

# Rural Development and the LEADER Approach in the UK and Ireland

The LEADER initiative is widely regarded as one of Europe's most successful regeneration programmes. Established since the early 1990s, it is no longer a pilot scheme for bottom up rural development – but has now been integrated into mainstream rural development policy. It is now an approach to the delivery of Rural Development Programmes throughout Europe. In the EU 27 countries, both the older and newer Member States, Local Action Groups are trying to secure the sustainability of their rural areas using the LEADER approach.

This paper seeks:

- To illustrate the evolution and diversity of the LEADER approach in the UK and the Republic of Ireland from a pilot Community Initiative to a mainstreamed but bottom-up approach to rural development
- To identify good practice as it is demonstrated in the UK and Ireland
- To advocate the merits of more widespread and systematic use of the LEADER approach in equipping and empowering rural communities to meet future challenges.

This paper explores the achievements of LEADER programmes and the potential to apply the LEADER approach more widely in future. There is a strong synergy between the philosophy and values of Carnegie's Rural Programme and those envisaged by the EU for LEADER. LEADER programmes have always

viewed local people as the main asset of rural areas, and the distinctive characteristic of LEADER projects has been the reliance placed on the people who live in rural areas to discover what was best suited to their environment, culture, working traditions and skills.

In a desk study carried out for the Carnegie UK Trust in 2006 on rural programmes that encourage asset-based approaches, it was commented that:

*'The European Union LEADER programme in particular stood out because it was set up for rural communities to help themselves in ways that improved their quality of life and improved local sustainability.'*

Dumfries and Galloway LEADER programme- Moorland Education Project



## Contents

### Introduction- P2

### Section 1: The Evolution of the LEADER Initiative in the UK- P3

#### LEADER I

#### LEADER II

#### The LEADER + Programme 2000-2006

### Section 2: The Mainstreaming of LEADER- P5

#### The LEADER approach in England

#### The LEADER approach in Wales

#### The LEADER approach in Scotland

#### The LEADER approach in Northern Ireland

*Focus on Ireland: The Republic of Ireland and the LEADER approach*

### Section 3: Making LEADER Happen: Questions of Delivery- P11

#### Enough money to make a difference

#### Finding the match funding

#### Making things easier

#### Good Governance - closer to the people

*Focus on England: The Regional Development Agencies and the LEADER approach*

### Section 4: Learning From Each Other- Networking- P17

#### England

#### Wales

#### Northern Ireland

#### Scotland

*Focus on Finland: How to mainstream LEADER*

### Section 5: The Reform of the Common Agricultural Policy- P21



## INTRODUCTION

This paper is being produced at a time when there is vigorous discussion about future rural development programming for the period beyond 2013. Mid-term evaluations are taking place; evidence is being gathered; and questions are being asked about the impacts of the current programmes throughout Europe. Is LEADER delivery within the Rural Development Programmes cost-effective? Does it deliver the required outcomes? This is being done at a time when all European countries face an extremely difficult financial climate. In the four UK countries (England and the devolved administrations of Scotland, Wales and Northern Ireland) and in the Republic of Ireland, government officials are no doubt generating the evidence on which to base future policy options.

### The Pillars of the Common Agricultural Policy (CAP)

The **first pillar** of the CAP is the Single Farm Payment, which is paid to farmers and land managers for their land management role.

The **second pillar** encompasses three core objectives, known as axes:

**Axis 1: improving the competitiveness of farming and forestry**

**Axis 2: improving the environment and countryside**

**Axis 3: diversifying the rural economy and improving the quality of life.**

The funding in Pillar 2 is for projects and is competitive rather than entitlement-based.

LEADER is now the **4th axis** and is a method that may be applied to the delivery of other axes to achieve a really joined-up approach. It provides a way of harnessing local knowledge to enable a bottom-up, community-led approach to delivery of Rural Development Programme funding in rural areas.

The LEADER programme has adopted and promoted the following principles:

- Decentralised management and financing
- Serving a defined rural area
- Deploying bottom-up approaches
- Local public-private decision making partnerships (Local Action Groups)
- Supporting innovation
- Working across sectors in an integrated way
- Encouraging networking
- Co-operating with other EU countries

As a recent OECD Rural Policy review puts it, the LEADER method has had success and generated a lot of enthusiasm

in many rural areas across the EU. This success has raised two main issues. LEADER has demonstrated that:

1 “The benefits that a bottom-up, integrated approach to rural development can bring with relatively little resources are significant”

2 LEADER’s success stands “in contradiction to and highlights the limits of the sectoral approach to rural areas which is still dominant in terms of financing throughout the EU and in several OECD countries.”<sup>2</sup>

*‘We must conclude that rural development is about the multiplicity of small actions, combined in unique ways, pursuing a distinctive identity rather than a generic rural image. It is about farming and quality products, but also landscapes and natural resources, cultural heritage, tourism, endogenous resources and amenities, small enterprises, crafts, services, training, and employment in different sectors and sustainable growth. Rural development is about all these things, and the mix is specific to each area. This is why the local level is best placed and more efficient in dealing with such diversity of situations.’ Elena Saraceno, 2007<sup>3</sup>*

## SECTION 1: THE EVOLUTION OF THE LEADER INITIATIVE IN THE UK

### LEADER I

LEADER began its life in the early 1990s. Its name originated in a French acronym: “liaisons entre actions de développement de l’économie rurale” (links between actions for the development of the rural economy).

It developed into a “Community Initiative” – as PESCA did for fishing areas and URBAN did for deprived urban areas. A Community Initiative was a way the European Community made special interventions for sectors and areas – in this case for the rural economy and society. LEADER also acted as a way of taking action on some of the non-agricultural potential in Europe’s most deprived areas. LEADER was not part of the mainstream but rather it was a special programme designed to generate new thinking about the development of rural areas at the local level and from the bottom up.

The LEADER Initiative (latterly known as LEADER I) was launched in 1991. It was an innovative and relatively small programme targeted towards declining areas with GDP significantly below the EU average. This experimental phase was piloted in fragile rural areas. In the UK it was confined to Objective 1 rural areas - in Wales, Scotland, Northern Ireland and only Cornwall in England – all places with GDP at 75% or less of EU average. In the Republic of Ireland

there were 15 Local Action Groups, the bodies through which the programme was delivered. The LEADER initiative had the aim of improving the development potential of rural areas by drawing on local initiative and skills, promoting the acquisition of know-how on local integrated development and disseminating this know-how to other rural areas. The programme was small and of relatively short duration – but was deemed to be a sufficient success to lead to the much larger LEADER II programme from 1994.

### LEADER II

The LEADER II Programme (1994-1999) operated not just in the extremely deprived areas. With the arrival of Objective 5b status for fragile rural areas a whole new swathe of areas became eligible for the LEADER II programme: including in England parts of the greater South West, Lincolnshire and other parts of eastern England; the territory dubbed the Northern Uplands (and covering parts of Cumbria, North Yorkshire, Northumberland, Co. Durham and Lancashire) and other essentially upland areas on the Marches with Wales. The whole of Ireland was an Objective 1 area – and therefore eligible for LEADER II - as were parts of Scotland and Wales. Cornwall did not get a LEADER II programme but continued to have special support from the Objective 1 Programme. Not everywhere in the Objective 5b area that was eligible got its act together and submitted a bid for support. In some places there was a distinct lack of leadership: for example two of the north of England national parks, Northumberland and the North York Moors, failed to get involved with putting a partnership bid together in their respective areas.

Although the geographical targeting was towards deprived areas, the approach was not deficit-based: rather it was based on local capacity building. The essential requirement of a LEADER II programme was for it to be focussed on animating the opportunities for economic, environmental and social development that arose within a well defined rural area (of up to 100,000 population) and drawn from a menu of activities as follows – Training, Support for Small and Medium sized Enterprises and craft businesses, Rural Tourism, Environment and Living Conditions, Basic Services, Adding value to farming, fisheries and forestry products-and with each theme having a financial allocation. There were over 900 LEADER II Local Action Groups (LAGs) Europe-wide, celebrating the diversity and distinctiveness of their areas and using those qualities as tools for local development.

### The LEADER + Programme (2000-2006)

Franz Fischler at the head of the European Commission’s Directorate General for Agriculture (DG Agri) wanted the next phase of LEADER to be available, potentially, in all rural areas - not just the more deprived areas. This phase of LEADER was to be LEADER + (PLUS) rather than LEADER III. It was not meant to be more of the same, but instead was to be an experiment in broadening and deepening of



the LEADER Initiative. To achieve this would-be LAGs were required to choose one or two measures from a list of four:

1. New knowledge and new know-how
2. Making best use of natural and cultural resources
3. Adding value to local products
4. Improving the quality of life in rural areas

Whilst this specialisation helped to prevent LAGs from 'spreading the jam too thinly', it also had the unforeseen consequence of LAGs not being able to take the fully integrated approach that would have arisen by operating across the full range of interventions. It also meant, and this should be a primary concern for people who are assessing the economic impact of LEADER, that in some places it was more of a "community development" intervention rather than an economic intervention- no more so than in England. <sup>4</sup>

**Overall it did not prove possible to find the funds to cover significantly much more of the rural area in most countries and there was a slight reduction in the number of LAGs Europe-wide – although Ireland and Spain were countries which increased their coverage by establishing additional LEADER type programmes using their own State resources.**

As in previous programmes there was a substantial delay in bringing the new programme into being: an approximate two year delay occurred, resulting in the loss of capacity as LEADER II LAGs in many places dissolved and there were losses of staff, LAG members and others involved in administration of the programme.

In England there was only significant continuity in the Northern Uplands, involving the North Pennines, the Fells and Dales in Cumbria and the Forest of Bowland in Lancashire. In the end there came to be 25 LEADER + LAGs, with some being in some distinctly non-deprived areas like West Oxfordshire as well as in areas of relatively high rural deprivation. LAGs in England were generally informal partnerships using district or county councils - and in some cases Rural Community Councils - as accountable bodies. There was one LEADER group in Devon that set up a company to run the programme. LEADER+ in England was not particularly well funded – to put things in perspective, the total allocation for LEADER in England was one quarter of that allocated to 7 councils in the West Midlands for three years of Neighbourhood Renewal funding. <sup>5</sup>

There were another 40 or so LAGs in the rest of the UK. LAGs in England, Scotland and Wales were not in the majority of cases permanent local development groups – they existed merely to deal with the funding while it was there. LAGs in Northern Ireland were companies limited by guarantee guided by volunteer Directors. **In the Republic of Ireland, also, encouragement was given by the state to the formation of rural development companies, which typically began to deliver other programmes in addition to LEADER (see below.)**

The coverage of the rural territory in the UK countries was patchy, except perhaps in Scotland where coverage was significant. Due to the Welsh Assembly Government's particular interpretation of what was rural and what was meant by a competitive process, Wales had only 7 LAGs in the LEADER + period – with 4 of them set up as companies. The LAGs were in Anglesey, Conwy, Pembrokeshire, rural Wrexham (Northern Marches), Monmouthshire, Clwyd and Powys. But Wales promoted similar programmes in non-LEADER + areas –one called Rural Community Action which operated in 12 areas (giving support to a wide range of community-level initiatives such as culture, heritage, local food, renewables etc) and also operated in 5 areas a small-scale capital grants programme under Article 33 of the Rural Development Plan covering tourism, village renewal and basic services.

