



**Thematic Working Group 1: Targeting territorial specificities
and needs in Rural Development Programmes
Case Study on LAG (Leader) areas**

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17 February 2011



Connecting Rural Europe

LAG areas

Local Action Groups (LAGs), set up under the Leader Axis (Axis 4) of the EAFRD, are by their very nature well suited to providing a clear focus upon the need of specific territories and to bring resources to bear on meeting those needs through their local development strategies. In practice, Member States vary greatly in the extent of their past experience of the Leader approach and their current use of it. For this reason, five case studies have been selected to examine this issue – three from 'old' Member States (EU-15) and two from newer ones (EU-12).

In each case, the focus is on LAG areas i.e. all the territories which may (in the course of the 2007-2013 programming period) fall within the scope of Local Action Groups. At the time the RDPs were approved, some Member States or regions had not decided how much of their rural territory would be covered by LAGs, and in most countries the precise boundaries of LAG areas were only defined later.

Definition

Ireland

Areas covered by LAGs, which are the focus of this case study, in fact cover the whole of the defined rural territory. Ireland made very active use of the Leader Initiative from its beginnings in 1991, and had developed a well-established pattern of LAGs covering the whole rural territory long before the drafting of the current RDP.

Denmark

Denmark divided the 98 municipalities into four different classes – Peripheral; Rural; Intermediate; Urban. The Local Action Groups can be established in the first two classes of municipalities. In the 'Intermediate' class, Local Action Groups can also be established, however, these groups without national public funds available for these groups.

Estonia

Local Action Groups can be established in rural areas including small cities with population up to 4,000. In general, rural areas consist of municipalities which are rural by their status (in contrast to towns).

Andalusia

LAGs (called 'Rural Development Groups') can be established on the whole rural territory determined by the OECD definition. The definition of the territorial coverage of LAGs can include areas with a population between 50,000 and 150,000 inhabitants. Occasionally, the LAG area can exceed the upper limit, but projects can apply only to a part of it.

Slovakia

In defining rural areas for the general purpose of its RDP, Slovakia used the OECD definition, without modification. A LAG area must be a coherent rural territory formed on the principle of common interests, with a total population in the range between 10,000 and 150,000 and boundaries which coincide with those of the municipalities that are partners in the LAG. LAGs can also cover municipalities which are so called 'growth poles' and municipalities falling outside the Convergence objective, provided that they form an integral part of a LAG registered in the Convergence objective areas.

Objectives

The common objective of Leader is to promote the ability of local communities and social organisations to bring the "bottom-up" approach into the development of rural areas. The main focus

is on the preparation of a territorial strategy (expressed in the form of a Local Development Strategy) and on the support to projects improving local economy, reducing its dependency on primary agricultural production, creating new jobs, improving infrastructure, enhancing rural environment, promoting conservation of natural, cultural and historical values, enhancing human capital by training and contributing to improved living standards and quality of life in general. Member States and regions have also their specific goals, among them: maintaining rural population (IR, DK, EE), raising non-agricultural employment or self-employment (IR), encouraging young, well-educated people to move out from urban areas (DK), promoting distance learning, tele-working and the use of new digital technology in both the private and public sectors (DK, ES61 (Andalusia), encouraging the development of niche production (EE, ES61¹) and promoting tourism (ES61, SK)

RDP measures and resources

To pursue the above objectives and aims, the RDPs apply a number of measures listed in Table 1 together with funds available for the programming period 2007-2013.

Table 1: RDP Measures applicable to LAG eligible Areas

	Measure No.	Public funding over whole programme period, M€	% of total RDP budget
Ireland	311, 312, 313, 321, 322, 331, 341*	270.31	3.8
	410	4.1	0.1
	421	10.7	0.2
	431	80.73	1.1
	(TA)	7.9	0.1
Andalusia	411	20	0.45
	412	8.4	0.19
	413	210	4.74
	421	15	0.34
	431	15	0.34
Denmark	123	6.4	0.77
	311, 312, 313, 321, 322, 323*	57.3	6.91
	421	0.001	0
	431	14.1	1.7
Estonia	311, 312, 321, 322, 323*	119	12.85
	411	15.4	1.66
	412	0	0
	413	61.8	6.6
	421	5.1	0.56
	431	3.4	0.34
Slovakia	311, 313, 321, 322, 331, 341*	358	13.97
	41	52.2	2.04
	421	3.7	0.15
	431	18.6	0.73

* the total budget i.e. applied within and out of the LAG areas.

¹ EC 'NUTS' nomenclature.

The RDP for Andalusia takes an unconventional approach to the description of measures. Effectively, it brings measures which are normally in Axes 1, 2 or 3 into Axis 4 for those territories where the LAGs will implement the rural development programme. Thus Axis 1 measures fall within Measure 411, Axis 2 measures within Measure 412, Axis 3 measures within Measure 413. In this way, the Axis 4 strategy is seen to have "a multi-sectoral and bottom-up focus, resulting in integrated interventions addressed directly to the rural beneficiary society".

Beneficiaries

In the current programming period, LAGs cover all of rural Ireland. Moreover, they are no longer simply partnerships set up to deliver EAFRD measures. They are local development companies, delivering both EAFRD measures and other national and EU-funded programmes. Some of these companies run into the urban areas of Dublin, Cork, Limerick and Galway. These companies apply the Axis 3 measures in the defined rural areas, while delivering other types of action in both rural and urban areas.

