

TRANSNATIONAL
LEADER COOPERATION PROJECT
OUR COMMON FUTURE

WP1: Most Innovative Leader Approaches

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The European
Agricultural Fund for
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Europe investing in
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1. INTRODUCTION AND CONTEXT

1.1 Scope and objectives

This report summarises the findings of the work carried out in Work Package 1 “Most innovative LEADER approaches” of the transnational LEADER project “Our Common Future”. Innovation is one of the 7 LEADER principles and, according to the ENRD, one of the most difficult ones: “*The quest for innovation remains one of the most exciting, groundbreaking and yet challenging parts of the LEADER approach. Seeking out and fostering new and innovative solutions to local problems or to take advantage of opportunities has been a core part of LEADER from its outset. Innovation applies to what is done, the types of activity supported, the products or services developed etc. but importantly it also applies to how things are done. In fact, in the beginning the LEADER approach itself was the main innovation.*”¹

This paper is structured into three sections. Section 1 presents the evolution and take-up of LEADER, discusses its perceptions and introduces the three LAG roles. Section 2 illustrates the increasing innovation emphasis in LEADER and identifies a series of innovative approaches related to these roles. Section 3 continues the report by presenting the main messages and comparing well-designed and dysfunctional system. The paper then ends in a fictional vision for LEADER and a personal assessment.

The report is based on primary and secondary research, including online/phone interviews and written exchanges with practitioners and academics, as well as discussions with members of the “Our Common Future” project consortium. Documentary sources are listed in the Annex.

1.2 Evolution and take-up of LEADER

LEADER can be understood as a form of innovation policy in rural areas,² strongly focused on social innovation.³

In 33 years of LEADER since its launch in 1991 we have seen a continuously increasing number of LAGs (Figure 1). From a small, pilot number of 217 LAGs in 1991-93, LEADER has become a funding framework present in most parts of the EU. There were three major triggers for this increase:

- The first was the so-called mainstreaming in 2007, when LEADER became an axis and part of EAFRD-funded rural development programmes. As part of this, the European Commission introduced the compulsory allocation of at least 5% of EAFRD funding for LEADER.
- The second development was the expansion of the LEADER model to all territories. It started in 2007 with the establishment of coastal or fisheries-based variants of LEADER and continued in 2014 by opening up of the framework to urban territories.
- The third and in terms of sheer numbers most important factor were the various waves of EU enlargement in the last 30 years: 1995 (AT, FI, SE), 2004 (CY, CZ, EE, HU, LT, LV, MT, PL, SI, SK), 2007 (BG, RO) and 2013 (HR).

In parallel, the funding sources evolved over successive programming periods, fluctuating from a wide range of EU Funds 30 years ago, to a phase of a single source in 2000-06, and finally back to an approach in which LEADER – meanwhile re-branded as CLLD in 2014-20 – was able to benefit, at least in principle, from up to four Funds. This change was crucial in establishing the LEADER model as a policy framework beyond its rural dimension. While the vast majority of LAGs continued to be found in rural areas, LEADER, in its new guise as CLLD, became an instrument also in EU Cohesion Policy.

¹ https://ec.europa.eu/enrd/leader-clld/leader-toolkit/leaderclld-explained_en.html

² Dargan L and Shucksmith M (2008) Leader and Innovation, *Sociologia Ruralis*, 2008, 48, pp. 274-291, <https://onlinelibrary.wiley.com/doi/full/10.1111/j.1467-9523.2008.00463.x>

³ Lukesch R (2020) Leader Case Study. Social Innovation - Implicit to the Leader Approach, European Network for Rural Development, https://enrd.ec.europa.eu/sites/default/files/enrd_publications/s12_leader_case_study_at_social_innovation.pdf

Figure 1: Evolution of LAG numbers und funding sources for LEADER

Stage	Period	Funds eligible	No. of LAGs
LEADER I	1991-93	EAGGF, ERDF, ESF	217
LEADER II	1994-99	EAGGF, ERDF, ESF	821
LEADER+	2000-06	EAGGF	1,153
LEADER axis	2007-13	EAFRD, EMFF	2,200
CLLD	2014-20	EAFRD, EMFF, ERDF, ESF	3,333
CLLD/ LEADER	2021-27	EAFRD, EMFAF, ERDF, ESF+	tbc

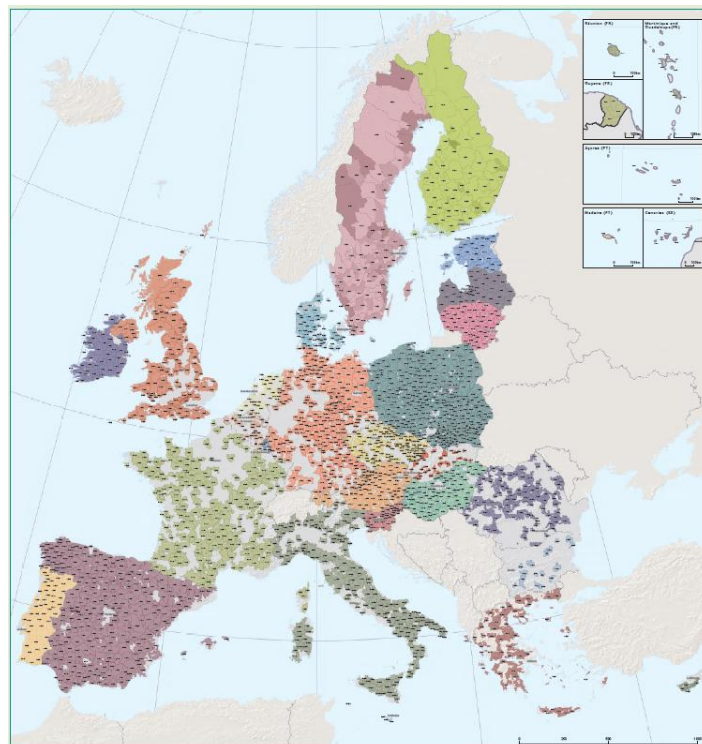
Source: author’s calculation based on European Commission data

For 2021-27, the 2014-20 regulatory approach to CLLD/LEADER was largely continued. Its rural expression remained compulsory in the sense that at least 5% of national EAFRD funding had to be dedicated to LEADER. Other forms, namely Fisheries LAGs and urban LAGs, remain voluntary. Accordingly, their take-up varies widely, being quite limited in many parts of Europe. However, it is important to note that the entire EU territory continuous to be eligible for the establishment of LEADER-type LAGs.

The 5% minimum EAFRD allocation to rural LEADER is enforced at national level. This still leaves scope for Member States and – where sub-national EAFRD programmes exist – regions to choose different ways of allocating these resources to LAGs on the ground. Figure 2 shows a map of LAGs in 2007-13, which allows identifying countries where rural territories are covered entirely (e.g. DK, FI, PL) and others with a more selective approach, resulting in a more limited number of LAGs (BG, NL, parts of DE). Interestingly, neither category of countries is limited to only older or newer Member States. While there is no map for 2014-20,⁴ we continue to observe countries with a

selective approach and others where all rural territories are covered by a LAG.

Figure 2: Map of LEADER LAGs in 2007-13

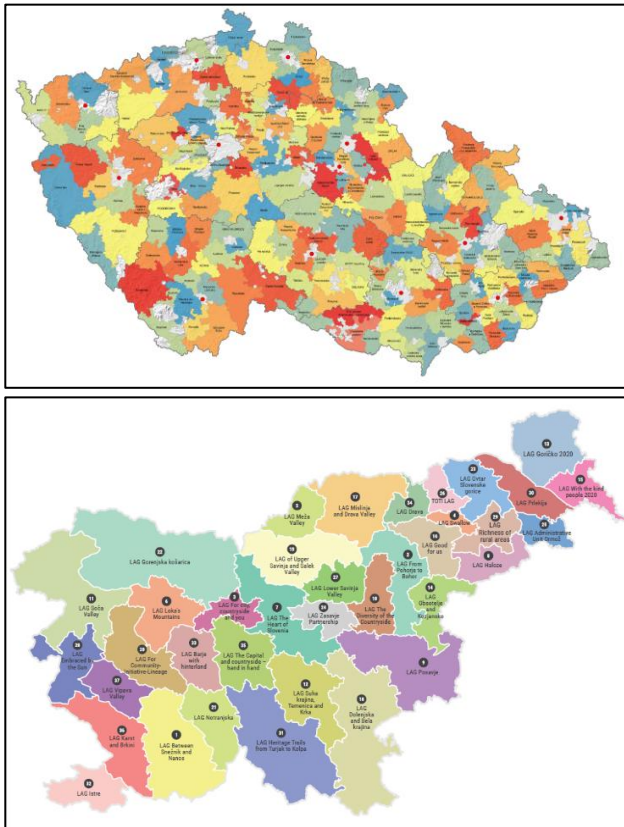


Source: European Network for Rural Development

Different countries adopt different approaches to the (self-)selection of LAG territories. We can distinguish comparatively top-down approaches to the territorial aspects of an originally bottom-up policy (e.g. in Slovenia) and more genuine bottom-up models, in which each municipality actively decides to join a LAG territory or not (e.g. Czechia). While in Slovenia every municipality (including urban ones) is part of a LAG, Czechia’s map gives more of a “Swiss cheese” impression, with many small “holes” where individual municipalities decided not to join the LAG operating in their territory.

