round, **a minimum 10 % allocation of funds to LEADER must be set to member states.** For example in Finland this figure was eventually dropped to 3.7 % due to national political compromises – this game must not be accepted by the DG Agri.



# CAP Reform Position

4. **Many LEADER practitioners have reported on growing bureaucracy and delays in implementation in 2007-13. Mainstreaming has brought many new rules – like the 3 % sanction rule – that don't fit into the LEADER development idea and create sense of fear among the project applicants. In the next programming period the LEADER method and its eight specific features (area-specific, bottom-up, partnership structure, multi-sector approach, networking, innovative, trans-national and decentralised) must be better respected.** The LEADER shortcomings reported by the European Court of Auditors for example always refer to wrong or non-existing implementation of all eight specific features at the same time either on national, regional or local level.



# Criticism: European Court of Auditors

- LEADER has no proved value-added → it is just an ineffective, extra administration layer (need to create better indicators, preferably on each LAG level!) → **creation of EN RD LEADER Sub-Committee Focus Group 4 on Better Local Development Strategies, identification of best practices based on a questionnaire that will be sent out to LAGs this week, deadline end Sept.**
- LAG decision making has conflicts of interest and doesn't follow the rule of public-private partnership
- LAGs' operation is not open and transparent enough → problem of small circles giving majority of grants to LAGs' own member organisations
- LAGs don't focus on achieving the objectives of their local strategies
- LAGs give grants to projects without regard to cost efficiency → risk of deadweight (project implementation even without the grant)



# Conclusions: The future of LEADER depends on us!

**REMEMBER!**

LEADER is not yet another EU funding programme, it's a bottom-up development methodology. In order to use the method right and effectively all of its 8 special features must be valid simultaneously!



# Indicator suggestions by the ELARD CAP paper

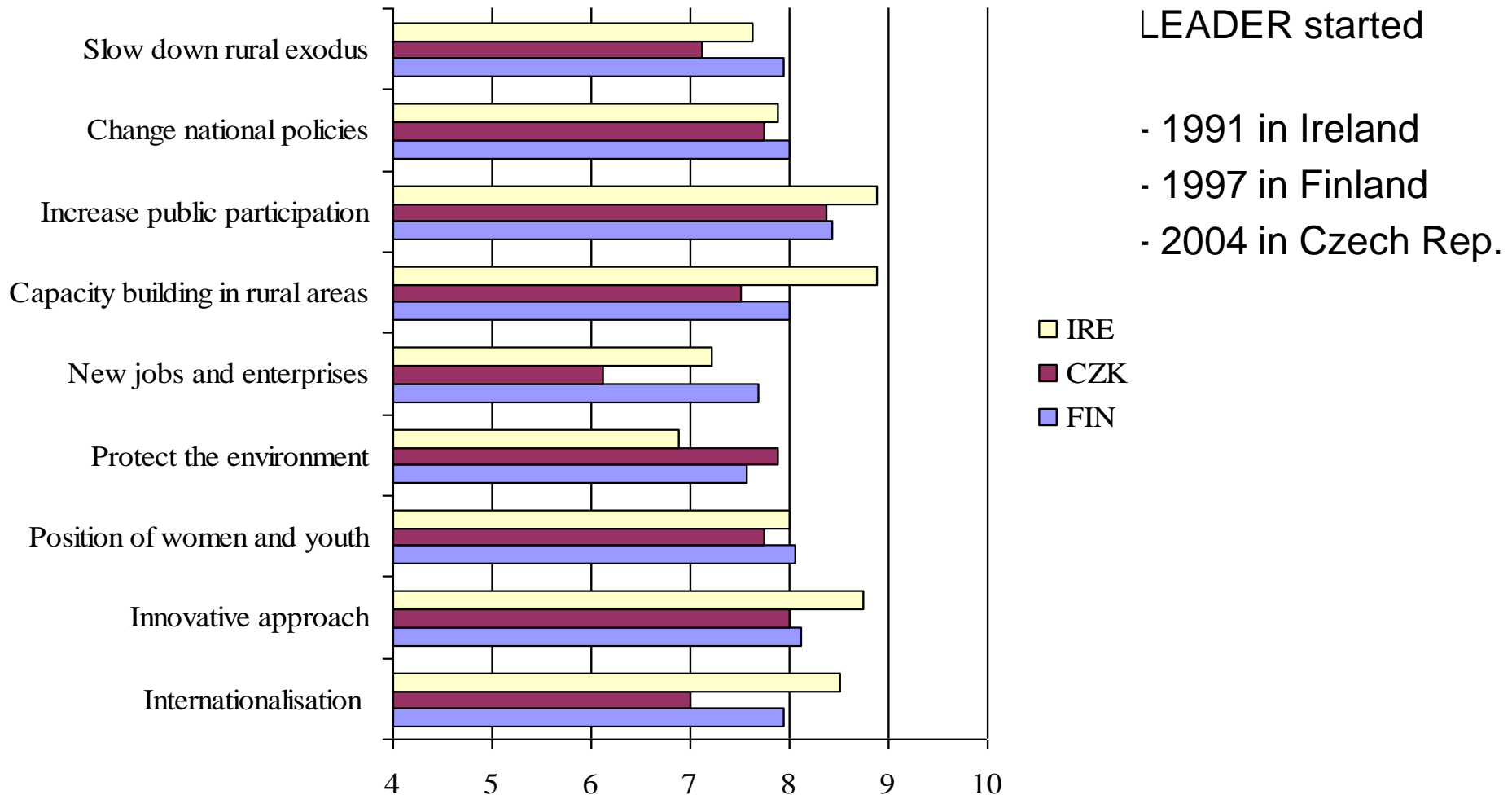
- changes of rural population in the LAG territory
- number of micro-enterprises and SMEs (including farmers)
- number of jobs
- number of civil society community development groups
- number of active transnational contacts in the region