In Northern Ireland there were 12 LEADER + LAGs with a total EU budget of £10m. Activity in Northern Ireland concentrated on small business development. Its aim was to increase the economic and employment contribution that micro businesses, including small farms, make to the rural economy. Initially the Northern Ireland LAGs regretted the lack of a community development mandate and were fiercely independent, but given that there was a plethora of grant aid for community development activity because of resources deriving from the peace process (Peace II) and the Building Sustainable Prosperity programme, this was a pragmatic approach – and one that anticipated important aspects of the current programme. There were significant economic outcomes from LEADER+: 593 new jobs, 1007 safeguarded jobs and 1581 people trained. <sup>6</sup>

LEADER+ in Northern Ireland also made a rather distinctive contribution. Following the ceasefires of the mid 1990s, the government's aims included, as Conor Patterson, the Desk Officer for Northern Ireland in the UK LEADER Network) put it:

*'To rebuild citizenship and to encourage the engagement in mainstream public affairs of whole areas which had been labelled as 'bandit country' and communities which had been stigmatised as 'insurgents'. A positive reflection on the Northern Ireland LAG model is that it brought together in pursuit of a common purpose people who politically had been polar opposites, years ahead of the wider body politic.'* <sup>7</sup>

**Throughout the UK where there was continuity of programming, LEADER built (and captured) local capacity and brought about, in some places at least, purposeful development of suitable institutions. Experienced LAGs could hit the road running.**

Very few LAGs in the UK went down the exemplary road trodden by Menter Môn in Wales. It was an outstanding example of a LAG's development into a multi-functional

local development group that delivered more or less the complete range of community-based and rural economic development services – including LEADER - on contract to the Welsh Assembly Government and other bodies. £35 million of funding has been mobilised since 1996. Menter Môn understood the dangers of grant dependency and explored other development mechanisms to add to a portfolio of activities.

Menter Môn became a “not for profit” company limited by guarantee in 1996 and shortly afterwards developing a trading arm, ANNOG, which also developed trading social enterprise businesses including furniture reuse, waste collection, a Welsh language call centre, a countryside centre including accommodation, a bio-fuel centre etc. They also are developing major local regeneration projects taking an asset-based approach with a strong place-based identity: a social enterprise centre; a heritage enterprise centre and a waterfront enterprise centre in the old “copper kingdom” port of Amlwch.

Menter Môn - Product development Blodyn Aur



English LEADER + LAGs, by and large, had few of these economic ambitions and some seemed to interpret their task as being more about community development rather than community economic development. Many LAGs in England chose the Quality of Life and/or Making Best Use of Natural and Cultural Resources themes. One of the strongest programmes in terms of funding disbursed and numbers of community projects supported was the North Pennines LEADER + Programme which had a “quality of life” remit – but its evaluators found that its interventions were insufficiently strategic and often too small to make a difference and that interventions in farming and the small business sector had been weak. <sup>8</sup>

However, experienced groups like many in Scotland (Dumfries and Galloway, West Highland (WHELK), Highland, Scottish Borders etc – there were 13 programmes in all) showed how to combine strong community engagement with economic opportunities and resisted the tendency just to be a simple distributing agency for small amounts of European funding. The Tyne and Esk LAG, for example, funded renovations at Dunbar Harbour along with support

for Satellite Wireless Broadband at Garvald and Morham; Dumfries and Galloway supported a “Communities on the Edge” initiative centred round the large estates of the area; and South Lanarkshire assisted a study on the establishment of a new business centre in Carluke. Much, of course, depended on the experience, capacity and outlook of the LAG staff and LAG partners living up to their commitments to the programme. <sup>9</sup>

In Wales the Pembrokeshire LAG, PLANED, took community engagement very seriously indeed with imaginative and persistent community action planning leading (over the years) to exemplary local development. The villages and small towns of the area have drawn up action plans – and in many places are delivering on them emphasising entrepreneurship and sustainability in their plans. <sup>10</sup>

A study designed to produce an evidence base for the mainstreaming of the LEADER method in England, found that very little use was made of a capacity building approach in the English LAGs and a strong criticism was made of the fact that resources were being used for:

*“mitigating administrative burdens for project applicants rather than addressing issues concerned with awareness of the wider rural development context or strategic complementarity.” <sup>11</sup>*

In other words, too many English LAGs were merely running grant schemes rather than implementing local rural development strategies.

Where, however, LAGs worked on projects primarily concerning adding value to local products - for instance, the Fells and Dales, Bowland, the New Forest and Lincolnshire Fenland – (the last mentioned made a strong intervention in commercial growing and horticulture) - there was clearly considerable economic activity and the obvious potential to link the farming and growing agenda with landscape and environmental issues, whilst engaging in a reconnection agenda. Many LAGs were able to run their programmes without having any projects of an economic nature concerning either farmers or micro enterprises. Much of the English complement of LAGs saw LEADER in a very different way than the LAGs in the devolved administrations and, especially in Ireland. **The Irish experience of LEADER is dealt with separately- see in Section 2 “Focus on Ireland”.**

## SECTION 2: THE MAINSTREAMING OF LEADER

From 2007, LEADER was “mainstreamed”: that is to say that it changed from being a free standing pilot initiative to becoming a delivery option within a mainstream programme. The LEADER Programme was replaced by the LEADER Approach. Instead of being financed as a “community initiative” under EU Structural Funds it became part of

overall EU rural development policy and part of the Common Agricultural Policy. Financially, it was supported by the new European Agricultural Fund for Rural Development and stood alongside the other rural development axes. <sup>12</sup>

There is a requirement that the LEADER approach must be used in relation to the decision-making concerning at least 5% of the EU funds in each Rural Development Programme. In the UK countries and the Republic of Ireland, the large majority of the money was put into the dominant land management axis. The remainder had to be divided equally between axes 1 and 3 to achieve the minimum requirement for those two axes. This effectively meant that in most cases the “5% for the LEADER approach” could be achieved through the LEADER approach being used to deliver 50% of the funding in axis 3. Given that the LEADER approach had historically had an emphasis on measures to improve the quality of life in rural areas, it was normally the case that the LEADER intervention was made in Axis 3.

The distribution of EAFRD funding by Axis		
Axis 1	Axis 2	Axis 3
Competitiveness of farming and forestry (10% of the funds minimum)	Environment and countryside (25% minimum of the funds; but can be up to 80% maximum)	Quality of Life and Rural Economic Diversification (10% of the funds minimum)
<b>Axis 4-</b> The LEADER approach (at least 5% of the spend in Axes 1,2 and 3)		

But this intervention has to be very specific – not just any old project, determined in any old way, can be deemed to represent the LEADER approach. There is an explicit requirement to meet the seven specificities of LEADER. <sup>13</sup>

There is further definition given to the LEADER approach in the Council Regulation, section on Local Action Groups:

1. LAGs must put forward an integrated local development strategy.
2. LAGs must be representative of the “economic and social partners and other representatives of civil society, such as farmers, rural women, young people and their associations.”
3. These people must make up at least 50% of the LAG.
4. The area covered by the strategy shall be “coherent” and have sufficient critical mass to be able to support the strategy.
5. The Local Action Groups shall choose the projects to be financed under the strategy.

## The LEADER approach in England

The arrival of the LEADER approach in rural England represented a significant departure. There had only been 25 LAGs under LEADER +. Under the LEADER Approach the

number of LAGs, according to the RDPE website, has risen to 65. <sup>14</sup>

New groups started at ground zero in terms of their knowledge of LEADER and their initial capacity to deliver. This was in spite of the fact that LEADER activists repeatedly called for continuity between programmes and even seemed to have persuaded the civil servants of this. A number of things were identified by LEADER practitioners that could and should become common property of the programme from one iteration to the next. These things were: project appraisals and scoring systems; guidance in how to run small grant schemes; what the rules were about assisting small businesses including state and structural aid issues. In the event nothing came of these suggestions – and people “reinvented the wheel” even more so as the RDAs (with a very large aversion to risk) took over the running of the RDPE in axes 1, 3 and 4.

Although a large part of the English rural territory is covered, there were, however, in early 2010 still some significant gaps in the geographical coverage. The map of LEADER areas reveals that there are numerous bits of rural territory contiguous to LAG areas which are excluded – parts of Cornwall, Kent, Cambridgeshire and Bedfordshire, North Yorkshire, the whole of rural Suffolk and so on. These could probably have been brought into LAG areas with little socio-geographic detriment to the integrity of the areas. There are, however, some significant gaps brought about because of the failure of some local authorities and other public bodies to lead on submitting Local Development Strategies of sufficient quality. This was evidently the case in the Cotswolds and in the National Forest area. As a result there is lack of coverage in large areas of Northamptonshire, Leicestershire and Lincolnshire in eastern England and in the southwest, large areas of counties as rurally emblematic as Somerset and Gloucestershire!

Full coverage could have been achieved robustly enough and without negating the competitive call for the identification of “clearly designated” or “well-identified rural territories” <sup>15</sup> The small Clay Country area in Cornwall could, for instance, easily have been extended to include the unsupported area to the south of it. From an examination of the map of LAG areas, it looks as if many other unsupported, small areas contiguous to LAG areas could have been brought into areas eligible for the LEADER approach. To give some examples: the Yorkshire Dales programme (with its 62,000 population) could have embraced areas to east. Western Somerset (with its 57,000 people) could have staked out a larger area. There are plenty of areas with populations of over 100,000: e.g. Cumbria Fells and Dales, Isle of Wight, Plain Action (the wider Salisbury Plain), the Norfolk Coast and Broads etc. The rules allow for these bigger areas (maximum size is 150,000) and common sense dictates that larger areas will have a greater critical mass of possibilities for good projects and useful initiatives – subject of course to purposeful budgets. <sup>16</sup>



Boundaries have always created problems. In the interests of equity in the rural population, LAG areas should between them cover the whole rural area so as to be as inclusive as possible, as has been achieved in Finland. There are a number of reasons why this coverage is desirable:

- Local partners also produce community strategies, which like the plans of the Local Action Groups, are based upon the priorities that have been identified through extensive consultation.
- The local community planning strategies determine how domestic resources are deployed. If plans are coherent, there is potential for match funding.
- Volunteer representatives on community planning partnerships are frequently the same people who serve on Local Action Groups. They often complain about 'consultation overload' and therefore any co-ordination of activity would address this concern.
- There may be cost savings in deploying a development team overseeing LEADER and local programmes.

## The LEADER approach in Wales

In Wales the Welsh Assembly Government took responsibility, with key partners such as the Forestry Commission, for Axis 1 and 2 and applied a considerable amount of extra funding to this delivery. The total value of the grant aid to deliver the Wales Rural Development Plan, 2007-2013 is £795m of which £195m is from the EU. Much of Axis 3 funding is delivered through the County Councils but with a commonality of approach. For instance, in an area in north east Wales, the job is done through Flintshire County Council acting on behalf of Flintshire Rural Partnership. The existing rural development agency Cadwyn Clwyd (the former LEADER + LAG) was selected to implement local development strategies in both rural Flintshire and rural Denbighshire delivering part of Axis 3 and the whole of Axis 4. Activities and projects being supported include: young people's enterprise, alternative energy, community heritage, agri-food and forestry, rural services and sustainable tourism.

In Wales 18 LAGs (one per county) were established giving a high level of coverage in the rural areas – in spite of a complex urban/rural geography especially in south Wales. LAGs were based on a four way representative split: public, private, community and voluntary sectors. The stated aim was to “engage grassroots communities and to encourage the generation of new innovative ways to sustain rural development in Wales in the longer term.” The scheme guidance for axes 3 and 4 in the Rural Development Plan for Wales 2007-2013 emphasised that in axis 4 there would be priority given to “‘new’ processes, ‘new’ products and ‘new’ approaches where ‘new’ can be linked to the approach, the concept and the geographic area or the sector concerned.”

The LAGs are a mixture of experienced ones such as Pembrokeshire (PLANED), Conwy, Anglesey (Menter Môn) and Clwyd (Cadwyn Clwyd) and areas new to rural (but not to European) programmes; mainly in South Wales in places such as Merthyr, Caerphilly and Swansea. Inevitably the longer established LAGs got up and running sooner – with Conwy for example approving £5.4m of projects by July 2009.