⁴ Unfortunately, the European Commission or its service point ENRD never produced a map for 2014-20.

Figure 3: Territorial coverage examples from Czechia and Slovenia (2014-20)



Source: Czech Ministry for Regional Development and Slovenian National Rural Network

In spite of the diverse take up in different countries and regions, at the time writing in summer 2024, it can be said that the LEADER/CLLD territory is at its largest expansion to date.

1.3 Perceptions of LEADER

Over the past decades, LEADER has managed to establish itself as the key local development framework in Europe. According to Andrew Copus and Thomas Dax, the LEADER approach has proved to be a powerful tool to develop rural areas by supporting innovation among local actors.⁵

The apparent success of LEADER in terms of its pick-up and wide distribution opens a series of questions. Can a policy framework that was originally designed to support proactive pilot territories still be innovative when it has been “mainstreamed” and has become a framework that is in place in (almost) all parts of Europe, not only rural ones? The LEADER coverage has continuously been growing since its inception and once a territory has “its foot in the door” it is difficult to drop it in subsequent programming rounds. Is there still a competitive element between LAGs or is there an expectation that all LAGs will continue to have a dedicated budget, programming period after programming period? Indeed, questions have been raised about the added value that LEADER brings or should bring and the assessment by different policy stakeholders has been mixed over the past decades. There is general recognition of the framework as a useful tool for community-led development, but there have also been more critical voices. Implementing EU funding through LEADER brings additional costs and risks compared to mainstream, top-down measures. In 2022, the European Court of Auditors (ECA) questioned whether there is sufficient added value to make up for these disadvantages.⁶ In its report, the ECA noted that LEADER funding sometimes replaces other EU or domestic funding, ending up playing a “last resort” function to provide funding for rural areas rather than acting as a vehicle for innovation. LEADER’s more systemic effects (e.g. “social innovation”) are difficult to capture, which makes demonstrating added value difficult. In 2023, a DG AGRI evaluation resulted in a more positive assessment.⁷ It noted that LEADER is in fact more cost-effective than several other rural development measures and highlighted the effectiveness of its characteristic multi-level governance approach. LAGs are actively supporting beneficiaries, and they provide opportunities for the participation of otherwise underrepresented groups.

⁵ Copus A and Dax T (2010) Conceptual Background and Priorities of European Rural Development Policy. Assessing the Impact of Rural Development Policies (Incl. LEADER). RuDI 2010, 44, see https://www.academia.edu/18418854/Assessing_the_impact_of_rural_development_policies_incl_LEADER_Conceptual_Background_and_Priorities_of_European_Rural_Development_Policy

⁶ European Court of Auditors (2022) Special Report 10/2022: LEADER and community-led local development facilitates local engagement but additional benefits still not sufficiently

demonstrated, <https://www.eca.europa.eu/en/publications?did=61355>

⁷ DG AGRI (2023) Evaluation support study of the costs and benefits of the implementation of LEADER, <https://op.europa.eu/en/publication-detail/-/publication/cc1e7d6f-7eb3-11ee-99ba-01aa75ed71a1/language-en>

In spite of some positive assessments, the future of the LEADER model is not guaranteed. For some time now, there has been awareness amongst key stakeholders that LEADER needs to react to sometimes justified criticism. If it wants to be relevant in the future it must adjust to changing framework conditions.

In 2018, Paul Soto, at the time team leader of the European Network for Rural Development (ENRD) contact point, reflected on the key deficiencies in the LEADER model and identified three so-called “riders of the apocalypse”:⁸

- **Administrative burden:** there are more and increasingly bureaucratic controls accompanied by an erosion of the decentralised finance model, which was one of the original principles of LEADER.
- **Insufficient capacity:** this is not only often visible at the local level but also includes higher levels in the delivery system.
- **Increasing external influence:** the originally bottom-up and community-led framework has increasingly been captured by public sector bodies (e.g. local and regional authorities), political parties and specific interest groups.

As this risks that LAG managers and members turn “from rural activists to rural administrators”, Paul Soto suggested three potential ways forward:

- **Democratising local finance:** there should be a compulsory share of funding for CLLD in all EU Funds, beyond the 5% of EAFRD, and a shift from ex-post controls to results-based funding.
- **Building capacity and trust:** this is required horizontally at local level and vertically at other levels of the multi-level governance system.
- **Clarifying the rules of engagement for creative public-private-civil society partnerships:** the approach should allow for inclusive engagement, while ensuring sufficient resources and skills.

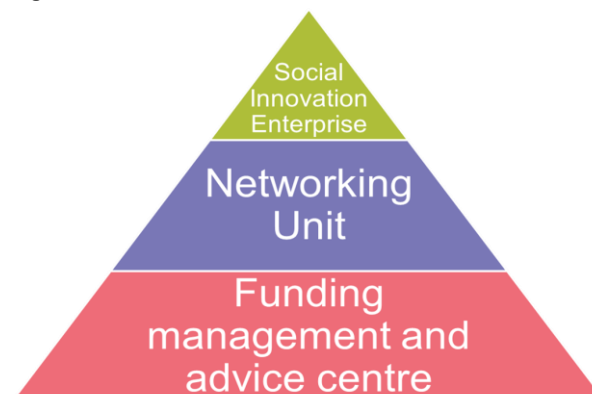
These suggested changes echo similar proposals in other policy areas. While these are plausible and would likely be welcome by the LAGs, most of

these issues cannot be addressed by the local level itself. Instead, it is required that other, higher-level bodies take initiative. Hence it is worth looking at the various roles that LAGs play – or could play – and identifying related innovative approaches that could be expanded.

1.4 The three roles of LAGs

In 2020, the association of Austrian LAGs (LEADER-forum Austria) produced a publication⁹ in which it disentangled the varied functions and activities of LAGs and organised these into three types of roles (Figure 4): a) funding management and advice centre; b) networking unit and c) social innovation enterprise.

Figure 4: The roles of LEADER LAGs



Source: author, based on LEADER-forum Austria

A LAG’s “minimum” role is **management of funding and advice centre**. It needs to manage its assigned budget and act as advice centre for funding applicants and beneficiaries. It organises and runs project calls and then selects projects. During implementation, it ensures correct and timely spending. As an advice centre, the LAG facilitates access to funding for potential beneficiaries and supports stakeholders implementing projects.

The second, slightly more ambitious role, is that of a **networking unit**. This is done within its territory, where the LAG establishes and maintains a local network. It ensures participation by the key stakeholder groups: civil society (people and associations of people), business world (enterprises and other economic players) and public institutions

⁸ Soto P (2018) Why has the 25 year old LEADER not fulfilled the potential it had when it was 10? Can we do anything about it? A few thoughts for discussion.

⁹ LEADER-forum Austria (2020) Strengthening LEADER and the rural areas. Especially now!

(territorial and sectoral authorities). The LAG also participates in networks outside its territory. Transnational LEADER projects (such as “Our Common Future”) are another useful opportunity for networking.