In Denmark, the LAGs established in 'Peripheral' and 'Rural' municipalities are eligible to receive full support, while those in 'Intermediate' municipalities are supposed to obtain the national public contribution themselves. In Estonia, beneficiaries are not only rural municipalities but also towns with up to 4,000 population, as pointed earlier. In Slovakia, municipalities of over 20,000 inhabitants are not eligible for support through a LAG (Leader).

The complete coverage of the rural areas in Andalusia by LAGs does not mean that their activity is applied in a uniform way across the regional territory. The Andalusia RDP states that "the interventions of Axis 4 will be elaborated in accordance with the different grades of rurality of each area". However, no area with more than 50,000 inhabitants will benefit in its totality from the application of the Leader method. Interventions in such areas will apply to certain municipal districts, according to their needs and rurality.

The Andalusia RDP also states the criteria that will be used in allocating the funds to the different LAGs. These criteria include: i) the degree of rurality of each area, determined by factors as demographic dynamism, socio-economic orientation, access of the population to basic services, environmental deficiencies etc.; ii) the coherence between the Local Development Strategies and the needs of LAG territories and requirements of the EAFRD regulation.

Targets

Only three of the case studies specified their targets for LAG coverage.

At the beginning of the programme period, much of the territory of **Estonia** was already covered by a total of 24 LAGs. Following understanding is that these groups were expected to continue in the new period, and that the gaps will might be filled by at least one further LAG.

Up to 2007 there were 50 LAGs in **Andalusia**, operating under either Leader+ or the national PRODER initiative. Taken together, they covered about 50% of the region's population. Since the current RDP provides that the whole rural territory of the region will be covered by LAGs it means that the number of LAGs and their territorial coverage is going to expand in the course of the current programming period.

In **Slovakia**, in two selection rounds for LAGs, 15 LAGs were chosen in the first round and another 14 LAGs were selected in the second round which was completed at the end of 2010. The 29 LAGs will cover, in total, 8,995 km², with a total population of 615,000.

Other Funds

All the case study RDPs also expect regional funds and the European Fishery Fund to provide support to rural areas: ERDF (IE, DK, EE), ESF (IE, DK, EE, ES61(Andalusia), SK), EFF (IE, DK, EE, ES61, SK), CF(EE, SK), LIFE+ (EE). No one does indicate the scale of funding from these sources, nor (except DK) whether the application of this funding will be influenced or administered by the LAGs.

Coherence

Except for Slovakia, there is a fair or high degree of coherence between the different elements of territorial targeting in the RDPs in the LAG case studies. The objectives are usually clear (including Slovakian RDP), and the actions are well structured and offer synergies and opportunities for integration. What cannot be judged from the RDP alone is whether resources outside the EAFRD are commensurate to the needs. But the effort for multi-fund approaches to territorial development needs may be seen as a good practice.

It is difficult to judge coherence of the Slovakian approach on the basis of only the RDP text. However, the indications are less convincing than in the other case studies. The RDP does not encourage integrated rural development as such. Relatively small funds are committed to Axes 3 and 4, those for Axis 4 being just above the required minimum. There is a clear demarcation line related to funding from ERDF, CF and SF, but no proof of possible benefit from the complementarity with them.

Conclusion on LAG Areas

These five case studies – three from 'old' Member States, two from newer ones – provide some insights into how Local Action Groups under Axis 4 of the EAFRD can focus development effort upon the needs of specific territories. The Leader Initiative, in its three phases – Leader 1, 2 and + – was a sustained and widespread effort by the EU to stimulate the focussing of development activity on the specific needs, and the collective energies, of rural territories at sub-regional level. Axis 4 of the EAFRD represented the vehicle for the mainstreaming of Leader, under the direct control of Member States and (in some countries) of regional authorities. This mainstreaming presented a quite different challenge for (on the one hand) the old Member States, most of which had gained, before 2007, extensive experience of how Leader could work; and (on the other hand) the Newer Member States, who had at most two or three years Leader or Leader-like experience. This contrast is most sharply shown by comparing Ireland, which in the 1990s used Leader as a nationwide and successful tool to animate the rural areas and now has LAGs covering 99% of its territory, with Slovakia, which only in 2007 invited bids for setting up a first group of LAGs.

However, it would not be correct to say that all of the old Member States have LAGs throughout their territories, or that Newer Member States make limited use of Axis 4. Estonia has LAGs covering almost the whole rural area, and puts 9% of the RDP budget (almost four times the minimum required by the Regulation) into Axis 4. In contrast, Denmark, with its sharp analysis of the different needs of rural areas, applies Axis 4 only to the neediest areas.

Taking those points together, one may conclude that Axis 4 is not only a means of delivery, notably (but not only) of measures from Axis 3. It is also a very significant means by which - if Member States or regions so choose – they can focus resources upon the particular needs of specific territories. Moreover, the participative process which is central to the Leader approach can help to ensure that these needs are well understood and that the energies and resources of local people and organisations are harnessed (alongside European and national funding) to the meeting of these needs.