The summary on the ENRD website of the Wales approach to Axis 4 objectives and LEADER makes it clear that: “achieving the regeneration of communities without the direct involvement of local communities themselves is virtually impossible”... and it goes on to say that LAGs were important in providing that engagement of individuals and groups and then maintaining it. It adds: “The operation and evaluation of previous LEADER programmes in Wales has confirmed that bottom-up, participative and holistic approaches provide efficient and effective methods to both secure initial engagement, and to make the physical changes that encourage people to remain engaged.”

Although the 18 Welsh LAGs do not provide full coverage the LEADER approach is “being employed across the RDP's three thematic axes (as appropriate) to take full advantage of the benefits that its holistic and innovative elements can bring.”

PLANED - Community Engagement Events



## The LEADER approach in Scotland

There are 20 LAGs in Scotland covering, between them, 95% of the rural area. All but 1 of the LAGs has a local council as its accountable body (South Lanarkshire seems to be the exception, which has a Trust). LAGs have budgets normally in the range of £1m to £3m, the total budget in 2009 being £58m. There are 7 groups in the more deprived areas where there is also funding from the Convergence Objective for Scotland, which gives the LAGs concerned very significant amounts of funding to use. For example Argyll and the Islands receives £2.80m LEADER and £5.12m Convergence; and Highland receives £6.76m and £7.50m respectively. The stated aim is to empower local communities to develop their own areas and “to enhance rural communities through helping those active in rural

areas to consider the long term potential of their area and encourage the implementation of integrated, high quality, original strategies for sustainable local development.” The Scottish Government has designed the programme to fit with its over-riding aim of sustainable economic growth; its 5 strategic objectives (wealthier and fairer, healthier, safer and stronger, smarter, greener) and the delivery of its desired national outcomes.<sup>17</sup> In the Scottish programme there is a clear focus on networking and the development of co-operation between rural areas with resources being available for this. In addition there is a well-resourced and well-updated website for the Scotland National Rural Network, with the strap line “Connecting Rural Scotland – Promoting Rural Growth.”

Although Scotland gets a lower level of Pillar 2 funding than anywhere else in Europe<sup>18</sup>, there is strong commitment to the Programme at the national level. Scotland’s budget for its Rural Development Programme is £1.6m, two thirds of which is contributed by the Scottish Government, which the latter quite rightly describes as “an enormous national investment.”<sup>19</sup> LEADER funding nationally amounts to about 2.4% of the total SRDP budget – about £38.5 m with a further £19.2 m available to Convergence areas.

LEADER in Scotland is aimed at promoting economic and community development within rural areas. It is described on the Scottish Government website as: “a bottom-up method of delivering support for rural development through implementing a local rural development strategy.” It goes on to say “support is aimed primarily at small-scale, community driven projects that are pilot and innovative in nature.”

The entry for Scotland on the ENRD website points out that this largely applied to axis 3 interventions but LEADER was also able to contribute to outcomes under axes 1 and 3. What these actions are depends on the LAGs – which “bring together community representatives with the major actors shaping public service and investment.”

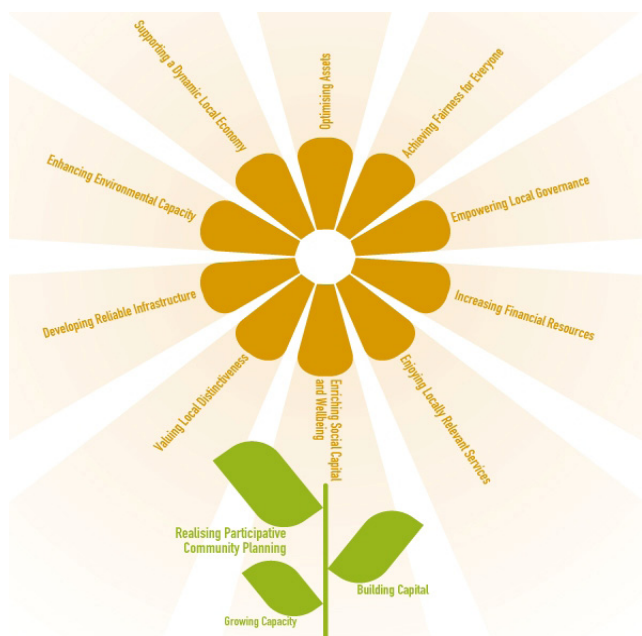
The main programme in axis 1 and the economic part of axis 3 (with its farm-based wind turbines, cattle handling facilities, farm tourism projects, food processing and marketing ventures – and much else) is, however, delivered through Rural Development Contracts. These go through a process called the Rural Priorities scheme. Rural Priorities look to achieve local solutions to national and regional problems with Scotland being divided into 11 regions. Applicants can be businesses, land managers or community groups. Would-be applicants start with an “Idea”, followed by a “Statement of Interest” and (with help) put forward a “Proposal” from which an “Assessment” is made by the Rural Programme officers. The project only gets through the stage of being given a contract if it is judged that a sufficiently important contribution to the region is being made. LEADER LAGs (as mentioned earlier) have their own funds and stand outside this system. Scotland seems determined to make its Rural Development Programme work well for its beneficiaries. It took prompt action on the initial relatively poor performance of the programme and showed

itself to be very responsive to the recommendations made in Peter Cook’s review of the first phases of the Scottish Rural Development Programme.<sup>20</sup> It has recently been announced that some of the funding for the community services and facilities option in Rural Priorities is being transferred to the LEADER LAGs, given that, as Peter Cook had put it in his report, there was “better community expertise in the LEADER network” than elsewhere. At the mid way point an impressive average of 36% per LAG of the overall funds for LEADER had been committed<sup>21</sup> - clear evidence of good programme design and management alongside committed local delivery. This Scottish Government support for the LEADER approach was repeated more recently when it was announced that there would be more funds available through LEADER for rural Broadband- as part of the additional funding made available as part of the EU Health Check of 2009.<sup>22</sup> This responsiveness and willingness to be flexible is unusual and should be commended.

In Scotland, a good deal of institutional shaping has already been done in relation to rural development delivery. Responding perhaps to the OECD’s Rural Policy Review on Scotland of 2008, which criticised its centralisation and “strong sectoral bias towards agriculture and environmental concerns” (p.21), the creation of the Scottish National Rural Network has been imaginatively used. It is not just a central hub, rather it has also been an ambitious and successful programme of Network events throughout all the 20 LAG areas. The Network is promoted by the Scottish Rural Gathering (a national event) and the Network website. (It also promoted a Scottish LEADER conference in Aberdeen in June 2010 which highlighted the use of the LEADER approach in Wales and Northern Ireland). The regional events are intended “to promote and develop links and networks across the different individuals, businesses, organisations, communities and sectors in each region of rural Scotland.” Within every LAG area there are a significant number of identifiable sub-areas. There are, for example, 60 Rural Partnerships and 32 Community Planning Partnerships in rural Scotland as well as the Community Councils. One would imagine that people from these areas that make up the LEADER areas might be motivated to use diagnostic tools like the **Carnegie Petal Model**<sup>23</sup> to work systematically through the range of local development issues. These areas could develop and deliver their community action plans, using SRDP, LEADER and other resources.

This approach would be similar to that used in rural Finland whereby the 55 LAGs have a pivotal role and are key intermediary bodies between policies and funding – with the 2650 Village Associations relating to them and finding support from them for their activities to sustain rural community life (see in Section 4: Focus on Finland.)





Carnegie model of the rural community of the future

## The LEADER approach in Northern Ireland

In Northern Ireland universal coverage of the rural area has also been achieved. The process of deciding on Local Action Group areas, however, became entangled with an attempt at local government reform. It was proposed to replace the existing 26 local councils with 7 new council areas. It was intended that it was on this that the Local Action Group areas would be based.<sup>24</sup> In the event political agreement was not reached on the full reduction in the number of council areas, but the commitment to have 7 LAG areas remained, after Rural Development Minister Michelle Gildernew MP, MLA called for local councils to come together in “self-forming clusters.” In the end 7 Local Action Groups were formed, even though there are now proposals for a larger number of councils.

Such is the residential segregation by religious and political affiliation and the continuing tensions between the different communities in Northern Ireland that places on some LAGs seem to be carefully allocated to secure balanced representation from the political parties. To give an example of one of the clusters, North East Region, is made up of the current council areas of Ballymena, Ballamoney, Coleraine, Larne and Moyle operating for these purposes a Joint Committee involving 3 councillors from each council. The programme is implemented by a LAG made up of an equal number of locally elected representatives and social partners. LAGs are concerned that the spirit of LEADER may be lost if local councillors have too big an influence. On top of this there is no doubt the pragmatic need in terms of equity to balance the level of support that is going to the different council areas. The strapline for the North Eastern LAG is “local people making local decisions.” In previous programmes there was an observably co-operative “cross –

community” spirit in LEADER + in Northern Ireland. LEADER in previous programmes has had a positive input to the peace process and one assumes that this will be sustained in the current programme.

Building on the LEADER + experience in Northern Ireland of dealing with support to micro businesses, the LAGs now deliver the whole of axis 3. All the Northern Ireland RDP intervention in micro business support and improving the quality of life in rural areas is now in the hands of the seven LAGs. This theme is called “Rural Living” and is promoted jointly with the work in the other two axes: “Farming and Food” and “Environment and Countryside”.<sup>25</sup> Regular calls for proposals are made around the available schemes and programmes.

In Northern Ireland 25.7% of the programme is being delivered through the LEADER approach, one of the highest proportions in the EU with only Liguria (30%) having a greater proportion.<sup>26</sup> About £100m is available for work in the 7 clusters, i.e. through the LEADER Approach (4 years of programme = £25m pa shared by 7 LAGs = £3.5m per LAG per annum).

Northern Ireland with its highly rational structure of 7 LAGs and complete spatial coverage of the rural area, probably already operates on an cohesive and effective enough basis to be able to use its country level Rural Network as a body to draw together all the rural interests. The Rural Development Council in Northern Ireland is managing the Rural Network. The Rural Development Council in previous programmes was classified in LEADER as an ‘Other Collective Body.’ In the current programme it provides the network facility and regional observatory function to support and assist the LAGs. The Network is stated to be “for everyone involved in the development, management and implementation of the Northern Ireland Rural Development Programme to enable the sharing and use of good practice and experience and to support the coordination and communication across the different axes of the programme.” The relatively small number of LAGs, the community planning institutions and the RDC could form the basic building blocks for community empowered rural development.

## Focus on Ireland: The Republic of Ireland and the LEADER approach

The Republic of Ireland emerges as an exemplar, Europe-wide, of the use of the LEADER approach.<sup>27</sup> Ireland has participated energetically in all phases of LEADER.

There are several key features: 1) coverage by LEADER groups has been maximised as far as feasible using EU resources; 2) additional funds have been found to fill the gaps in coverage by using LEADER-type programmes through the National Rural Development Programme; 3) a strong commitment was made to LEADER companies working across the piece in local development by tapping into other sources of funding.

Definitions of rurality are applied very pragmatically, so much so that in the current programme 99% of the Irish land mass is covered by LEADER and LEADER-type programmes. Using the analysis of rurality in the White Paper on Rural Development of 1999, only the five major towns of Dublin, Cork, Galway, Limerick and Waterford are excluded. The average population of a LAG area is 70,000 and the average population density is less than 40 persons/km<sup>2</sup>. Typically, Irish LAGs are made up of a manager, two or three project officers and a small administrative team. The 36 LEADER companies in the current programme have approximately €10m each to distribute over a five year period. In the period 2007-2013 there is nearly three times the resource that there was in the previous programme. The budget is now €425m.