The third and most ambitious role is for the LAG to become a **social innovation enterprise**. Social innovation is defined as new ways of:

- doing (practices, technologies, material commitments);
- organising (rules, decision-making, modes of governance);
- framing (meaning, visions, imaginaries, discursive commitments); and
- knowing (cognitive resources, competence, learning, appraisal).¹⁰

LAGs can become social innovation enterprises if they engage in strategically relevant fields, especially by designing and implementing own projects. In these, the LAGs themselves become beneficiaries. However, this requires additional skills compared to roles 1 and 2, which might not be available and therefore need to be built.

Indeed, fulfilling all three roles raises the questions of having sufficient capacities. The policy discourse around capacity challenges often neglects the distinction between qualitative and quantitative aspects. Not being able to carry out a certain task can have a variety of reasons: sometimes it is a qualitative shortcoming, i.e. the staff involved does not have the required skills. In other cases, it is a quantitative challenge, as the skills are present, but there is not sufficient staff-time to carry out the task. Hence, for LAGs, there are two questions: one is if the staff has the appropriate skills (e.g. to carry out role 3) and another one is if there is sufficient staff, i.e. in terms of number of people and related full-time equivalents (FTE).

In any case, staff time is limited and increasing engagement with one of the three LAG roles means

reducing the time invested in another. E.g. acting more as a social innovation enterprise requires the reduction of investment into other roles, unless staffing is increased (which usually is unlikely). The following sections look at what innovation can look like in LEADER, keeping in mind practical limitations caused by the gap between required and available capacities.

2. LEADER AND INNOVATION

2.1 Increasing innovation emphasis in LEADER

Innovation is a cross-cutting priority of rural development policy and a requirement for LAGs that needs to be taken into consideration when drafting their strategies. There is no definition of innovation, but the regulations for 2023-27 provide an indicator on innovation (L710). According to regulation 2022/1475, this indicator gathers the “...number of operations which are innovative in the local context...”.¹¹ However, it is important to note that the Commission emphasises that “*Member States, regional authorities or the LAG shall define the term ‘innovative in the local context’...*” This emphasises that what is innovation is one place might not be so in another.

During the 2014-20 programming period, the ENRD carried out a range of activities around the topic of innovation, one of the 7 LEADER principles. This resulted in various publications, such as a collection of innovative practices and approaches (from DK, FI, NL and UK-Scotland).¹² In 2018, the ENRD ran a LEADER Innovation Practitioner-led Working Group, which produced a series of outputs that discussed the challenges of innovation and gathered some examples, e.g. those presented in Figure 5.¹³

¹⁰ Haxeltine A et al. (2016) A framework for Transformative Social Innovation, TRANSIT Working Paper # 5, November 2016

¹¹ Commission Implementing Regulation (EU) 2022/1475 in Annex VII

¹² https://ec.europa.eu/enrd/sites/default/files/leader-innovation_lags_practical-examples.pdf

¹³ ENRD (2018) Innovation in the LEADER delivery chain – a summary based on the LEADER Innovation PWG discussions and meetings, https://ec.europa.eu/enrd/sites/default/files/leader-innovation_delivery-chain_pwg-discussions.pdf

Figure 5: Examples for innovation-related LEADER activities (2018)

1	<p>Innovation ‘voucher’ (LAG Keskipiste, Finland)</p> <p>First introduced in 2010 to support youth, communities, and SMEs to develop innovative projects/approaches with a small – 500-1000 Euro – grant. A very simple application process and short ‘turnaround’ time – funds paid one month after the application – enabled 320 youth initiatives, 60 SMEs, and 90 community projects to access this form of support.</p>
2	<p>“SMART” LEADER (TAGUS LAG, Spain)</p> <p>‘SMART’ LEADER has six elements: Selection of comparative advantages, Specialisation profile, Smart+ governance model, Action plan, Innovation ecosystem, Evaluation and monitoring. The ‘SMART+’ governance model applied by the Tagus LAG involves local and regional representatives of the knowledge sector in strategic decisions of the LAG. Based on the recognition that rural innovation does not emerge spontaneously and that it requires an active innovation facilitation role from the LAG, the LDS becomes a ‘smart specialisation strategy’.</p>
3	<p>Social innovation (LAG Pohjoisin Lappi, Finland)</p> <p>In a LAG territory double the size of Belgium and with a population density of 0.6 inhabitants/km², an innovative ‘model’ for providing social services allows people to find employment in social services for senior citizens and families with small children through a local co-operative that brings together ‘customers’, municipalities, and professionals. The co-operative employs 26 part-time and one full-time staff – providing services in 11 villages.</p>

Source: ENRD (2018)

As part of the Working Group activities, the ENRD also suggested the “ingredients” needed for the “recipe” for innovation.

Figure 6: Suggested ingredients for innovation in LEADER (2018)

Shared understanding of what is LEADER Innovation and why it is important	Conscious effort from all to build trust, cooperate, coordinate
Acceptance of diversity of local contexts (LDSs) that define it	Understanding the benefits of LEADER innovation
‘Local innovation culture’ and ‘innovation animator’ within the LAG	Adequate level of resources for animation at LAG level
Knowledge of relevant rules and local context	Capacity building – learning from audit findings and networking at all levels (including EU level)

Source: ENRD (2018)

The ENRD also gathered and shared relevant publications on LEADER and innovation:

- What is the impact of LEADER on the local social resources? Some insights on Local Action Group’s aggregative role (2015)¹⁴
- Local development stakeholders and the European Model: Learning the LEADER Approach in the New Member States (2008)¹⁵
- LEADER and Innovation (2008)¹⁶
- Rural innovation activities as a means for changing development perspectives – An assessment of more than two decades of promoting LEADER initiatives across the European Union (2016)¹⁷
- Preserving the innovative/experimental character of LEADER (ENRD Focus Group 2, 2007-2013 programming period)¹⁸

¹⁴ Lopolito A, Sisto R, Barbuto A and Da Re R (2015) What is the impact of LEADER on the local social resources? Some insights on Local Action Group’s aggregative role. Italian Review of Agricultural Economics (REA), 70(1), pp. 55-75, <https://oajournals.fupress.net/index.php/rea/article/view/9821>

¹⁵ Maurel M-C (2008) Local Development Stakeholders and the European Model: Learning the LEADER Approach in the New Member States, Czech Sociological Review, 44 (2008) 3, pp. 511-529, <https://www.ssoar.info/ssoar/handle/document/5920>

¹⁶ Dargan L and Shucksmith M (2008) *Op. cit.*

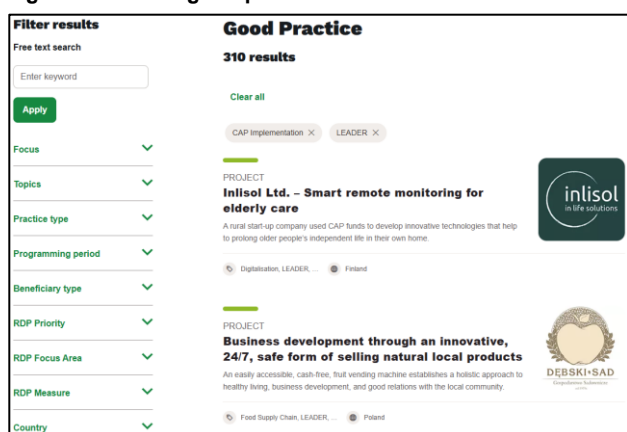
¹⁷ Dax T and Oedl-Wieser T (2016) Rural innovation activities as a means for changing development perspectives An assessment of more than two decades of promoting LEADER initiatives across the European Union, Studies in Agricultural Economics 118(1):30-37, https://www.researchgate.net/publication/301826578_Rural_innovation_activities_as_a_means_for_changing_development_perspectives_An_assessment_of_more_than_two_decades_of_promoting_LEADER_initiatives_across_the_European_Union

¹⁸ https://ec.europa.eu/enrd/enrd-static/leader/leader/focus-groups/en/focus-group-2_en.html

- Innovation and Rural Development (LEADER European Observatory, 1997)¹⁹

Finally, the ENRD collected good practice projects between 2014 and 2022, all of which – according to the ENRD – can be considered innovative in some form or other.²⁰ The database contains 321 cases, with varied interpretation of “innovation” (Figure 7). Many of the presented examples have a strongly technologically driven understanding of innovation.

