

Minutes of the third Leader subcommittee meeting

25th November 2009, Borschette Centre, Brussels

Note: *the presentations delivered at the meeting are available on the EN RD website*
(<http://enrd.ec.europa.eu>)

- 1 Welcome address and introduction**, chaired by J.M. Sousa Uva, Director of Horizontal aspects of rural development, and Rob Peters, head of unit G3, DG AGRI

Summary of introductory points

- In line with the EN RD main priority to support the efficient implementation of rural development policy, and building upon the previous exchanges with the members, the 3rd LsC aimed to discuss more in depth actual difficulties in the implementation of Leader. Exchanges between members allow looking for possible different approaches and solutions, taking into account viewpoints from different perspectives (the decision-making process and mainstreaming issues, preserving the innovative character of Leader, implementation of the Leader cooperation measure). The Leader subcommittee has a role to play in proposing relevant actions and activities for the EN RD.
- It was proposed that these topics will continue to be discussed in a flexible format in smaller focus groups, to refine the issues and seek solutions; the first outcomes of which will be presented at the next LsC. As such, the Leader subcommittee has established a clear working line, ensuring continuity between previous and the upcoming activities.

Presentations delivered

"Update of progress on the implementation of Leader Axis", by Jean-Michel Courades, DG AGRI GI.

The presentation was based on results received from a short questionnaire addressed to the representatives of national competent authorities in the Leader subcommittee (22 answers collected). It focused on the progress of LAGs selection and implementation of local development strategies including, in particular, the number of approved projects per axis. In 9 Member States there is still no financial execution of the Leader axis (BG, CY, GR, MT, PL, RO, SK, FR, LV). This is due to the fact that in some countries the LAG selection procedure has not started (BG, RO) or is not completed. In some countries other pre-conditions to start the implementation of local strategies are not in place: LAG accreditation, signature of LAG grant, definition of implementing rules, procedures and documentation at programme level and operation of an IT tool to approve projects. Based on the data of 12 Member States (AT, DE, FI, CZ, IE, SW, EE, SL, BE, ES, FR, LU), more than 10 000 projects under measures 411 - 413 (Implementation of local strategies) have already been approved (95% in Axis 3).

"Activities of the Contact Points regards Leader", by Haris Martinos, EN RD CP

The presentation focused on Contact Point's activities in the 2nd year of the EN RD's operation as regards Leader including thematic work of relevance to Leader and specific activities in support of Leader & LAGs.

Summary of main points raised in discussion

- The need to organise Leader-related events was raised, especially for new LAGs/territories, in order to encourage the exchange of experiences among regions and

actors involved in Leader and in particular, to highlight the European dimension of the Leader approach. There was a request for the events to be announced well in advance.

- The possible future Leader events could be informed by the activity of the proposed focus groups. As they would carry out their activities during the first quarter of 2010, and their results will be presented at the next Leader subcommittee, the format and details are yet to be precised.
- Several members expressed the necessity- to have more information on the cooperation projects database, particularly in relation to the availability of information on the state of play of projects in other countries. It was explained that access to the database of approved transnational cooperation projects will be guaranteed through the EN RD website.
- The issue of involvement of farmers more directly in the EN RD activities was raised. Whereas it is not possible to reach individuals through tools like meetings, the Contact Point's participation in agricultural fairs helps to reach wider audience, in addition to other publicly available tools.

2 Session 1: Implementation of the bottom up principle: decision-making process and mainstreaming issues, chaired by Josefine Loriz-Hoffman, DG AGRI, head of unit GI

Introduction of the session, by Jean-Michel Courades, DG AGRI.G1

Objective of the session

- To make an inventory of difficulties related to the decision making process (approval of projects, controls and financial circuits/instruction of payments).
- To identify good practices/relevant examples in the separation of functions, delimitation of tasks and collaboration between implementation bodies.

Questions to be considered for the debate

- Is there a clear distinction and precise definition concerning the role of the LAG and the other implementing bodies?
- Have the LAGs the required management skills to implement the local development strategies?
- Have the LAGs the appropriate tools to implement the local development strategies?

Presentations delivered

"The bottom up principle in Finland", by Eero Uusitalo, Secretary General of RD Interministerial Committee, Finland

The argument was presented that Leader is a powerful tool, but currently mainly devoted to small scale projects. It is suitable not only for all rural areas but also urban areas. This should be recognised in the future of Leader, since the interaction between urban and rural areas is real and requires such a tool as Leader. Overall, a more integrated Leader approach is needed. Leader should be considered as a (or even the) main tool of the rural policy of the EU with strong democratic involvement of citizens and communities, more private funding and more international activities.