The programme in Ireland was relaunched by the then Minister Eamon O' Ciuv in the summer of 2009, following a two year period when LEADER in Ireland went through a restructuring process with new companies being set up, staff assigned and funding allocated by the Department of Community Rural and Gaelteacht affairs. The LEADER LAGs are responsible for delivering all the measures in Action 3. In addition as a result of the "cohesion"<sup>28</sup> process, additional rural funds (which were often run locally in the past by a variety of organisations) have come within the ambit of the LEADER companies to distribute. The new funds are the Local Development Social Inclusion Programme (LDSIP) and the Rural Social Scheme (RSS). An initiative had taken place whereby encouragement was given to the merging of the various organisations and the establishment in early 2009 of 36 "cohesed" LEADER-Partnerships.

There has been some recent criticism that with these developments Irish LAGs are changing significantly, moving away from the potential to carry out work across the Axes: i.e. to do Axis 4 work. Two recent evaluators assert controversially, that LAGs now feel compelled to conform to a uniform structure concerned with the delivery of Axis 3 goals alongside other mainstream social exclusion programmes and ask whether they are now "simply performing a local government administrative role?"<sup>29</sup>

Evidence on the ground suggests that farming interests as well as other rural dwellers are beginning to make use of the LEADER funds in support of the wider rural economy. Witness, for example, the newly launched **Kilkenny Food Trail** involving 38 food and tourism enterprises. Other projects include farm shops, the creation of processing facilities, farm-based visitor attractions and renewable energy schemes.

There has, however, been some criticism of the time being taken to develop the projects and to allocate the funding for them. As at July 2010 – the half way point of the seven year programme – only 6.5% of the funds had been spent. There are suggestions in the farming community that the severity of the economic crisis means that there is little match funding available. Proposals are being put to the EU Commission to increase the rate of funding from 50% to 75% for private promoters and 75% to 90% for community groups. The

Irish Farmers' Association spokesperson, Tom Turley, whilst welcoming the proposed increases, said that the current take-up of LEADER funds was extremely disappointing. He also criticised "the red tape and bureaucracy which is killing many LEADER initiatives."<sup>30</sup>

Kilkenny Food Trail- Knockdrinna Farmhouse Cheese and Cillin Hill



The farm lobby remains very strong in Ireland and keeps its eye on the politics of rural development. Ireland's rural policy is strongly related to farm support which these days tends to come in the guise of agri-environmental schemes, though some are beginning to favour a more holistic approach, one which supports adjustment through rural development interventions. Support to this wider entrepreneurship is of growing importance when one considers it has been discovered that in an area like North West Cork and South East Kerry 73% of the farms are regarded as non-viable.<sup>31</sup>

Dwyer and Mayne have captured some interesting testimony which explores the parameters of the debate. The first comment here sets out a rationale for the importance of wider rural development for the farming community:

*"I would much preferred to have seen more going to Axis 3 and 4, you know, where we need to pick up the slack, if you like, from those farmers that are not going to be making an income from farming."*

The following two comments represent perhaps a more typical stance with their emphasis on retaining the maximum available direct payment alongside the sourcing of agri-environment funding.

*"I think farmers will see it as designed to transfer money to them, so the thing is to make it as easy as possible, as straightforward, as certain, as possible."*

*"REPS [the Irish agri-environment programme] works as a direct payment that involves less expenditure on the farmer's part (requiring labour input but no major capital expense) than other developmental type grants. Because of this it makes the scheme popular to both farmers and the government."*

The Rural Development Support Unit (RDSU) which runs the Irish Rural Network explored this debate at the Network's first Annual Conference in Dublin in December

2009. Although it is relatively easy to bring the Irish rural development interests together, it is much less easy to secure agreement about the relative role and importance of agri-food, agri-environment and wider rural development. Such is the power of the farming sector that it is clearly important to try to take steps to make rural policy across the piece, with all the “actors”. Recognising this it was significant that the conference was on the theme of Strategic Collaboration: Building Alliances in Agriculture and Rural Development, with the scope of this being given as “Examining the new relationships and collaborations which are needed and are being developed at EU, national and local level in order to meet current challenges and secure a sustainable future for agriculture and rural communities in Ireland.”

In his opening remarks Ciaran Lynch of the RDSU called for people to come to the debate with a perspective rather than a position. The keynote speaker, economist Alan Dukes reinforced the message. There was a need to identify common societal objectives –which were more numerous than often realised. He went on to say: “The failure to realise the extent of common objectives has usually been a large part of the reason for apparent antagonism between productive sectors and environmental groups. Alliances will be more productive for all.” This, of course, is reflecting the great debate about the future of the CAP – and asks questions about the role in society of farming and land management. The emerging view is that farming is increasingly about the delivery of a range of “public goods”: environmental management, the delivery of what are called ecosystems services (including the management of water and the storage of carbon), the protection of bio-diversity, the provision of recreation and access for urban people, and coming back on the agenda, a country’s ability to contribute to its food security.

In announcing (in June 2010) €40million for the LEADER Approach for 2011 the Minister for Community, Equality and Gaeltacht Affairs Pat Carey stressed the potential of the Rural Development Programme to create sustainable employment in rural communities. The Minister urged Local Action Groups across the country to support projects that facilitate the creation of sustainable employment opportunities in their areas. This is against a background where only 6.5% of the funds (€425m) had actually been spent –though of course financial commitment is much higher and the achievement of actual spend inevitably takes time.

The Minister’s message is an urgent one:

*“I would urge all Local Action Groups to focus their energies on supporting projects that will bring jobs and real and sustainable growth to communities across rural Ireland. The availability of this initial €40m allocation for 2011 will allow Local Action Groups to commit to a range of new projects that will further develop and enhance the social and economic opportunities of rural areas.”*

The Minister clearly wishes to see LAGs concentrating on bringing forward job-creating projects and to discuss best practice and emerging opportunities under the programme. He also wishes to address the difficulties that LAGs may have. The LAGs for their part have concerns about delivery issues such as the de minimis rule and their wish to support small and medium enterprises as well as micro-enterprises. They also have concerns about the implementation of the LEADER approach itself - with many of the issues being in the hands of the Member State itself by using the flexibilities already available under the regulations.

## SECTION 3: MAKING LEADER HAPPEN - QUESTIONS OF DELIVERY

### Enough money to make a difference

In an area in which the LEADER approach is being applied, there needs to be firstly a critical mass of opportunity to enable a wide range of projects to come forward and secondly a size of budget capable of delivering at least some of the strategic aspirations of the programme. Budgets include European funds, modulation and country level funding. Given the “5% for LEADER” rule, that means that at least in the RDP for England, for example, £105,000,000 must go through LEADER governance.<sup>32</sup> Assuming that the 65 LAGs are a standard size (which they are not) this means that each LAG on average has to deal with about £1.6m over the whole 5 year programming period – or about £320,000 per year. In addition, it is important to recognise that a decent throughput of grant is required in order to allow for the employment of a balanced staff team. This would ideally include people with an animation/ project development role as well as people passively managing finances and administration. The LEADER approach involves (or at least should involve), however, more than the administering of grant schemes, even though these are often used to market some of the resources to the local population. The LEADER approach involves much more than waiting for the applications to come in. Rather, to use a concept frequently expressed in the early days of LEADER, it is about “animation” (or even “animating a territory”). It is always important that the grant aid takes forward issues in the Local Development Strategy. In this way the LEADER approach becomes “a method for involving local partners in steering the future development of their area.”<sup>33</sup>

The rules state that LAGs can only spend 20% of the original public grant aid on their running costs.<sup>34</sup> This means that the average LAG in this example will be able to spend £64,000 per year on staff, premises and management costs etc. This is not a generous amount but will perhaps pay for a project manager and an administrative officer with some accommodation and governance costs. Local authorities frequently take on the role as accountable bodies and they may meet some of these premises costs, but if voluntary



bodies like Rural Community Councils (in England) have that role then they will (or at least, should) be attempting to achieve full cost recovery for their hosting of the LAG.

The point of these calculations from England is to indicate just how little (in this reasonably typical example) can be available for grant aid to projects if LAG budgets are set too low. When everything else is paid for, there is only about £250,000 per year for activity on the ground. Given that LAGs normally work on a three monthly governance cycle, this might mean that only £60,000 to £65,000 is available to be allocated per quarter. With notional costs as above of about £60,000 being spent annually on administration, this per quarter equates to a transaction cost of £15,000 for every £60,000 of grant awarded-or 25p in the pound. An alternative unhelpful reaction in such a case is that the low level of grant available might tempt LAGs to opt for arbitrarily small grants to “make the money go further”: for example £5000 maximum grant per projects enabling the LAG to vote positively on 12 projects per meeting round, but only doing so by putting what often can be severe pressure on projects’ funding packages. It is also the case that such parsimony hikes up the transaction costs which in poorly funded programmes is already a problem.

Transaction costs are one potential challenge in England. Another is the sheer amount of time it can take to get projects developed, appraised, approved and delivered (saying nothing about claims and payments made). Dwyer and Mayne are of the opinion that England is slow “due to the different layers of governance”<sup>35</sup>, but though this is a challenge for England it does not seem to be the case Europe-wide. The RuDi Project in its June 2010 report<sup>36</sup> concludes that there is “no evidence” from their work that decentralising resources to LAGs leads to longer delivery times than more conventional forms of delivery, “negating the idea that LEADER implies inefficiency in the delivery system.” This, however, is a definite challenge for England with its poor spatial coverage, very varied implementation, complex administration and low budgets. This might, however, provide an incentive for other sources of public funds to be brought to the table and to go through LEADER governance and thus achieving some economies of scale.

What do the managing authorities in England think is a reasonable amount of funding per head of population to support a programme in an area of 100,000 people? In the English South West region (the largest and most generously supported rural region in England) just over £30 million is available to the 15 Local Action Groups (LEADER) over 5 years. This is on average £2 million for each LAG over the whole programme or £400,000 per annum over 5 years. If the LAG area contains 70,000 people, then every person in the area is “receiving” (potentially) £5.71p per annum or £28.55 over the life of the programme.

Irish LAGs, on the other hand, each receive about €10 million over the programme lifetime or €2,000,000 per year. Given an average LAG area population of 70,000 per person, each of them is supported by €28.57 per

annum (or, with the euro at about 85p), £24.42 per year or £122.10 over the 5 year lifetime of the programme. In Northern Ireland 7 LAGs have received £100m between them with individual allocations ranging from £8m to £20m.

## Finding the match funding

Finding the match funding is also an inescapable issue since nothing in the world of the LEADER approach is funded 100 % except training measures in Ireland. The public funds from the EU (different rates of aid apply to different sorts of intervention<sup>37</sup>) have to be matched by other public or private funds. The overwhelming majority of projects covered by quality of life or heritage or public realm measures, for instance, do not distort competition and therefore will not normally attract any private sector funds. They will, therefore, require state sourced public sector match funding, which is often difficult to get. It will almost certainly get harder as large public expenditure cuts are made over the next few years. But in a positive vein this could lead to LEADER funding - and the approach it embodies - becoming more central to rural development overall in local areas as public agencies seek to mitigate the effect of their budget cuts. A development like this already seems to be occurring in Scotland where Highlands and Islands Enterprise has received significant grant aid from the LEADER programmes in the Highland Council area along with, Argyll and the Islands (and elsewhere) to take forward a Community Account Management process in fragile areas with growth potential throughout the Highlands and Islands. In the case of Argyll and the Islands the LEADER funds were provided at 35% (or £185,890) to go alongside HIE’s own contribution and to pay for 9 full and part-time posts to produce and implement a growth plan for the wider benefit in 9 communities<sup>38</sup>. The community engagement and community action planning central to this approach is highly consistent with the principles of LEADER and this could be the beginnings of a replicable way forward to local social and economic growth. It will be important, however, that LEADER is regarded as more than just a source of funds and that it remains a principled and integrated approach to local development.