Figure 7: ENRD’s good practice database 2014-22



Source: https://eu-cap-network.ec.europa.eu/good-practice/search_en

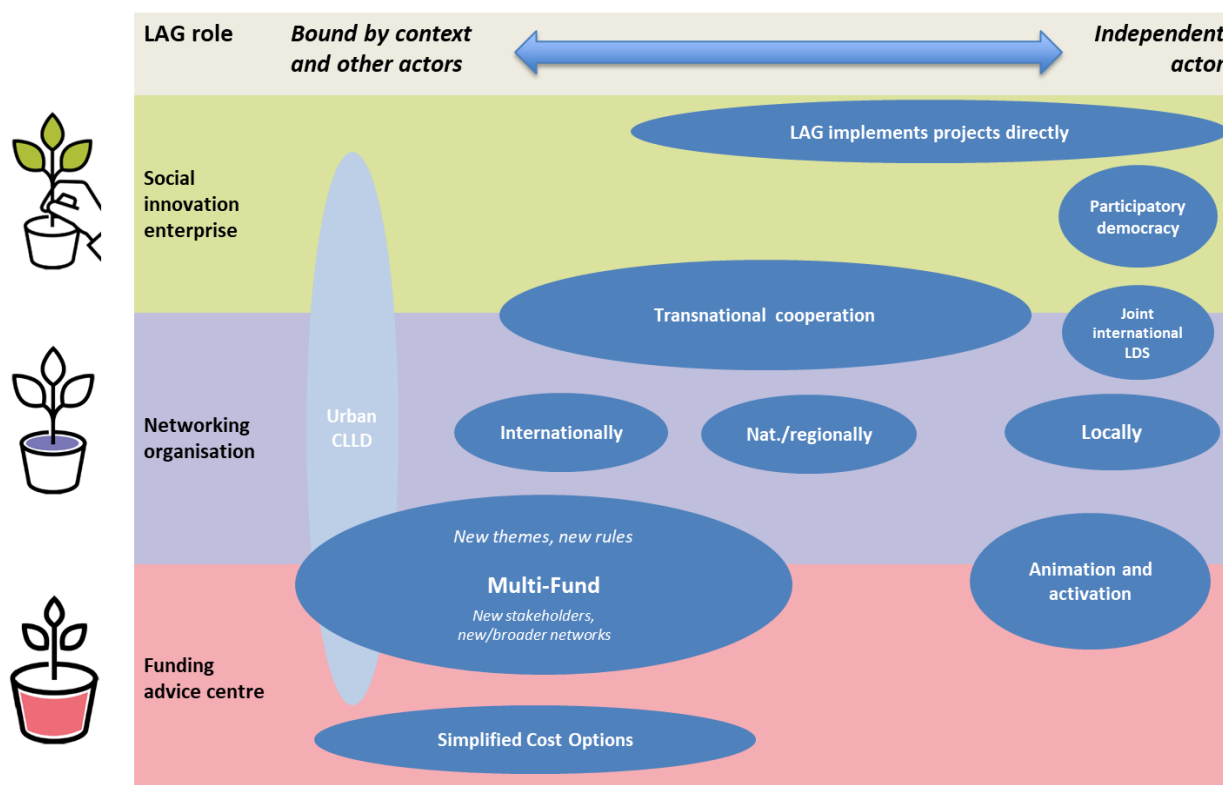
2.2 Identification of approaches and relation to LAG roles

To identify any innovative approaches in LEADER it is helpful to make use of the system provided by the three LAG roles that have been discussed above. Figure 8 illustrates the relationship between approaches and roles, additionally indicating to what extent LAGs can act independently to implement these (right end of the scale) or are bound by context or decisions taken by other actors (left end of the scale). The latter refers to, for instance, decisions taken by the national level about regulatory frameworks that give LAGs the scope to adopt certain approaches or not.

¹⁹ LEADER European Observatory (1997) Innovation and Rural Development, The Observatory Dossiers No. 2, <https://ec.europa.eu/enrd/sites/default/files/innovation.pdf>

²⁰ https://eu-cap-network.ec.europa.eu/good-practice_en?f%5B0%5D=focus%3A1&f%5B1%5D=topics_all_good_practice%3A57

Figure 8: Innovative approaches in different LAG roles and scope to pursue these



Source: author

Innovative approaches are possible within each of the roles and are not necessarily limited to more ambitious ones. For instance, as part of role 1 (funding advice centre), we can see that LAGs have the opportunity to make use of **simplified cost options (SCOs)** provided by the European Commission. This is a rather administrative aspect but has great potential to relieve staff time to fulfil other roles. Some approaches sit in between roles, such as **multi-Fund CLLD** or any innovative **animation and activation** activities, which are related to role 1 as well as to role 2 (networking).

Within role 2 (networking organisation), LAGs are engaging in networks that can be **international, national or regional**, but they are also the key actor in creating and maintaining **local networks**. They can also engage internationally, e.g. through **transnational cooperation** projects (e.g. “Our Common Future”) or through joint **international local development strategies**. Both activities are not only related to role 2 but also show elements of social innovation and therefore are also connected to role 3.

In role 3, LAGs can introduce various forms of **participatory democracy** beyond the minimum regulatory requirements. Also, they can **implement projects directly or design umbrella projects**,

thereby becoming the beneficiary of the funding. Finally, there is the option to establish **urban LAGs**, which are not directly relevant to rural actors. Yet, this model introduced in 2014 is still included in the diagram, as some lessons can be learned from this approach, too (see Section 2.3.9).

For all these approaches it is important to highlight that the degree of innovativeness is specific to the context. What is established practice in one country might be new and therefore innovative in another country (or region). Also, some of these approaches are not necessarily entirely new, such as proactive animation activities, but are underused.

2.3 Examples of innovative approaches

2.3.1 Simplified Cost Options (SCOs)

SCOs have been introduced as one of the most important simplification measures to reduce administrative costs and burden. There are three types of SCOs:

- Standard scales of unit costs, e.g. fixed hourly rate for a business adviser

- Lump sums, e.g. total costs for the organisation of a meeting (no details about room hire, catering etc.)
- Flat rates, e.g. staff costs and indirect costs (e.g. rents, Wi-Fi)

The use of SCOs is more common in Cohesion Policy, especially for ESF+ interventions, rather than in rural development. About 2% of the EAFRD budget is expected to be declared using SCOs, while the estimates are 33% for ESF and 4% for ERDF. Still, a survey found that 64% of rural development programmes used SCOs to some degree²¹ (see below).

Examples

Documented evidence on the use of SCOs in LEADER is quite limited,²² but there are a number of examples:

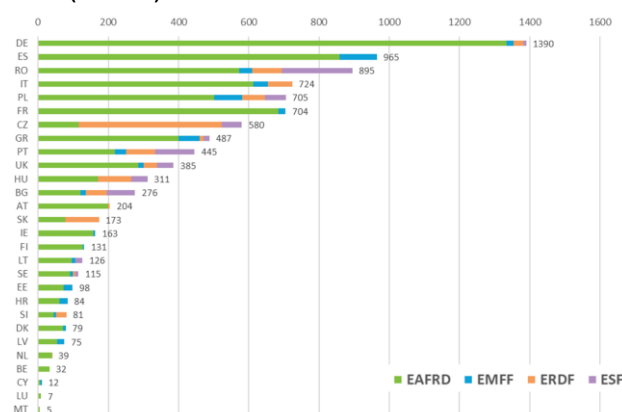
- In **Estonia**, LAGs provide support via a flat rate of 26% of operational costs, for which no invoices are needed. There is project support via budget-based lump sums. “*The focus is not on whether the beneficiary does things only correctly, but rather on whether he/she also does the right things*”.²³
- In **Saxony** (DE), the use of unit costs was felt to be challenging. Their calculation requires extensive analysis of funded projects, e.g. there were 1,700 audited LEADER projects.²⁴
- In **Sweden**, 15 operations (of 2,400 until 2020) made use of lump sums. LAGs were able to decide on the application of lump sums based on draft budgets. For these, the beneficiary must submit a specified budget, clearly describing its expenses.²⁵
- In **Poland**, there have been good experiences with using lump sums for preparatory support, running costs and animation of LAGs, as well as for start-ups. However, lump sums for all types of beneficiaries would be needed.²⁶