+ THE LAG SPECIFIC INDICATORS



# The LEADER impacts in Ireland, Finland and the Czech Rep. in 2007

(A LEADER Dissemination Guide Book)





# EC budget proposal in June 2011

- 89.9 Billion € suggested for rural development in the EU in 2014-20 (90.0 Billion was approved for 2007-13 after 20% cut) – actually 96.0 Billion has been in use after the Health Check returns
- Further cuts must be prevented, otherwise the CAP objective for larger target group is just words on paper
- More stakeholders sharing the cake in the EU-27 than before → the national match funding issue
- What will be the share of LEADER in the RDP funds? The EC proposal for the new Rural Development Regulation suggests 5 % → Ministers of agriculture play the key role in the decision making and should be well informed on LEADER potential!



# EC proposal for the new regulation

- LEADER remains an essential, compulsory component of the national RD programs and at least 5% of the overall RD funding must be directed to it
- Implementation of LEADER strategies will require contributions also from the other EU Funds than EAFRD (EFF, ERDF and ESF are made available) – however a Lead Fund is determined for each LAG, taking care of the LAG's running costs
- LAGs themselves define as part of their strategy design process which part of their strategy will be supported by which Fund based on the grassroots level needs of their territories in rural, fisheries, regional/urban and employment/education policy
- Managing Authority's LAGs selection committee will also include authorities managing EFF, ERDF and ESF