Funding for privately owned businesses is normally at a 30% EU grant rate –with the entrepreneur finding the rest –and is normally supported under de minimis rules (support which in the scheme of things does not distort competition).

## Sorting out the cash flow

There are also problems caused to applicants of all sorts by the requirement of their having to pay for the whole of a project up front, before they can make a claim, which inevitably involves the presentation of receipted invoices. This cash flow issue makes life difficult for many projects.

A piece of good practice has been developed in Shetland where the Shetland Charitable Trust has developed a bridging loan scheme at a 0% interest rate which has been set up to help community organisations which are due to receive funding from the SRDP Rural Priorities scheme for activity undertaken. The scheme is probably difficult to

replicate as a third sector initiative since there are special reasons why the Shetland Charitable Trust has funds to take this initiative<sup>39</sup>. It remains very important to suggest, however, that managing authorities and accountable bodies, such as local authorities, try to assemble revolving funds to “cash flow” projects –with the up front money being returned to the pot when the grant has been received<sup>40</sup>.

Another important and widely used feature of LEADER funding has been the use of “in-kind contributions”, especially of time, in funding packages. In kind contributions provide a very flexible way of making community projects happen. Of course, these contributions need to be properly quantified and recorded – and the financial grant aid must cover the real need for expenditure.

## Making things easier

Many applicants complain about the increasing complexity of rural development funding. As Gail Merriman of the Welsh Assembly Government puts it, there is a tension between the flexibility of the LEADER approach and the regulations governing the Rural Development (in her case) Plan<sup>41</sup>. There is clearly some truth in this. The major piece of research under the RuDi programme on “Assessing the Impacts of Rural Development Policies (inc. LEADER)” has found that the implementation of mainstreaming has involved “a considerable administrative burden at many different levels at many different levels within the policy hierarchy.” The RuDi project team makes some suggestions that the EU Commission should provide more support for local level administration to help administrations at lower levels implement the “spirit of RD in the EU”. Although LEADER is often thought of as being flexible and having a light touch, in reality that is only partly the case. LEADER works to the same rules as the rest of the RDP (deriving from the Rural Development Regulation) – and applicants have a great deal to tackle.

Applicants need to do the following things to get funding for their project:

- Establish the financial viability of their project.
- Plan to deliver an appropriate share of the outputs and required outcomes of the whole Local Development Strategy.
- Make the case that their funding package needs the grant of resources from the LAG.
- Provide evidence of eligible and agreed expenditure as they proceed with their claims.
- Be robust against the possibility of audit.

The basic lesson that some people take time to learn is that grants are not gifts; rather they are lumps of funding that are dependant on complying with the rules and delivering the goods. One of the main ways that project promoters are helped to get things right (a prerequisite of drawing the funds down) is to be helped by LEADER project officers in their animation role – turning ideas with potential into fundable projects –and which go on to deliver for their local

area and to claim successfully. One of the most successful practitioners of the LEADER approach, Gerralit Jones, has recently articulated this animation process. He has emphasised the following main points:

*“Successful LAGs should draw together communities of interest and agitate them – challenge them to produce major change – the LAG offers the funds, the delivery agents and the will to implement integrative actions – this is a unique opportunity when it is done well – no other economic intervention offers such a wholesale opportunity”<sup>42</sup>*

## Good governance- closer to the people

Local Action Groups are the key institutions taking forward the LEADER Approach and therefore would become even more important as LEADER develops. But who will make-up the Local Action Groups with their strategic obligations and their role as financial decision-makers? The Guidance states:

“At the decision-making level the economic and social partners, as well as other organisations representing the civil society, such as farmers, rural women and young people’s organisations, must make up at least 50% of the local partnership.”

This aspiration towards having Local Action Groups which reflect the socio-economic composition of the area will require, effectively, that LAGs use some sort of electoral college system to choose the members. The majority of LAG Boards consist of between 12 and 20 members – and include local authorities, bodies like national parks, farmers and landowners, chambers of commerce, amenity bodies, social and community organisations –and some have representatives from different sub-areas.

Again, good practice is to be found, close to hand, in Ireland – showing both good governance and breadth of endeavour. For example, the Local Action Group IRD Duhallow, covering parts of Cork and Kerry, has a Board of 24 made up of 5 Local Government Representatives, 5 National Social Partners, 8 Community & Voluntary and 6 Statutory Sector Representatives. Throughout there are procedures which ensure legitimacy and accountability with a requirement that Board Members stand down periodically– though it is helpful if this is not too frequent or else capacity and knowledge is lost on the decision-making body of the LAG. Board members also sit alongside staff and community members to improve “the implementation of the strategic aims” of a range of working groups.

These groups cover women and childcare, social economy, community development, youth and education, equality, agriculture, enterprise, training. Through a series of Community Forum Meetings initiatives are discussed and developed to tackle the issues which emerge.

Several of the larger LAGs in the LEADER + Programme in England also had (alongside their LAG meetings) annual or half yearly larger assemblies of interest groups and interested individuals, a role which not only helped with keeping people informed and involved, but also acted

as a source of new members for the LAGs. The Fells and Dales LAG in Cumbria, for instance, both in the LEADER + programme and in the RDPE, had/has a large Local Action Group representing not only sectoral interests but also local interests from a wide area from which annually the LAG executive group was elected.

Where large rural territories are involved, some geographic sub-division is useful in order to get closer to people in isolated communities. In the LEADER + programme in the North Pennines of England (“England’s Last Wilderness”), the LAG had sub-LAGs covering the parts of the three counties that made up the area. The sub-LAGs fed up their decisions to the full LAG.

A good response to super-sparsity can be found in the governance arrangements in the Highland LEADER programme. The area’s population is 146,000 and is spread over 23,000 km<sup>2</sup> – one of Europe’s most sparsely populated and remote areas. The Highland LAG has a network of 11 smaller and more localised development groups called Local Area Partnerships (LAPs). The LAPs have a similar structure to that of a LAG and involve the full range of public, private and community partners alongside representatives from the target groups such as women and young people. Each LAP has developed its own community plan and they are now supporting the projects which take forward their plans.

The LAG’s role in this case is to co-ordinate the efforts of the LAP’s and to control things at a strategic level. Also, the fact that the Highland LAG deals with both the LEADER resources and the Convergence Objective contribution means that the LAG’s transaction costs are healthily low. Not only were there operational efficiencies at a strategic level, but such a system also provides local communities and businesses with “a single, more-user friendly access point for project funding.”<sup>43</sup>

## Focus on England: The Regional Development Agencies and the LEADER approach

### The RDAs take over

In England axes 1, 3 and 4 of the Rural Development Programme are currently under the control of the 8 Regional Development Agencies (RDAs) which have rural areas (i.e. all except London). The involvement of the RDAs in the Rural Development Programme was one of the outcomes of Lord Haskins review of rural delivery in 2003. Within the package of changes in “Modernising Rural Delivery” was the taking away of the socio-economic funding responsibilities of the former Rural Development Service (RDS) of Defra.<sup>44</sup>

Although the programme was rather top down there was no particular failure of the RDS in relation to their running of the former England Rural Development Programme

– from personal observation it was found that they even consulted quite well and encouraged participation from stakeholders on advisory committees. On the other hand there was little observable track record on the part of the RDAs in agriculture and forestry (axis 1) and although they had experience in the rural economic diversification work in axis 3, they typically had little involvement with quality of life issues and certainly had played no discernible part in the history of the LEADER initiative (axis 4) with its animation of the rural areas and the bottom up approach.

Nevertheless Defra rationalised about its decision in the following, ultimately unhelpful, way:

*“The Regional Development Agencies have taken on decision making and funding for the delivery of rural economic and social regeneration, working in close partnership with local authorities and others. As well as clarifying accountabilities, this removes the unhelpful distinction between urban and rural regeneration.” (Defra website, May 2010).*

In relation to LEADER in particular there is, arguably, a considerable mismatch between the interests and style of the RDAs (top down with high level decision-making) and the LAGs and the LEADER Approach (bottom up and with grassroots decision-making) – and there is still a useful distinction between urban and rural regeneration especially in terms of content, context and scale. The LAGs are about the strategic application (and cumulative effect) of relatively small amounts of financial resources to projects and initiatives with a view over time of making an integrated impact on a place through the assets of a rural area. The RDAs, on the other hand, speak in terms of transformational projects (which usually equate to “very big”) and in some places there is a mantra of “fewer better projects”. There was little enthusiasm evident from the RDAs for the LEADER approach in the overlap period between the two programmes. Although the RDAs had a nominated lead RDA on rural affairs (East of England), it seems to have proved difficult to get a consistent view between regions. There seems to be no overcoming the fact that each of the RDAs is a separate legal entity, with them needing to assess their own risks (including, apparently, seeking their own legal opinions on the eligibility of matters in the programme guidance) of and to back their own decisions.

Even though Defra pointed out that there were a number of matters about the operation of the Leader approach “where ministers wish to seek reasonable and sufficient concurrence of practice across the country”<sup>45</sup>, this can hardly be said to have been achieved in England. There is a surprising diversity of approach between the RDAs. Some, such as One North East, allowed LAGs to work across both axis 1 and axis 3 measures but the majority of RDAs required LAGs to concentrate on axis 3. Then again not every RDA allowed the use of all the measures in that axis. This picture of variation between regions in terms of which axes and measures can be used clearly militates against it being a national programme and fails to provide a level playing field for potential beneficiaries.



In terms of programme delivery on the ground, there are clear operational and cultural differences which mean that some RDAs allow small grants to be allocated locally whilst others do not; others allow the appointment of project officers attached to projects and others do not. Others seem to reserve the right to “second-guess” LAG decisions. Yet others invoke the RDA Act of 1998 claiming that it forbids the delegation away from the RDA of any decision-making ability concerning funding; whilst not acknowledging that one of the criteria to meet the “5% for LEADER” rule is that the Local Action Group shall make the financial decision about whether or not a project is supported.<sup>46</sup>

Noth Yorks Moors Coast and Hills LAG- Agricultural Apprentices © NFU



### A Variety of Approaches

Early evaluators of the Rural Development Programmes in the UK and Ireland observe that LEADER in England is highly varied and actually very slow due to the different layers of governance. They also point out that the amount of money involved is very small – and ask whether anyone will care about its impact at local level at national level? They conclude by saying what is patently true: that “the approach to axis 3&4 is experimental and highly varied at local level. This may stimulate innovation, but could be highly complex to understand and evaluate.”<sup>47</sup>

A small number of RDAs (for instance the North East, North West and South East regions) encourage LAGs to operate in both axis 1 and axis 3. In the South East, for instance, “farmers, foresters, growers, rural businesses and community organisations” are all listed as eligible organisations if they fall into a Leader area.

In general, however, LAGs are confined to the use of measures from axis 3. Axis 3 is divided into two sections;

1. Diversification into non-agricultural activities, measures 311,312 and 313
2. Quality of life in rural areas with the relevant measures being 321,322,323 and 331.

The majority of work done through the LEADER approach is covered by the quality of life measures within axis 3. Yorkshire Forward (the RDA for Yorkshire and the Humber) limits the opportunity of people in its area to using the

LEADER approach in relation to three main measures (321,322, and 323): basic services, village renewal and rural heritage - in spite of the fact that one of the main points about the LEADER approach is its potential to work across all the axes and the measures within them.