2.3.2 Multi-Fund CLLD

Multi-Fund CLLD (MFCLLD) was introduced as a voluntary option in the 2014-20 programming period. MFCLLD is understood as combining more

than one of the four eligible EU Funds within the same Local Development Strategy (LDS). Although over €9 billion of EU funding was allocated to be implemented through CLLD/LEADER in 2014-20, around three quarters of this still came from the EAFRD. The continued dominance of rural funding can also be seen at the level of LAGs, where the vast majority of LAGs using EAFRD (2,206 or 78%) continued with the traditional LEADER model, implementing CLLD only through EAFRD funding.²⁷

Figure 9: Multi-Fund CLLD funding by country and EU Fund (2014-20)



Source: Kah S (2020), <https://ldnet.eu/where-does-the-eu-share-of-clld-funding-come-from>

Also, only 15 Member States combined the EAFRD with at least one other Fund, while 13 decided not to do so. It is also important to recognise that in many countries, only selected regions implemented MFCLLD. This includes AT (Tyrol), DE (Saxony-Anhalt), EL (Central Macedonia, Crete, Epirus, Peloponnese), IT (Puglia, Sicily), PL (Kujawsko-Pomorskie, Podlaskie) and UK (Scotland). Figure 10 shows the use of MFCLLD in 2014-20 and, as far as known at the time of writing, in 2021-27. Countries can be grouped as follows:

²¹ Brignani N and Santin L (2018) Use and intended use of simplified cost options in European Social Fund (ESF), European Regional Development Fund (ERDF), Cohesion Fund (CF) and European Agricultural Fund for Rural Development (EAFRD), https://ec.europa.eu/regional_policy/sources/studies/use_sco_esif_en.pdf

²² For more information see https://ec.europa.eu/enrd/sites/default/files/w3_scos-leader_fact-sheet5_0.pdf

²³ <https://leadercongress.eu/wp-content/uploads/2024/01/Simplified-Cost-Options-in-Estonian-LEADER.pdf>

²⁴ Resch A, Hamza C and Sanopoulos A (2021) Working paper EMFAF simplified cost options, FAME Support Unit

CT03.1, https://www.mapa.gob.es/es/pesca/temas/fondos-europeos/7_famenet_working_paper_on_emfaf_scos_tcm30-651866.pdf

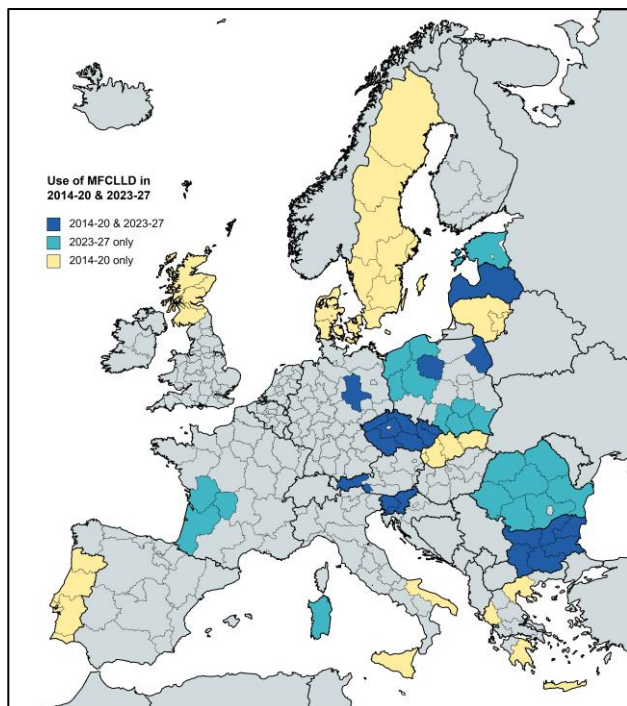
²⁵ *Ibid.*

²⁶ ELARD (2019) A LEADER journey through rural Europe. National LAG networks revealing the diversity of LEADER implementation, <https://elard.eu/wp-content/uploads/2020/04/ELARD-Booklet-web.pdf>

²⁷ Kah S (2024) Multi-funded CLLD: Background paper and outcomes of workshop in Slovenia, report for the EU CAP Network, January 2024, <https://eu-cap-network.ec.europa.eu/sites/default/files/publications/2024-02/eu-cap-network-multi-funded-clld-report.pdf>

- No use: BE, CY, ES, IE, FI, HR, HU, LU, MT, NL
- Discontinuation: DK, EL, LT, PT, SE, SK, UK
- Continuation: AT, BG, CZ, DE, IT (but in different regions), LV, SI
- Expansion: PL
- Introduction: EE, FR, RO

Figure 10: MFCLLD in 2014-20 and 2021-27 (anticipated)



Source: Kah S (2024) *Op. cit.*

MFCLLD sits between rural development and cohesion policy and there is a variety of models between rural development only (LEADER) and cohesion policy only (urban CLLD, see section 2.3.9). As illustrated in Figure 11, MFCLLD is sometimes LEADER-dominated (BG, SK) and often based on established LEADER frameworks, actors and procedures. However, sometimes overall coordination is integrated in cohesion policy (CZ), including the approval of strategies.

Figure 11: CLLD models between rural development policy and cohesion policy in 2014-20

Model	Driving policy areas	Countries	Territorial (CP) level	Approach to coherence and coordination
Separate	Rural Development/LEADER only* - no use of CP funding	BE, CY, DK, EE, ES, FI, FR, HR, HU (rural), IE, LU, LV, LT (rural), MT, NL (rural), RO (rural), UK (rural)	National/regional	Rural development only
	EAFRD and EMFF	DK, LV, LT, UK (Scotland)		Rural development and Fisheries
Integrated (MFCLLD LEADER-CP)	Based around established EAFRD structures and existing LEADER LAGs	BG, SK	National	Integrated national models
		DE, EL, IT, PL (rural), PT (rural)	Regional	Integrated regional models (selected)
	SI	National	CLLD coordination platform integrated into rural development governance	
	AT	Regional	Joint regional IB and joint project implementation rules (based on EAFRD)	
	SE	National	Joint national MA	
ERDF and/or ESF are (typically) added to dominant/important EAFRD	CZ	National	CLLD coordination platform integrated into CP governance	
Separate	Cohesion policy only - urban territories	NL, PL (urban), PT (urban), UK (urban)	Regional	Cohesion policy only
		HU, LT, RO	National	

Source: Kah S (2024) *Op. cit.*

Looking at MFCLLD from a LAG perspective, LAGs have to deal with different Funds, and in practice, this also means dealing with different programmes, different MAs/IBs and different implementation rules and procedures. Often, the programmes are operating at different territorial levels, i.e. national, regional or a mix of both (Figure 12).

Figure 12: OP funding sources for selected MFCLLD LAGs 2014-20

LAG	National OPs	Regional OPs
Austria – LAG Kufstein	Rural Development (EAFRD)	-
	Investments in Growth and Employment (ERDF)	
Poland – LAG Vistula-T.C.	Rural Development (EAFRD)	Kujawsko-Pomorskie Voivodeship (ERDF/ESF)
Bulgaria – LAG Lukovit-Roman	Innovations and Competitiveness (ERDF)	-
	Human Resources Development (ESF)	
	Science and Education for Smart Growth (ERDF/ESF)	
	Rural Development (EAFRD)	
Czechia – LAG Uničovsko	Integrated Regional Programme (ERDF)	-
	Employment, Human Capital and Social Cohesion (ESF)	
	Rural Development (EAFRD)	
Italy – LAG Nebrodi Plus	-	Rural Development Sicily (EAFRD)
		Sicily (ERDF)
Portugal – LAG Basto	Rural Development (EAFRD)	Norte (ERDF/ESF)

EAFRD

ERDF

ESF

Multi-Fund

Source: Kah S (2024) *Op. cit.*

Examples

Useful examples of MFCLLD approaches can be found in those countries that have used MFCLLD in 2014-20 and decided to continue doing so in 2021-27. Excluding Italy, where the regions changed, and Latvia, which only combined EAFRD and EMFF/EM-FAF, this leaves the following cases of potential interest:

- **Austria** (Tyrol): 10 LAGs in the federal state of Tyrol are combining EAFRD and ERDF, implementing the Lead Fund principle.
- **Bulgaria**: around 100 LAGs, with up to four programmes contributing to a single LDS.
- **Czechia**: high number of LAGs (180), many also including a high number of municipalities; coordination by the Ministry of Regional Development.
- **Germany** (Saxony-Anhalt): 22 LAGs; EAFRD and the ERDF/ESF+ are each managed by independent MAs, but both are located within the same ministry.
- **Slovenia**: 37 LAGs covering all municipalities; strong coordination via CLLD Coordination Committee.