"The bottom up principle: decision-making process in Italy", by Raffaella Di Napoli, NRN Italy

The presentation was based on a detailed analysis of the current Leader implementation situation in Italy. The Leader approach in Italy, with 21 RDPs, is decentralised and complicated. From the analysis, it emerges that Leader is often an initiative that finances small scale projects but its administrative and bureaucratic structure is too complicated and would benefit from simplification leading to a structure more logically related to the nature of the initiative; this should be carried out through a re-design of the functions and tasks to be delegated to LAGs.

"Implementation of the projects and administrative procedures", by Panagiotis Patras, ELARD President

The presentation brought out the diversity in Leader's implementation models based on an "empiric" typology: the partial model (LAGs have no payment tasks); the integrated model (LAGs have more responsibilities for setting financial framework and also payment responsibilities) and the mixed model. It is important to make a clear distinction of the different functions between MAs, PAs and LAGs to achieve smoother programme implementation. It is also important to ensure good guidance for LAGs from the very early steps, as good launch of the activities will avoid difficulties later. The current administration system for LAGs operations appears very strict, too bureaucratic, with a heavy procedure which can result in 'Ye-payment' and problems in allowing advance payments.

Summary of key points from session 1

- All three presentations focused on the importance of sound separation of functions, delimitation of tasks and collaboration between implementation bodies as well as identifying difficulties related to the decision making process (approval of projects, controls and financial circuits/instruction of payments).
- It is important to clarify the ambitions - what is the expected role of LAGs? They are sometimes seen as mechanism of implementation of funding, whereas they could be means for maximizing impact as regards to sustainable rural development. Administrative bodies should interact with LAGs as partners and avoid simply imposing decisions on them. There are cases where LAGs administer more than only Leader funds, which means heavier administrative difficulties for them.
- Possibilities could be sought for strengthening Leader's bottom-up approach and simplifying it through a more appropriate set of rules. The responsibilities of Member States need however to be retained, and solutions need to be found through exchanges between Member States.
- The transferability of Leader approach was raised: could the method go beyond rural development?

3 Session 2: Preserving the innovation/experimental character of Leader: difficulties identified and good practices, chaired by Rob Peters - DG AGRI, head of unit G3

Objectives for the debate

- Inventory of difficulties related to the decision making process.
- Identification of different examples of good practice in the design and implementation of innovation support schemes.

Presentations delivered

"Preserving the innovation/experimental character of Leader difficulties identified and good practices", Pedro Brosei, DG AGRI.G1

This presentation illustrated the conceptual and legislative framework of the role of innovation within the Leader approach. In particular, it was pointed out that:

- innovation is an integral element of the Leader axis and it is intended in a wide sense;
- the importance of innovation in the current EU legislative framework applicable to Leader has not been reduced compared to that applicable in the previous programming period (Leader+ in 2000-2006);
- The EU regulations allow possibility for LAGs to approve projects outside the pre-defined list of RDP measures, but this is subject to the conditions defined in RDP.

"Innovation in Leader approach in Poland RDP 2007 - 2013", Joanna Gierulska, Polish Ministry of Agriculture

The presentation illustrated the approach followed in the Polish RDP as regards promoting innovation in Leader. Innovation is a specified chapter for all LDS and in their applications prospective LAGs must articulate their perception of such concept. Transferability is also a pre-defined criterion for assessing innovation.

"Preserving the innovative character of Leader: Claim & Reality", Luis Fidschuster, Austrian NRN

The presentation focused on the possible restrictions to and pre-requisites for managing innovation processes in Leader. Limitations to innovation in Leader include that:

- the total budget is allocated to pre-defined" measures;
- not all administrations are open to innovative approaches;
- there is often a lack of criteria to assess the innovative character of LDS or projects.

On the other side, important pre-requisites for innovation in the context of Leader are appropriate organisational structures and the involvement of a wide range of stakeholders.

Summary of key points emerging from session 2

- The EU framework for Leader does not, in the main, restrict innovative approaches and innovation is an operational goal of Leader;
- Poland provides a good example of a programming environment which facilitates innovation. This includes the possibility to fund small projects whose actions are not covered by the pre-defined RDP measures.
- A very wide range of project implementation possibilities exist in RDPs where Leader can operate in all axes, particularly through the mechanism of 'integrated projects' (i.e. those involving several measures). Small-scale projects are better suited for groups like farmers and women.
- A lack of clarity in the assessment of the innovative character of LDS or project proposals, and the risk averse nature of many decision makers, are both impediments to the funding of innovative or experimental Leader projects.
- Innovation is context sensitive (regarding both time and place).
- Innovation in the context of Leader should be territorially linked (relevant to a territory and involving it's actors).
- Important pre-requisites for innovation in the context of Leader are appropriate organisational structures and the involvement of a wide range of stakeholders.
- For Leader, co-financing from the national budget (as well as the EU and private sources) is mandatory. Whether, in practice, this constrains the funding of innovative projects is a topic that the proposed focus group could examine.
- If innovation is to be encouraged, there is a need for experimentation and outcomes will be uncertain. Budgets should reflect this.