In relation to this, it is interesting to note that the six Yorkshire Forward LAGs do not allow any funding to go to private businesses and companies, social enterprises, individuals and sole traders and profit-making organisations (details taken from Northern Lincolnshire LEADER Programme brochure). This is in spite of the fact that Defra now clearly expects economic gain to derive from LEADER investments: witness the statement in the document describing the purposes of the evaluation framework being built by the Defra- commissioned consultancy “Ekosgen”, where it talks of providing a “systematic approach to understanding the impact of Leader, particularly its economic impact.”<sup>48</sup> One of the essential lessons from LEADER (which people seem reluctant to learn in England) is that it is or at least should be above all a community economic intervention, but one which also embraces at the level of the place the social and environmental challenges and opportunities.

Axis 3: Measures typically used by LAGs
311 - Diversification into non agricultural activities
312 - Support for new business creation and development
313 - Encouragement of tourism activities
321 - Basic services for the rural economy and population
322 - Village renewal and development
323 - Conservation and upgrading of the rural heritage
331- A training and information measure for economic actors operating in the fields covered by Axis 3

The North West of England RDA has developed a distinct approach. The model in the North West is that where there are LAGs they will make decisions across both axis 1 and axis 3 projects. Each sub-region of the North West has one or more LAGs covering either the full rural territory or nearly all of it. In Cumbria there are 2 LAGs- Fells and Dales and Solway, Border and Eden Valley which, uniquely in the UK, have a “one stop” approach to all axis 1 and axis 3 funding in the two parts of the sub-region. In the region as a whole where there is a gap in the coverage by LAGs, direct provision is made by the NWDA.<sup>49</sup> The NWDA in its report on the first year of RDPE delivery in the North West seems to be embracing something more like the LEADER approach, even though it is rather grudging in its support for local decision making. It reports that:

*“The Northwest is pioneering this LEADER-style approach for its economic and social RDPE fund distribution, and it is critical to the long-term success of the programme in the region. Although a localised approach has not traditionally*

*been considered the most expedient means of delivery, in the Northwest, new imperatives and fresh thinking are delivering new and sustainable projects that will ultimately prove its success."*

It is probably the case, however, that two previous and successful rounds of LEADER work in Cumbria in particular was not unhelpful in sub-regional partners' minds when they argued for full coverage of the rural areas of Cumbria through two LAGs delivering the whole of the socio-economic provision and operating both in axis 1 and axis 3. This also seems to have influenced something of the organisational shape adopted in the rest of the region.<sup>50</sup> What sorts of projects are being supported? To use the North West of England again, Pennine Lancashire LAG has supported various projects adding value to local wood; and it has also supported an equine facility, a farm shop and a countryside education centre; Lancashire West LAG has ventured into axis 1 competitiveness of farming by grant aiding heat sealing equipment for strawberry packaging and specialist equipment for planting salads and vegetables. North Lancashire has supported micro enterprise start up projects, along with a caravan park, a beauty salon and hygiene facilities at an education centre.

The Fells and Dales LAG has allocated about £1.3 million (as at Spring 2010) out of an approximate £6 million. It has, to give few examples, supported a processing plant for local sausage and burger making, a joinery start up and the development of a local milk distribution network. Projects that are delivering against the rural economy axis 3 measure include an on-farm cattery, a quality dessert manufacturer (to supply supermarkets and quality food chains), marketing activity to support local livery businesses and training to improve the built heritage of Cumbria.

Jointly with the other Cumbrian LAG, the Fells and Dales LAG has commissioned training needs analyses and training programmes are beginning to emerge for farmers communicating about farming and running farm visits, on climate change issues, water management and food security plus the management of specific habitats and local produce initiatives. Some encouraging cross-axis linkage with axis 2 is clearly being made here. This work across axes seems often to present difficulties, largely due to the fact that environmental workers often have tendencies to operate only in their silo.

Some of these Cumbrian projects clearly have considerable economic resonance. There are however many LAGs in all regions where there is a preponderance of support to economically softer projects. In Northumberland for instance there is project which focuses on basket making; and in Lincolnshire there is a Mablethorpe Beach Hut Festival as part of an initiative to improve the image of a declining seaside resort. The South Pennines LAG which is managed by Yorkshire Forward and subject, therefore, to a restricted range of measures) is working with quality of life type projects for example: by supporting a canal festival, an energy efficiency scheme in a community centre and a pilot

bus service. In the same region, the Yorkshire Dales LAG has recently supported the Swaledale Rescue Team with acquisition of GPS radio equipment; and the LAG centred on the North York Moors is supporting a village caretaker initiative.

"Softer" community-building projects are common throughout the UK, but are especially found in England where consciousness of the economic nature character of the programme remains under-appreciated.

However, taking some examples from 2 LAGs (Sussex Downs and Low Weald and Three Harbours and a Coastal Plain) in the South East of England posted on the UK NRN website in mid April, it is encouraging to see a variety of social, economic and community projects being supported. Projects range from the Arundel Heritage and Tourism project, a community transport initiative, a grant (though only of £50,000) to a village hall new build, a farm shop (again a £50,000 grant which is an amount which is much more significant), a farm based composting business; a farm based firewood processing business and support to the development of a grain co-op involving 37 farmers.

**But above all one hopes that the LAGs are acting not just as a source of grant aid – but are thinking strategically about the development of their areas as whole.**

Northumbria Basket Group



### **England: a suitable case for improvement**

Following the recent general election, after 2012 the Regional Development Agencies, will no longer exist. In the 2013-2020 period presumably, the Rural Development Programme for England will be run by sub-regional partners such as county and district councils alongside the private sector. It is hoped, however, the current opportunity presented by the Mid-Term Review and the change of government is taken to standardise what is on offer through the RDPE and how it is offered throughout the length and breadth of rural England. For instance, all the regions should offer the same, full set of measures to potential beneficiaries in all the axes. One would hope also that at least in the future (2014 -2020) there would both be better (actual)

coverage of the rural territory by LEADER areas as well as more (metaphorical) common ground.

In relation to LEADER it would be important to reduce the sheer complexity that 8 different “takes” on the approach brings about. English LAGs should have more of a common mandate (including support to economic projects) and have the ability to learn from each other. Given the size of rural England, some sort of embodiment of a National Rural Network for England involving all the programme beneficiaries as well as the LEADER LAGs might be quite cumbersome. But to offset this, use could be made of the Regional Rural Affairs Forums. These currently, arguably under-worked, bodies could take on a further responsibility of providing a deliberative space for citizens about the reform of the CAP and the widening debate about rural Europe 2020: for instance, the provision of eco systems services, climate change mitigation, bio diversity, food and energy security and the public benefits which accrue from landscape and access to the countryside. Alongside these issues, of course, there would be consideration of the concerns of Axis 3 in relation to rural diversification and improvement of the quality of life.

Each of the 8 regional forums would cover the work of about 8 to 10 LEADER LAGs and, say, 4 Rural Community Councils – which could have a galvanising role here. There would also be an unknown (to me) number of community planning partnerships and community action planning bodies which would be looking to use (amongst other sources) Rural Development Programme Axis 4 funding to take forward their plans.

With leadership by Defra, supported by the local authorities and other partners such as the Northern Rural Network and the Carnegie UK Trust, perhaps progress might be made on this within the current programming period, so that there is the maximum opportunity to have an effective, grassroots-based programme in the next round.

## SECTION 4: LEARNING FROM EACH OTHER - NETWORKING

*“Each Member State shall establish a national rural network, which groups the organisations and administrations involved in rural development.”*

Article 68 (1) of the Rural Development Regulation

A characteristic over the years of LEADER has been that it has emphasised the sharing of practice, the promotion of innovation and the importance of networking.

How do people learn to do rural development? This is a major question which the Carnegie Rural Programme seeks to answer. We believe that there is not only much value in learning by doing – but also by learning from the experience of others. This commitment to learning from elsewhere and from each other is a conclusion that many successful practitioners reach. Reflection is a key ingredient.

One experienced LAG manager from the south of Scotland reflected (in September 2008) that the value of LEADER collaboration and networking resided in the following elements:

- That it shortened the learning curve.
- That it allowed ideas to be bounced around.
- That it provided a common interpretation of the official guidance – and led to the establishment of consensus.<sup>51</sup>
- That it generated consistency and appropriate outputs and outcomes.
- That it integrated and enabled and built links.
- That it gave LAGs a greater voice and enabled lobbying to happen and to secure commitment.
- That it integrated with other funding streams – and secured resources.
- That it was an approach based on partnership – with LEADER being the thing that joined things up.<sup>52</sup>

Before the current Rural Development Programme, networking was largely confined to the LEADER LAGs and was designed to operate both at the level of the Member States as well as at the level of the national jurisdictions. It was clearly intended to provide, amongst other things, a stimulating source of ideas from other places using differences as a source of inspiration. It was about opening up a body of rural development knowledge and its practice that could be implemented (suitably modified, even transformed) in other places, becoming “something new to this place” - which is a reasonable working definition of innovation.

There was also provision for the mundane and the essential: namely the administrative needs of the programme. In the UK LEADER+ Network there was usually some provision to meet the requirements of LAGs and other bodies to deal with the specific requirements of the constituent national jurisdictions. This latter was done through what were known as “country desks” and which each had a programme officer attached.

Quarterly meetings were held in rotation round the four countries of the UK, dealing not only with topics concerning programme delivery but also with substantive issues in rural development. Typically there were site visits to projects close to the venues. There were also a number of specialist day seminars on issues such as “working with farmers” and governance. This networking in the UK generated between LAGs a considerable amount of day-to-day support and mutual guidance.

There was also a great deal of leadership and content coming from the LEADER Observatory in Brussels (especially in the time that the AEIDL consultancy held the contract) – with its group of consultants analysing good practice and providing an evidence-base of LEADER knowledge and know how. There was literature on such things as innovation, the organisation of local partnerships, rural tourism, adding



value to local products, support for small and medium enterprises plus the celebration of good practice of all sorts. Materials of this kind under-pinned the discussion and stimulated attempts to learn from transnational co-operation, even though this was one of the most difficult parts of the programme to implement, given that the real requirement is that two or more LAGs should work together to implement a joint project.<sup>53</sup>

In the 2007-2013 programming period, things are markedly different, due, of course, to the fact that LEADER is no longer a stand-alone programme but rather is an approach to rural development in general. It followed, therefore, that the Network is not just for the LEADER axis but also for people and organisations concerned with the wide range of issues from across the three substantive rural development axes. In the present programme in the UK each administration has developed its own RDP and each administration has decided to do its own networking round this delivery requirement. This is in spite of the fact that the Rural Development Regulation, however, requires only that there should be a National Rural Network at Member State level - but this chimes badly with the devolutionary turn in the United Kingdom.

The task of delivering the UK Network – and thereby fulfilling the EU requirement of having a Member State level network - was given to the Commission for Rural Communities in England (formerly the Countryside Commission). The rules state that the purpose of the networks is to assist “the identification and analysis of good transferable practices and the provision of information about them, network management, the organisation of exchanges of experience and know-how” plus the preparation of training programmes for new LAGs and technical assistance for co-operation between LAGs in different UK countries and for LAGs’ involvement in transnational cooperation. The explicit model is that each country has a regional rural network with the member state level network being the sum total of the four regional networks.