A good overview is provided by the 2024 EU CAP Network background paper on MFCLLD.

2.3.3 Animation and activation

In its role as funding advice centre, LAGs are facilitating access to funding for its varied stakeholders, which can be citizens, businesses etc. This is also relevant for the LAGs' role as networking organisations, creating networks that go beyond the

“usual suspects”, which often are based around the agricultural and rural development community. The 2014-20 programming period included a stronger focus on animation, asking LAGs to extend LEADER's reach to new people and ideas.

Examples

Romania: Some LAGs (in Transylvania and southern Romania) have been particularly proactive in offering training and support for local stakeholders to understand and access funding: workshops, one-on-one consulting, user-friendly guides to simplify the application process for local projects.

France: The LAG of Reunion Island led by the Association of Rural Development in Reunion (AD2R) offers training in collective workshops to accompany the creation of activities and their development.²⁸

2.3.4 Networking

Networking can bring innovation and the LEADER framework offers a range of opportunities to engage in networks. These can be domestic, either national or regional, and include the more formal National Rural Network as well as more bottom-up and LAG-oriented networks of the LAGs themselves. Internationally, there is a wide range of opportunities. Some networks are EU Commission-driven, such as the EU CAP Network²⁹ for rural

²⁸ <https://www.ad2r.re/>

²⁹ https://eu-cap-network.ec.europa.eu/index_en

LAGs and FAMENET³⁰ for Fisheries LAGs. Others are LAG-driven, e.g. the European LEADER Association for Rural Development (ELARD).³¹ In some countries, the opportunities to engage in these offers depends on national frameworks giving LAGs sufficient opportunities to do so.

Examples

Domestic:

In **Romania**, 4 LAGs are cooperating closely, facilitating the exchange of best practices. They collaborate in national projects, and engage in mutual learning via conferences, meetings and one-to-one coaching between LAGs, entrepreneurs and farmers. These 4 LAGs play a crucial role in connecting other LAGs within the country, organising events and providing platforms for knowledge exchange and cooperation.³²

International:

In existence already since 2010, the LEADER Inspired Network Community (**LINC**) is an example for an innovative approach to networking. LINC is an annual European conference that is not only used to exchange experiences but also include sport and culinary activities. LINC was originally launched by LAGs and LEADER networks from Austria, Germany, Estonia and Finland. It is open to all LEADER and rural actor and since its launch has been hosted also in other countries, such as Italy, Hungary, Luxembourg, Czechia and Romania.³³

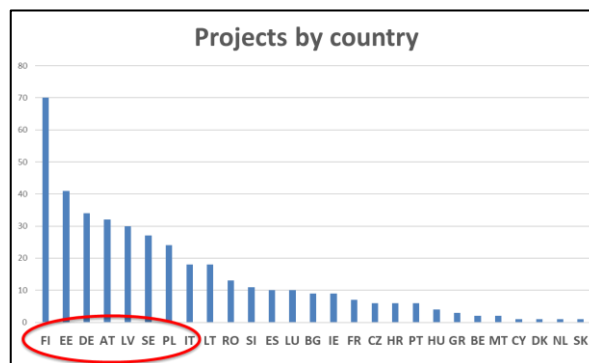


2.3.5 Transnational cooperation

Transnational cooperation is an opportunity for social innovation of rural regions.³⁴ In 2014-20 (until March 2023), 240 TNC projects had been notified to the European Commission. However, these are quite unevenly spread across countries, with particularly FI, EE, DE, AT, LV, SE, PL and IT standing out (Figure 13). The picture is even more pronounced when looking at projects per capita (Figure 14), with EE leading the table and several other smaller countries following (LV, LU, FI, LT, SI). LAGs from other countries, many of which have been long-standing EU members with strong rural development traditions (NL, FR, BE, DK) are

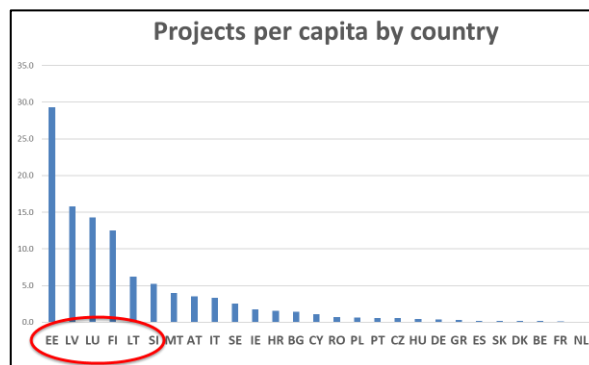
lagging behind.³⁵ The EU CAP Network is encouraging transnational cooperation and established a partner search tool.

Figure 13: Transnational cooperation LEADER projects by country in 2014-20



Source: Toth P (2023) Overview of transnational cooperation projects in 2014-2022, EU CAP Network

Figure 14: Transnational cooperation LEADER projects by country per capita in 2014-20



Source: Toth P (2023) *Op. cit.*

Example

Active North Satakunta LAG is the most active LEADER LAG in transnational cooperation. Since 2003, it was involved almost 100 transnational LEADER projects and, in that time, also activated other Finnish LAGs to get involved. For 2023-27, there are already ca. 10 transnational projects under appraisal. The LAG has established long-lasting partnerships with many LAGs, some of which started in 2003 and are still active. Project examples include:

- Global Eco: circular economy project (FI, IT, PT, EE) selected as a good practice project³⁶

³⁰ https://oceans-and-fisheries.ec.europa.eu/funding/famenet_en

³¹ <https://elard.eu/>

³² <https://napocapopolisum.ro/>

³³ <https://www.info-linc.eu/>

³⁴ Dax T and Kah S (2017) Transnational cooperation, an opportunity for social innovation of rural regions, European Structural and Investment Funds Journal, Vol. 5, no. 3, pp.

211-222., <https://pureportal.strath.ac.uk/en/publications/transnational-cooperation-an-opportunity-for-social-innovation-of>

³⁵ Toth P (2023) Overview of transnational cooperation projects in 2014-2022, EU CAP Network, https://eu-cap-network.ec.europa.eu/sites/default/files/2023-04/03_LSG1_TNC-overview_CAPI-CP.pdf

³⁶ <https://www.prizz.fi/kehittamisteemat/bio-ja-kiertotalous/global-eco.html> and https://issuu.com/prizz-tech/docs/globaleco_ebook_updated_2022

- 5starnature: events, tourism packages, enterprise collaboration and local development of tourism products³⁷
- YEAH: children and youth entrepreneurial education
- Environmental education in UNESCO Geopark areas (DE, AT, FI)

Other projects covered fields such as forestry, smart villages, immigration, arts, theatre, rural tourism, horse enterprises, music, environmental art, rural villages, nordic walking, skiing, orienteering, geofood, local food, facilities for disabled people, different sports, invasive species etc.

2.3.6 Joint international local development strategies

Joint international LDS can be a useful tool for LAGs in border regions. So far, there has only been one example, but 2023-27 might see more. While this is a joint strategy, it still is based on two separate LDS that operate within separate systems in their respective countries.

Example

Transnational LEADER region between Germany and Luxembourg

The first transnational LEADER region in Europe consists of LAG Miselerland (LU) and LAG Moselfranken (DE). It sits on the western and eastern shore of the Moselle River. There are 3 municipalities on the German and 14 municipalities on the Luxembourgish side. For 2014-20, the two LAGs developed a joint, transnational LEADER development strategy and are implementing projects based on it. The LAGs themselves, however, remain separate and have separate budgets.³⁸



2.3.7 Participatory democracy

The bottom-up approach is one of the 7 LEADER principles and a key ingredient for sustainability and local ownership of policies. Stakeholder engagement is expected to enhance government accountability, broaden citizens' influence on decision-making processes and build civic capacity.³⁹

Figure 15 illustrates four levels of participation, distinguishing communication mode, public influence and activities, and gives examples of what this would mean in practice. LEADER should ideally operate in all four dimensions but often stops at information and consultation. For the drafting of the strategy, a phase of collaboration is typically included, but empowerment, e.g. via co-decision mechanisms, is rare. However, there are some examples of participatory democracy tools, e.g. participatory budgeting.