# EC proposal for the new regulation

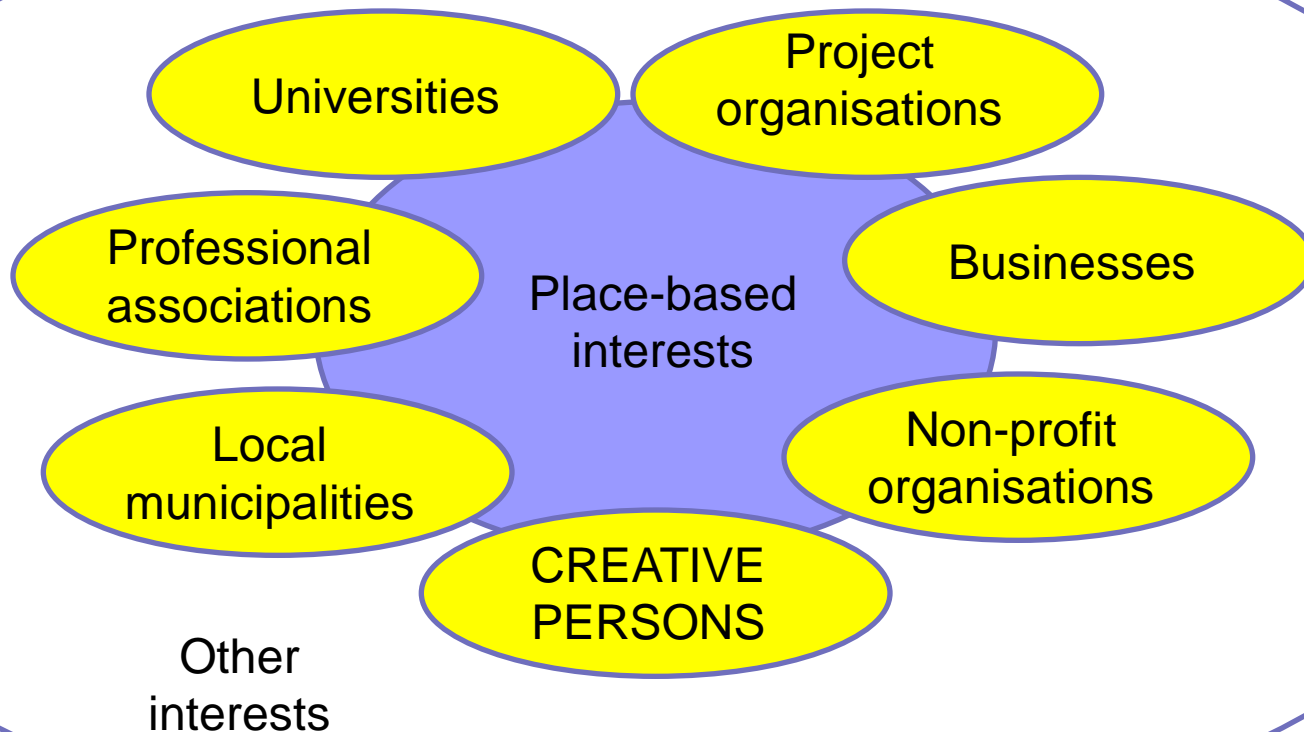
- Maximum for the LAGs' running costs (administrative costs) budget will rise from 20% to 25% of the total public funding
- The rules for the transnational cooperation projects have been made easier (e.g. the foreign partner doesn't have to be another LAG & maximum 4 months decision making process)
- EAFRD will grant prizes to limited number of projects that show innovation and have a transnational element
- LEADER start-up Tool Kit will be financed for territories not yet using LEADER
- Selection of all LAGs and approval of their strategies will be completed latest by 15<sup>th</sup> December 2015



# The future: Glocal (global+local) approach

- Place is the most important correlate of a person's welfare (USA vs. Zambia)
- Community of place and Community of interests are two different things
- Interaction and knowledge creation takes place between the people who have common interests related to the same place
- In the e-world the Communities are constantly in motion in their networks
- There's a deep need to update democracy and create understanding of new citizenship and communities

# The knowledge creating communities





# LEADER as a Glocal method?

- New Glocal approaches will be HYBRID, mixtures of interests, actors and contents
- The future development of Glocal type methods includes both endogenous and exogenous approaches with their relative shares depending on the specific features of the places
- Researchers from University of Newcastle (e.g. Ray, Lowe and Ward) have identified a new approach: neo-endogenous rural development\*
- In that concept the LEADER groups are seen as intermediates between endogenous units and glocal (local/global) actors

\* See: Ward et. al 2005: Universities, the Knowledge Economy and “Neo-endogenous Rural Development”

# THANKS FOR YOUR ATTENTION!

See more in Google:

A LEADER Dissemination  
Guide Book

Contact:

Petri Rinne  
[petri.rinne@elard.eu](mailto:petri.rinne@elard.eu)  
[www.elard.eu](http://www.elard.eu)

Tel. +358 40 555 3232