For some time it looked as if the UK National Rural Network (UKNRN) would be entirely a creature of the civil servants involved from the different jurisdictions. At the end of March 2010, however the Northern Ireland Rural Network (run by the Rural Development Council) hosted the first UK National Rural Network event which was attended by about 200 delegates, including some from the Republic of Ireland and the European Network for Rural Development plus a notably large contingent from Wales. As the Wales RDP e-Bulletin in June 2010 commented this was “proof, if it were needed, of the Welsh sense of enthusiasm when it comes to embracing rural issues.”<sup>54</sup> The event, which in the words of one of the organisers “provided much needed networking for those engaged in the delivery of rural development programmes”, was structured around workshops on key rural development themes – entrepreneurship, low carbon communities, woodland development, sustainable living, green tourism, engaging young people, local growing schemes, care farming and local services. Under the strap line “Connecting

Policy to Practice” there were plenary sessions on the Menter Môn experience in North Wales, a thematic group on agricultural and the wider rural community and another on the general issue of area-based rural development and its role in empowering people at local level.

Scotland National Rural Network Event



It is to be hoped that this face to face element and the policy emphasis will be further developed as an integral part of the UK NRN's work – across the jurisdictions and beyond, not least to encourage new perspectives and to build, practically, the potential of cooperation between rural areas.

Good practice is also being disseminated and discussed between countries and outside the UK Network's auspices. For example when the 2010 Scottish LEADER conference took place in June 2010, there were substantial presentations from 2 speakers from Wales and one from Northern Ireland.

In the Republic of Ireland the importance attached to networking and knowledge transfer is clear. The Irish NRN 's mandate is clear. It has:

*“ a key role in supporting stakeholders to address issues of common and pressing concern, promoting new relationships, creativity and sharing of information with and between rural communities in Ireland and other countries of the EU.*

*A significant focus of the work of the NRN is to co-ordinate the flow of information between local beneficiaries, intermediate bodies and the managing authority. There is also a strong emphasis on documenting and disseminating best practice across the four axes and in linking with NRNs in other member states and supporting initiatives at EU level.”*

There is also work to be done by the National Rural Networks in pursuit of transnational co-operation. The fundamental point to make about it is that it is not just a matter of “mere exchanges of information and experience” but rather that it is about working with other LAGs in other Member States to develop a joint action. This is not an easy task but the key to success is, first, to determine the topic or issue in rural development you wish to tackle and then to find a LAG or LAGs with which to work. A long lead-in time

is generally involved: something that was acknowledged in the LEADER II programme where LAGs were, through the LEADER Observatory, given additional financial support to go through a two phase process of partner identification and project development-before the substantive project could begin. There is much merit in English, Welsh and Scottish LAGs developing “east-west” links with the Republic of Ireland and, of course, Northern Ireland LAGs developing “north-south” links – not least because of a good deal of common experience and because of the shared English language.

## England

The Commission for Rural Communities also runs the RDP for England Network – with a small staff and on a low budget. Very little priority has been given by Defra to financing the work programme of the RDPE Network. Its action plan indicates a budget for the year 2009-2010 of £200,000 including staff costs.<sup>55</sup> Things inevitably moved slowly in the early phases of the England networking activity. But this was influenced by research with the potential stakeholders in an England context which found that to a large extent they felt there were plenty of networking opportunities already for the rural development interests. This finding (which as is the way with these things) did not emerge spontaneously, but rather was a result of the questions asked. It reflected also perhaps previous lack of widespread engagement with European funding programmes in English rural politics.

There is frequent reference in RDPE documentation to the fact that many relevant structures already exist and that the Network therefore committed, perfectly understandably to working, “with and through these existing organisations and structures, in order to avoid duplication and support and add value to existing arrangements.” This sentiment still appears in the Action Plan for 2010-2011. It became difficult to conceive that a representative sample of the full range of English rural stakeholders would be brought together in one place.<sup>56</sup> There were, perhaps, similar inhibitions about taking initiatives to help the emergent LAGs as they went live with their programmes –with reminders that there was more to the RDPE than the LEADER approach. Eventually however some England level events began to occur in 2009 and 2010 with a pragmatic focus on and priority to the LEADER approach given the fact that there were about 40 new LAGs and the important fact that, quite often, members of the LAGs are, in effect, the “foot soldiers of local rural development.”

These networking events have clearly proved the relevance of purposeful face to face meetings. In the work plan for the RDPE Network unit, priorities are stated as follows in the RDPE Network Action Plan for 2010-2011... ‘networking activities to exchange experience and practice, focused on cross-axes project delivery and integration in RDPE...’ and ... ‘specific activities focused on the Leader approach, to support LAGs in their delivery and demonstrate integration

between the Leader aspect of RDPE and the broader programme...’

## Wales

Wales has a population living in rural areas of just less than one million people – and is not just compact but also is structurally coherent. It seems relatively easy to bring together in one (admittedly large) room a representative number of people from the wider rural interest groups and the LEADER LAGs. Wales was quick off the mark: the Wales Rural Network held its first meeting in January 2009. The network also organised two study visits in 2009 – the first being in April on Anglesey and the second in September in Pembrokeshire – both areas of strong LEADER experience. On both occasions there were about 40 representatives from the 18 counties and the LAGs who were given some start-up grounding in the issues and possibilities. This took place within the context of an opportunity for the LAGs to discuss their projects, transfer knowledge and hear others’ experiences. The report of the Anglesey visit indicates that participants heard from project staff “discussing and sharing the good and not-so-good experiences of project development.” On the visit to PLANED, Pembrokeshire there was a strong itinerary focussed on the development and regeneration of local communities. One of the visits was to Ambleston village where local people have created a community action plan and forum which has developed several projects since it was established – this action planning approach being central to PLANED’s operating philosophy.

Wales National Rural Network Study Visit



There is an annual network meeting and additionally, a number of thematic groups have been developed.–with thirteen thematic group meetings being held across Wales in 2009. The Welsh Rural Network in its January 2010 bulletin points to the activities of its three thematic groups on energy, tourism and agri-food. The Energy thematic group visited projects involving hydro electricity, solar technology and community ownership of wind farms. The Tourism thematic group meetings included visits to an old coal quarry site transformed into a Community Park; a ‘slow tourism’ event; a tour of projects in Ceredigion including



a miners' trail, touch-screen genealogy point and an on-farm accommodation diversification project. The Agri-Food thematic group will be looking at issues around supply chain projects and local produce direct sales outlets.

In addition, the WRN has arranged and hosted several events, Mentoring Study Tours, forums and conferences “up and down the country to share and exchange knowledge, information and experiences.” One expects, however, in spite of the fact that this is a country where “everybody knows everybody else”, that the Wales Network will avoid taking on a parochial character by working especially hard on co-operation and transnational activity to offset this.

## Northern Ireland

Although the Rural Development Programme in Northern Ireland (“Growing Opportunities Together”) had a slow and bureaucratic start,<sup>57</sup> it got going in earnest in 2010 when the Rural Development Council started to run the Rural Network. The RDC started a “Sharing Practice” programme. Its remit was to co-ordinate practice visits locally and nationally with each visit seeking to increase awareness of the variety of projects and solutions that exist to tackle issues encountered in rural areas, “with the aim of extending this knowledge at local level”. In the first instance the visits looked at work that (necessarily) had been carried out in previous programmes and which covered the three thematic areas of the emerging new programme. Another approach “Show and Tell” was also developed where events take place in one location and offer participants the opportunity to see a project in action whilst also benefitting from a range of other speakers and guests. One such event was on the social economy and took place at the Millennium Centre at Loughgiel; another involved members of the programme’s Village Renewal and Development Group visiting Toomebridge in County Antrim.<sup>58</sup>

## Scotland

The Cabinet Secretary for Rural Affairs, Richard Lochhead launched the Scottish Rural Network in September 2009 at Perth. Addressing an audience which embraced the wide range of rural interests, he pointed to the fact that the LAGs had already approved projects to the value of £12m and he indicated that the intention was to shift resources from the Community Services and Facilities option in the Rural Priorities scheme to the LEADER groups. He also made a commitment to very energetic networking at Scotland level with the announcement that the Perth Gathering would be followed by 20 regional events throughout 2010. The Scottish commitment to networking within Scotland is clearly impressive, but it seems to go on detached from the other component parts of the UK network. There is a large amount of mature good practice that should be shared with the rest of the UK and Europe more generally.

Independence need not mean relative isolation. The OECD Policy Review: Scotland, UK –Assessment and Recommendations (2008) concurs with this view and states that Scotland’s rural policy would benefit “by more circulation

of local good practices.” It suggests that the quantity and quality of innovation in rural Scotland is “remarkable and should be better exploited.” Complimenting LEADER groups in previous programmes on their commitment to networking and knowledge transfer, it is suggested that this sort of activity should be more widespread. It goes on to say that “Scotland’s rural policy would also benefit from closer, more explicit linkages with counterparts in the UK and abroad.” It concludes by saying that Scotland could make a useful contribution to the discussion and transfer of local policy innovations at global level. (p.14)

Scotland National Rural Network, meeting at Berneray, Outer Hebrides



## Focus on Finland: How To Mainstream LEADER

With the arrival of the 2007-2013 Rural Development Programmes it was claimed and intended that the LEADER approach was being “mainstreamed”. To some, especially in England, this seems to mean that LEADER is largely forgotten about with people being (wearisomely) reminded that it is no longer a programme. Others, however, interpret mainstreaming more in line with the original intention of making use of the LEADER principles more actively through rural development in general. One of the best places to see this at work is in Finland.

When Finland was developing its 2nd rural policy programme as a new member of the EU in 1995, it seems that LEADER caught the imagination of people at the local level. Although 57 Local Development plans were submitted for selection, there were only resources to fund 22 LAGs – but national funds enabled a further 26 to be implemented. This amounted to about two thirds of the rural area being covered by LEADER type provision. The success of this programme led to there being 58 LAGs in the 2002 -2006 period—with only 6 rural municipalities being excluded. For the 2007-2013 programming period the intention was to cover all rural areas and although this was achieved there was a cut in funding which dented some of the aspirations for the LEADER approach. But generally it can be said that LEADER LAGs are a key part of the overall structure: this is very suggestive of a way forward.



In Finland LEADER LAGs cover the whole rural territory and they are accorded “a strong and recognised position as rural development actors in the whole of Finland.”<sup>59</sup> They fit within a comprehensive and innovative structure where at national level there is a Rural Policy Committee made up of representatives from nine Ministries (agriculture and forestry; environment and community planning; education and culture; transport and communications; social and health policy; regional policy; labour policy; tax policy and budget; industrial and energy policy) plus representatives of the private sector and some of the relevant NGOs. This body produces a plan every four years – drawn from the work of 13 theme groups and 3 working groups. Delivery is done through the use of EU instruments, regional programmes, specific programmes - plus the large number of village associations (about 2,650) and the 55 LAGs covering the whole rural territory.

Finland’s operating principles for LAGs are that a) membership is divided one third municipal representatives, one third local associations and enterprises and one third rural inhabitants; b) that the municipalities must cover 20% of the total public financing; c) that all rural areas are covered by the LEADER method; and d) that the LEADER approach is used in all axes of the RDP.<sup>60</sup>

The perceived “Drivers of success of LEADER in Finland” have also been articulated. There are 12 points:

1. Civic activity has been strengthened as a working method (partnership.)
2. Taking responsibility of development will grow when citizens are trusted (free, un-compelled action.)
3. The size of Leader action group’s area (sub-region) is suitable.
4. Leader connects citizens, associations and municipalities to work together (joint responsibility.)
5. Leader has been mainstreamed as geographic.
6. Action is diversified and the funding responds to needs.
7. Leader is cost-effective development work.
8. Development of Leader-method is going on non-stop (just new development project is started.)
9. Workers in LAG’s are skilfull and good at their work and that ensures profitability of action.
10. Good results of projects cause positive consequences.
11. Internationality increases and that has positive influence.
12. People has started to trust on the permanence of Leader.