Figure 15: Different levels of participation

Level	Communication mode	Public influence	Activities	Examples related to territorial development
Information	One-way	None	Pass on information, e.g. via newsletters, brochures, websites	Inform citizens about ongoing strategy development process
Consultation	Two-way	Limited	Ask and listen to the public via polls, surveys, interviews	Online consultation about draft strategy documents
Collaboration	Dialogue-based	Moderate	Collaborative events such as workshops, joint decision-making, etc.	Involve citizens in workshop to identify strategic priorities
Empowerment	Dialogue-based	High	Delegation of tasks	Participatory budgeting or project selection, co-production of services

Source: Pertoldi M, Fioretti C, Guzzo F, Testori G, De Brujin M, Ferry M, Kah S, Servillo L A and Windisch S (2022) Handbook of Territorial and Local Development Strategies, Pertoldi M, Fioretti C, Guzzo F and Testori G editor(s), Publications Office of the European Union, Luxembourg, 2022, <https://publications.jrc.ec.europa.eu/repository/handle/JRC130788>

Examples

In **Scotland**, the Outer Hebrides CLLD LAG (OH CLLD LAG) launched a small grant scheme in 2023 offering sums of between £500-£2,500 (c. €600-€2,800). A total of £40,000 was available for projects with a community benefit, and that advanced inclusion, equality and diversity. The LAG only checked applications for eligibility and all projects found to be eligible proceeded to a public vote. Funding was awarded starting with the project that received the most votes until the full budget has been allocated, making the fund truly community-led.⁴⁰

In **Portugal**, the Lisbon CLLD network made use of participatory budgeting by giving each citizen a vote. Ballots were handed out on paper through letterboxes to ensure that only residents would vote. Voting was then done via SMS.⁴¹

³⁷ <https://www.visitkihnio.fi/nae-koef/>

³⁸ <https://leader-miselerland-moselfranken.eu/en/>

³⁹ <https://publications.jrc.ec.europa.eu/repository/handle/JRC130788>

⁴⁰ <https://e-squire.org/news/2023/07/clld-small-grants-scheme-using-participatory-budgeting-launched/>

⁴¹ https://eukn.eu/wp-content/uploads/2021/12/Lisbon-BIP-ZIP_Rui-Franco_EN.pdf

2.3.8 Umbrella projects - direct project implementation

The concept of umbrella projects is not new and has been an option throughout the 2014-20 programming period. In an umbrella project, the LAG acts as beneficiary. In order to do so, the LAG submits an application to the relevant authority, which carries out the necessary checks. The promoters of “sub-projects” then submit requests to the LAG and obtain acceptance. This is less formal than the application and approval of “standard” CLLD projects.⁴² There have been a number of events, e.g. an ENRD workshop in 2016⁴³ and some practical guidance.⁴⁴ Umbrella projects can be a useful way for the LAG to become a social innovation enterprise.

Examples
<p>Umbrella projects from Catalonia (ES) include:</p> <ul style="list-style-type: none"> • Implementation and pilot management of the 1st Mobile Slaughterhouse in Spain • Implementation in Catalonia and Spain of Test Spaces, as devices for incorporation into the agricultural sector for people from non-farming families • Implementation in Catalonia of shared agri-food workshops as support tools for small agri-food production

2.3.9 Urban CLLD

The option to implement a LEADER-type approach in non-rural areas has been introduced in EU cohesion policy in 2014-20. Urban CLLD LAGs are distinct in three ways:

Territories

- Coverage of a single municipality – while multiple municipalities in rural LAGs or FLAGs
- Two main types of territorial focus of LAGs
 - sub-municipal level: city district or neighbourhood
 - entire municipality: usually smaller towns

Funding

- Use of Cohesion Policy Funds (ERDF/ESF) only – in the urban part of the municipality
- In practice, almost all urban LAGs use the ESF

Themes

- no “agricultural bias” – thematically as open as ERDF/ESF allow
- LAGs started from a “blank slate” – lack of up to 30 years’ experience and legacy

Figure 16: Urban LAGs in 2014-20

	ERDF	ESF	ERDF	ESF	Total
HU			99		99
LT		39			39
NL	1				1
PL		7			7
PT			16		16
RO			35		35
UK			24		24
Total	1	46	174		221

Source: Kah S, Martinos H and Budzich-Tabor U (2023) ‘CLLD in the 2014-2020 EU Programming Period: An Innovative Framework for Local Development’, World 2023, 4, <https://www.mdpi.com/2673-4060/4/1/9>

In 2014-20, there were 221 urban LAGs in 7 countries (Figure 16). For 2021-27, four countries (RO, PL, LT and NL) have continued and expanded the use of urban CLLD, while three countries have stopped: HU, PT (only formally, continuing LAGs with domestic funding) and UK (Brexit). At the same time, there are two new entrants into urban CLLD: Czechia and Saxony-Anhalt (DE).

⁴² ENRD (2016b) Umbrella projects in LEADER/CLLD, ENRD workshop 15 February 2016, https://ec.europa.eu/enrd/sites/default/files/w7_umbrella-projects_report_160215.pdf

⁴³ https://ec.europa.eu/enrd/en-rd-events-and-meetings/Umbrella-projects-workshop_20160215_en.html

⁴⁴ ENRD (2016a) Working group “Umbrella Projects in LEADER”, results of the meeting on 28 January 2016 in Mainz, Germany, https://ec.europa.eu/enrd/sites/default/files/w7_implementing-umbrella-projects-practicalities.pdf

Examples

Romania has one of the most significant urban CLLD models in place. The LAGs are well-funded and there is a national association organising networking and knowledge exchange. The cities implement a multi-Fund model, combining ERDF and ESF+, for instance:

ERDF

- social housing, health and educational infrastructure
- upgrading public spaces and utilities

ESF+

- education (e.g. reducing early school leavers)
- accessing & remaining in employment (e.g. apprenticeships)
- integrated services (multi-functional centres, social services)
- fostering entrepreneurship both in the mainstream and social economy

In **Saxony-Anhalt (DE)**, the example of urban CLLD in Magdeburg is showing how rural funding can also be used in (peri-)urban contexts. The city combines 3 Funds (ERDF, ESF+ and EAFRD) to form a total budget of over €10 million. EAFRD funding can only be used in the rural territory defined in the LDS. There are 3 fields of action, each using all 3 Funds: spaces for development spaces; spaces for meeting each other' and human-nature habitat.

3. MAIN MESSAGES AND CONCLUSIONS

3.1 Framework conditions: well-designed versus dysfunctional systems

Figure 17: Selected features of dysfunctional and well-designed systems

Dysfunctional system	Well-designed system
Integration of LAG management into existing public administration structures (e.g. district offices)	Independent LAG management in the form of an association etc.
Public sector dominance in LAG (despite 49% rule)	Strong role of non-public stakeholders
Political interference	Political support, but LAG can act independently
LAG managers as rural administrators	LAG managers as rural activists
LAG management staff is employed short term on a project basis	LAG management staff is employed long-term, allowing to build capacities
Top-down definition of LAG territory, based on administrative instead of functional criteria	Bottom-up definition of LAG territory
The LAG operates in an isolated manner	The LAG engages in international exchange via both formal and bottom-up opportunities
Administrative burden for LAG staff does not allow for any additional activities	LAG staff has sufficient capacity to make use of training and KE events

In order to identify framework conditions for successful LEADER, one must be clear about what successful means. EU-level bodies, e.g. the European Commission, the European Parliament and the ECA, might emphasise efficiency aspects. Efficiency can be measured, for instance, by timely and correct spending of EU funding, but this can give a skewed picture due to cases with higher, infrastructure-oriented budget compared to cases with smaller budgets that are predominantly focused on soft measures. The latter will require more administrative effort than the former, thereby likely resulting in a picture in which LAGs with more traditional, “hard” investments perform better than more innovative ones.

While efficiency does not capture the added value of LEADER, neither does effectiveness. The fulfilment of milestones and targets, especially when quantitative, is not something that LEADER will excel at, especially compared to more mainstream funding mechanisms. LEADER budgets are low, projects are small and impacts are likely too long-term to be sufficiently visible and measurable within the horizons of EU programming periods.