4 Session 3: Implementation of the "cooperation" measure: key bottlenecks and solutions, chaired by Rob Peters, DG AGRI, head of unit G3

Issues for the debate

- The importance of different timing in decision making and different administrative rules.
- The importance of different expectations towards beneficiaries in different programmes.
- Information needs.

Presentations delivered

"An emerging project: The Oxtrail", Thomas Müller, LAG Sauwald, Austria

The presentation illustrated the background & objectives of joint projects in agriculture, tourism, crafts and other areas of common interest as well as launching the process, developing the project and presenting initial lessons learned.

"Implementation of the cooperation measure", Dieter Wagner, the Contact Point

This presentation focused on the main findings of the 'Managing transnational cooperation' survey which collected and collated information by Member-State about the rules governing transnational cooperation. 29 regional or national administrations from 17 Member States have replied to date. The main issues raised by MAs were:

- The different time frames for decision making, different administrative solutions and differences regarding the format and detail of project applications;
- differences concerning financial support provided for the preparation of TNC projects;
- needs related to the identification of key areas, issues relevant to the achievement of strategic targets and different technical support provided in this respect for the preparation of TNC projects;
- common practical needs and concerns of beneficiaries concerning project preparation and implementation.

Summary of key points emerging from session 3

There was strong consensus among LsC members of the necessity to encourage and hence promote transnational cooperation. The need for a pro-active attitude was acknowledged, both at European and Member State level. This may include, at European level, reinforced communication and regular events addressing LAGs and MAs, emphasizing the importance of the added value that transnational cooperation generates for the development of rural areas. At Member State level, direct coordination and cooperation among MAs (as far as their work within individual RDPs allows) may help to overcome administrative bottlenecks already identified in relation to the project preparation and application efforts of LAGs. At regional level, the key role of experienced LAGs for introducing 'newcomers', i.e. new LAG territories, to the subject of cooperation was highlighted. Accordingly, from these thoughts the slogan "... bringing Europe closer to the LAGs and the LAGs closer to Europe..." evolved.

Drawing from the experience provided by an Austrian LAG and a number of Managing Authorities (in relation to the cooperation measure under the 2007-2013 RDPs), four discussion areas were identified, each of them grouping more detailed questions / specific issues that could provide the starting point or work plan for a future Focus Group on cooperation. Specifically:

- different timing in decision making and different administrative rules (call for projects or ongoing application, presence of technical preparatory support);
- different expectations towards beneficiaries in different programmes (definition of common action; partner contribution to the project budget);
- information needs (identifying emerging projects, information about procedures and eligibility rules applied in all programmes, running projects);
- identification of the key areas in which cooperation projects are most needed - what issues and their fit or contribution to the regional/national/EU strategy).

5 Common conclusion of sessions, further steps in the presence of Mrs Dormal Marino, Deputy Director-General, DG AGRI

The active exchange during the discussion confirmed the interest to continue the more in-depth work between LsC meetings and launch the three focus groups.

The proposed working principles of the focus groups are that:

- the groups will be set up on voluntary basis, led by Leader subcommittee representatives;
- No financial contributions from the Commission could be foreseen for this kind of flexible-format groups, but the Contact Point will provide, if requested, secretariat support and

contribute to the initiative through participation in meetings, reporting and content and information support.

Several LsC members expressed a provisional interest in being either coordinators or members of a focus group. Specifically:

- Italian NRN and ELARD for "Implementation of the bottom up principle";
- Austrian, Netherlands and German NRNs for "Preserving the innovation/experimental character of Leader: difficulties identified and good practices";
- Estonian and Finnish NRNs for "Implementation of the "cooperation measure: key bottlenecks and solutions".

LsC members will receive a follow-up letter inviting them to confirm their interest within two weeks to participate in one of the focus groups (in a lead/coordinating role or as a participant).

The Commission expressed its expectations and high interest towards the outcomes of the voluntary focus-groups. Their results could have a good potential to feed also into other EN RD activities (like the fourth thematic working group on delivery mechanisms - due to be established shortly). The big interest expressed by the members of the subcommittee shows that the topics are important, and the Commission will rely upon stakeholders to take the full commitment to carry the activities further, at the same time providing facilitation/operational support to the extent possible.