Hence, when looking at more and less successful examples of LEADER, a useful option could be to look at the countries (or regions) where, for instance, LEADER is accepted by other policies and policymakers, where it is visible in both the policy world and to the wider public, and where it might even have spillover effects into domestic policy. Also, we could argue that LEADER is successful where LEADER actors are proactive in adopting new approaches – such as the ones briefly presented above. Doing so allows to relatively quickly notice patterns and identify a number of countries, regions or sometimes individual LAGs that are mentioned regularly. For instance, when looking at TNC engagement, the drivers of LINC events, the uptake of MFCLLD or urban CLLD, or even the consortium members of the TNC project that this work package is part of, we can see countries such as Finland, Austria, Germany, Estonia, Luxembourg, Portugal, Sweden and a few others appearing repeatedly. Yet, it is difficult to see what these countries have in common. We have countries with both more centralised (FI) and regionalised delivery (AT, DE) systems; old (DE, PT) and new (EE) Member States; countries from various parts of the EU with different policymaking approaches (e.g. PT vs. FI); or countries in which local authorities play a strong role in LAGs (AT, DE) and others where they do not.

One potentially common aspect is the presence of low LAG budgets or relatively low funding per capita, at least in some countries. Although there is no evidence for this, lower budgets might foster innovation. On the other hand, more-developed countries that receive less funding also tend to have better framework conditions and higher capacities, therefore this might simply be relation, not causation.

3.2 An imaginary vision for future LEADER

It is the year 2030 and LAG manager X leaves her office in the main town in her region. With 60,000 inhabitants, the town would have been excluded from funding in the past, but since the start of the most recent programming period the new urban CLLD model allows targeting deprived neighbourhoods, too. This also makes the implementation of many projects that cross urban-rural boundaries, e.g. in the field of sustainable public transport, much easier. X is on her way to one of the more remote settlements in her territory. There, she meets the representatives of an SME to discuss the progress of a project that has been approved a few months ago. The start-up, founded only three years ago, is implementing an integrated project across three municipalities, one of which is located across the administrative border in a different region of the country. The project is comparatively complex due to its multi-Fund set-up: there is substantial rural funding coming from the national rural programme and this is complemented by social funding for training measures, as well as some regional development funding that covers the development of a new e-commerce app. The latter will then, if everything goes well, be spread out across the wider territory and, ideally, be also picked up by the LAG's international partner LAGs from countries A, B and C. X has successfully worked with these in previous transnational LEADER projects and is now considering developing a joint local development strategy with the neighbouring LAG from country A for the forthcoming funding period 2035-41. In any case, X is looking forward to the next programming period, as it will be the first one in which the old separation of EU Funds is replaced by a single Fund for all territorially oriented EU funding. This should make implementation procedures even easier than already now, as the LAG will only have to deal with one MA and one set of procedures. Also, the agreed minimum allocation of 10% of EU funding for community-led activities will make a major difference. With this substantial funding allocation, X can plan ahead and implement more and larger projects in the future. This will include several umbrella projects that will be run by the LAG itself. Thankfully, there is no automatic 25% limit for management costs if a LAG decides to carry out these more ambitious activities. X will also be able to increase the LAG management staff to five full-time members and,

most importantly, guarantee their long-term employment. This allows building capacities over time, which is needed due to the wide range of tasks that the LAG fulfils. While there have been significant simplification measures over the past years, the fact that the LAG has become a one-stop-shop for all territorially oriented activities means that its staff capacities need to be diverse. Thankfully, X does not anymore have to check each invoice provided by a beneficiary, as the SCO model agreed between the MA and all the LAGs in the country makes financial procedures much easier than in the past. The LAG has agreed milestones and targets with the project holder, the fulfilment of which triggers payments to the beneficiary. Examples for milestones and targets are the inclusion of the fully operational app into the app store and the first app-based purchase by a customer. The employment of two staff members from marginalised backgrounds has also been agreed as a milestone. This has in no small part been made possible by the LAG's increased animation and activation activities, which reached out to vulnerable people already during the preparatory phase of the LDS. Implementing participatory democracy measures also during the implementation phase has resulted in continued interest in the population. Especially the biannual rounds of participatory budgeting are very popular. The inhabitants of the whole LAG territory then vote for their favourite projects, which usually have a small budget, but are highly visible.

3.3 Personal assessment

While there is generally a feeling that many LEADER actors would like to emancipate themselves from its roots in agricultural policy, the fact remains that only the CAP guarantees the existence of a community-led development framework. Without the compulsory allocation of 5% of EAFRD funding, many countries would potentially stop LEADER altogether or would at least try to reduce the funding for it. While there is sometimes frustration about the agricultural bias of LEADER, one has to acknowledge that LEADER is only protected as part of the CAP. And as we can see, most countries stick pretty closely to the 5% and

only very few go significantly beyond.⁴⁵ This compulsory mechanism means that there is funding available and, naturally, this has to be absorbed. To do so, many countries spread the allocation thinly across the entire eligible territory, dividing it into many small parcels to a multitude of LAGs. The activities are then, of course, based on jointly developed strategies that require approval from programme managers, but it appears that in some cases strategy approval is a formality. The allocation of funding is not the outcome of good strategy design but rather of the proportionate division of the “funding cake” and some political bargaining. The transfer of the LEADER method to other policy areas, i.e. mainly cohesion policy, has been an important move. In most cases, however, it did not change much on the ground. With a handful of exceptions, pretty much all the MFCLLD cases were old LEADER LAGs that received an additional budget from other sources. The most obvious cases where LAGs did not simply continue a pre-existing model were the urban LAGs. Without any agricultural “legacy”, urban LAGs can operate relatively freely, albeit within the space given to them by cohesion policy authorities. As the 2014-20 programme period was a test phase for urban CLLD, not everything went as planned (and some countries discontinued to framework). Still, my impression remains that implementation went considerably well. One could argue that a key reason for that was that urban CLLD – or the use of cohesion policy funding for CLLD more widely – was voluntary. This means that only countries, programme managers and cities/territories that had a genuine interest in the tool decided to implement it, in spite of the additional administrative effort and risks to efficient financial implementation progress.

In fact, one of the enemies of innovation is that institutions involved in policy delivery tend to shy away from anything that is either risky or likely burdensome (or both). Administrative effort and perceived delays to funding absorption are important practical concerns for programme managers, resulting in a cautious attitude to the use of CLLD. This is true for all levels involved, be it national bodies or MAs, territorial stakeholders or the LAGs themselves. I have heard of cases where LEADER managers actively lobbied against a multi-Fund model. They wanted to avoid the risk of the “new”,

⁴⁵ In 2014-20, the highest shares were in DE (14%), ES (10%), EE (9%) and EL (8%). See <https://ldnet.eu/clld-comparisons-esi-funding-dedicated-to-clld-in-different-countries/>

having to deal with new and additional bureaucracy and new stakeholders due to new themes (e.g. businesses, social actors).

One of the challenges that will likely not be possible to overcome any time soon is that whichever opportunities will be offered, only a limited number of LAGs will make use of them. Proactive, genuinely interested and innovative LAG managers will continue to implement LEADER in a way that makes the best of the framework conditions that they have to work in. Yet, many LAGs – and some would argue the majority – will continue to do “business as usual”. The latter is not necessarily bad, as the less-innovative activities are still likely to have a positive impact on their territory. But this approach carries the risk of making LEADER vulnerable. As the ECA claims, not without reason: *“additional benefits still not sufficiently demonstrated”*.⁴⁶ The important and encouraging detail here is that the ECA does not necessarily question the additional benefits but rather laments that these are not demonstrated enough. This is an opportunity, quasi an invitation, to respond to this by not only working towards producing more added value (additional benefits), but to communicate better what has already been achieved. As the LEADER community will likely be well aware, these additional benefits of LEADER tend to be intangible, not visible and often longer-term, which makes them difficult to communicate. Taking inspiration from the German saying “Tue Gutes und rede darüber!” (approximately: “Do good and tell people about it!”), a concerted effort by the LEADER community to communicate its valuable and unique role that it can have would likely be an important contribution to ensure a successful future for LEADER.

⁴⁶ European Court of Auditors (2022) *Op. cit.*

ANNEX: REFERENCES

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