OECD summed up the findings of their study of rural policy in Finland with the view that the special strength is the long-term cross-sectoral working method that Finland has been implementing. According to the OECD, the current position of rural policy in Finland is largely due to the work done by the Committee, which brings together the public, private

and third sector stakeholders involved in rural affairs and maintains active discussion on these. OECD goes on to conclude that even if the Finnish rural policy has been highly successful, the need for it has by no means diminished as the challenges faced by rural areas continue to increase”.<sup>61</sup>

## SECTION 5: THE REFORM OF THE COMMON AGRICULTURAL POLICY

The Common Agricultural Policy has, for some years now, been in a process of reform. It has been subject to reform because of the need to comply with the decisions of the World Trade Organisation and to end intervention in the market. Past production support for farmers has been transformed (by a process called decoupling) into an evolving system of Single Farm Payments (subject to land being maintained in Good Agricultural and Environmental Condition) which constitutes Pillar 1 of the CAP. Pillar 2 of the CAP is support for Rural Development, delivered (to re-cap) through three substantive axes of improving farm competitiveness, improving land management and the environment; and rural economic diversification/quality of life. These axes are funded from what was historically money which paid for production support and so is often perceived by farmers as “farmers’ money” which has been “modulated” to rural development. In the UK the majority of the funds are devoted to the land management axis whereby farmers receive payment for the delivery of beneficial environmental practices which are deemed to be “public goods” – things provided by land management for which the market does not pay.

As the 2007-2013 programming period draws to a close, there is a huge amount of speculation and lobbying about what will be the nature of the CAP from 2014 onwards – and the technical experts are heavily involved in scheme design with beneficiary organisations scrutinising every proposal to ensure that their vested interests are being met. (There is also what for most people will be an arcane debate about whether territorial measures – i.e. rural development - should stay as part of the CAP and be the responsibility of DG Agri or whether it should be transferred to regional policy and become the responsibility of DG Regio).<sup>62</sup>

Dacian Ciolos, member of the European Commission responsible for agriculture and rural development, has regretted the fact that the CAP has little by little become “a matter for experts” – and is of the opinion that “Before we draft reforms, we must re-establish the connection with society” (speech of April 2010). He calls for the involvement of citizens and civil society and a public debate on the role of agriculture in European society – but is also aware of the disengagement that exists between Europe’s people and policy issues. He wants the reactions and thoughts of farmers and professional bodies and all stakeholders ... and the reactions of all those working in the food security sector, on sustainable

development and so on. He thinks that the debate should revolve round the following four strategic questions:

1. Why do we need a European Common Agricultural Policy?
2. What are society's objectives for agriculture in all its diversity?
3. Why should we reform the current CAP and how can we make it meet society's expectations?
4. What tools do we need for tomorrow's CAP?

There is a host of other questions following these. They include issues such as food security; what sort of environmental legacy should we need in relation to air, soil and water quality; how to mitigate against climate change; how to deal with price volatility; how to achieve food chain fairness; how to improve the competitiveness of agriculture; and how to increase public understanding of the aid used in the CAP. In general the call is how to support Europe's 2020 strategy for smart, sustainable and inclusive growth.

He states that:

*"All of society benefits from this common European policy through food, land-use management, and environmental protection. So obviously citizens should have the right and the time to express their views."*<sup>63</sup>

This aspiration of a great public debate and a better informed citizenry is, of course, admirable – and it is an aspiration that has motivated the production of this paper. It is, however, extremely unlikely that many people will engage with the discussion- not least because Ciolos has asked for people's views in an unrealistically short timescale.<sup>64</sup> The issues are fiendishly complex, the language is unfamiliar and the "policy instruments" are difficult to understand – and nobody is doing much to provide a platform for discussion, other than through a website. For us at the Carnegie UK Trust this is a continuing exploration and a stimulus for debate. The future of the Rural Development and its delivery on the ground is a continuing challenge.

Currently the only large number of citizens (i.e. excluding environmentalists and rural development professionals) engaging with policy are farmers through their unions and the farming trade press. It must be noted that they are largely engaged in order to defend their share of the CAP resource and they are also trying to read the runes to see if there is any adjustment they might need to make in their operations to ensure that they optimise their drawdown of funds in the future.

If the future of the CAP should be everybody's business –given that the issues concerned are so important – then ways should be developed of consulting people and creating structures which support their involvement in rural development. The reform of the CAP in England, for instance, is dealt with by a very small team in Defra – which is often at odds with their opposite numbers in the devolved administrations. Defra relentlessly promulgates (as a point

of departure) the message of the Defra/ Treasury Vision for the CAP of 2005, where it is all about the end of Pillar 1 support, the importance of environmental measures and free markets – except in the case of market failure. Although rural development is a devolved matter, the Defra civil servants also speak for the UK -and it is clear that there are tensions on this subject between England and the devolved administrations. In Ireland also there are disagreements between the wider rural world and the farming interests.

But who will speak for rural communities in the UK and Ireland? Or rather who will provide them with a platform from which to speak for themselves? How will rural people get consulted and involved? As things stand, there seems to be little regard given to the potential of the LEADER mechanism in spite of the rhetoric of community empowerment that is common to the thinking of all the administrations and the major political parties. It is hoped that LAGs and other manifestations of the grassroots are properly engaged, taking consultation beyond the preserve of the usual sectoral interests. Carnegie intends to play its part – not least by offering to act as an honest broker in the debate about the future of funding for rural development in the 2014-2021 period.

Carnegie UK Trust Rural Convention 2009- Local Action for Rural Development



Above all perhaps, one hopes to see genuine commitment to rural areas: from the State and Local Authorities providing the operating framework and some of the resources; through the leadership and social entrepreneurship of project workers; to the engagement of local people and their organisations from the bottom up about the well-being of their communities. The LEADER approach to rural development is a powerful tool for community empowerment. If properly mainstreamed and managed it has the potential, both in all the UK countries as well as in Ireland, to make a real contribution to the social and economic sustainability of rural areas.

## Notes

- <sup>1</sup> Scoping study on asset-based tools and approaches for sustainable rural areas: report to the Carnegie UK Trust (Forum for the Future June 2006), author Carol Somper.
- <sup>2</sup> OECD, *The New Rural Paradigm*, 2006, p.91
- <sup>3</sup> "Brief history of the LEADER initiative", paper given at seminar on "The legacy of LEADER+ at local level", Corsica, 2007.
- <sup>4</sup> This is very much the case in England where LEADER LAGs tended to have a community development focus rather than an economic one-and there was no particular lead from Defra to correct this.
- <sup>5</sup> Kevin Maton, "England Focus" in UK LEADER+ Newsletter, winter 2006/2007.
- <sup>6</sup> <http://www.qub.ac.uk/ep/research/span/resources/ex11.pdf>: Study of LEADER + in Northern Ireland by Brendan Murtagh, Queen's University, Belfast
- <sup>7</sup> C.Patterson, "Reflections on LEADER+ in Northern Ireland" in UK LEADER+ Newsletter, winter 2006/2007.
- <sup>8</sup> University of Gloucester and Rural Development Company, summarised in North Pennine Dales Local Development Strategy 2008 on One North East website (May 2010.)
- <sup>9</sup> Scottish Rural Development Programme, 2007-2013, section 3.3, "Leader Plus for Scotland(current programme 2000-2006)", see: [www.scotland.gov.uk/Publications/2007/07/20145359/23](http://www.scotland.gov.uk/Publications/2007/07/20145359/23)
- <sup>10</sup> Carnegie UK Trust, *A Manifesto for Rural Communities*, 2009, p.27..
- <sup>11</sup> An Evidence Base for Mainstreaming LEADER in England, The Rural Development Company et al, June 2005 cited in *The Rural Development Programme for England, 2007-2013, Section 3.1.5 Leader*.
- <sup>12</sup> European Commission: *The LEADER approach: a basic guide 2006*
- <sup>13</sup> The Leader approach shall comprise at least the following elements: area-based local development strategies intended for well-identified sub regional rural territories; local public-private partnerships (hereinafter local action groups); bottom-up approach with a decision-making power for local action groups concerning the elaboration and implementation of local development strategies; multi-sectoral design and implementation of the strategy based on the interaction between actors and projects of different sectors of the local economy; implementation of innovative approaches; implementation of cooperation projects and networking of local partnerships. (Council regulation (EC) No 1698/2005 on support for rural development)
- <sup>14</sup> In the South West of England the word LEADER is not used at all, Local Action being preferred. The South West Rural Development Gateway talks of 5% of the money devoted to the RDPE being spent "on enabling community involvement in rural development."
- <sup>15</sup> Both terms are used in official documents.
- <sup>16</sup> England's share of Pillar 2 support was determined using a historic low point (as was the case for the rest of the UK). It does, however, raise the highest amount of additional voluntary modulation –i.e. money transferred to rural development from the single farm payment.
- <sup>19</sup> See for example Peter Russell's presentation at the Scottish LEADER Conference, Aberdeen, June 2010: <http://www.ruralgateway.org.uk/node/2369>
- <sup>20</sup> The Royal Society of Edinburgh in its Enquiry into the Hills and Islands (2008) states that Pillar 2 support for Scotland from EU funds is "unacceptably low."
- <sup>21</sup> Scottish Government website, page on funding
- <sup>22</sup> Peter Cook, Scottish Rural Development Programme , First Stage Review (2009.) .
- <sup>23</sup> <http://www.ruralgateway.org.uk/node/2369>
- <sup>24</sup> Funding was also available EU-wide for water management, restructuring of the dairy sector, bio-diversity and measures to adapt to or mitigate against climate change
- <sup>23</sup> See Carnegie Commission for Rural Community Development: *A Charter for Rural Communities* (2007.)
- <sup>24</sup> There were 12 LAG areas in Northern Ireland in LEADER +.
- <sup>25</sup> See NI RDP website "Growing Opportunities Together" <http://www.dardni.gov.uk/index/rural-development/rdp-campaign.htm>
- <sup>26</sup> John Grieve, "LEADER Past, Present and Future", paper given at Scottish networking event, Battleby, September 2008. Grieve calculated that the UK as a whole will do just over 6% of the total programme through LAGs.
- <sup>27</sup> John Toland, "LEADER in Ireland" in [www.nrm.ie/leader-approach/2009/07/leader-in-ireland](http://www.nrm.ie/leader-approach/2009/07/leader-in-ireland).
- <sup>28</sup> An initiative designed to bring the levels of economic activity nearer to the EU average.
- <sup>29</sup> Dwyer and Mayne, "Assessing the second round of CAP pillar 2 programmes", paper given at seminar on RuDi/Rural Development Impacts, March 2009.
- <sup>30</sup> Meat Trade Daily News, 07 July 2010.
- <sup>31</sup> See: [www.irdduhallow.com/agriculture](http://www.irdduhallow.com/agriculture)
- <sup>32</sup> SEEDA £29m (14 LAGs), EEDA £20m, EMDA £12m, ONE £7.5m, NWDA £25m, SWRDA £33m, Yorkshire Forward ?, Advantage West Midlands ?: links from the Defra website to the relevant pages on the RDA websites are currently not operational and Defra's information is slight. [written before the General Election of May 2010 –since when the website- at least in part - has been archived.]
- <sup>33</sup> European Commission, Fact Sheet: the LEADER Approach, a basic guide (2006), section on "The LEADER approach to Rural Development: what is it?"
- <sup>34</sup> Guide for the Application of the LEADER Axis of the Rural Development Programmes 2007-2013 funded by the EAFRD, 2007



- <sup>36</sup> J Dwyer and D Mayne, "Assessing the second round of CAP pillar 2 programmes", paper given at seminar on RuDi/Rural Development Impacts, March 2009.
- <sup>36</sup> RuDI, "Assessing the Impacts of Rural Development Policies (incl.LEADER)," Extended Policy Brief, June 2010.
- <sup>37</sup> More recently, due to the economic downturn, the maximum EU funding rate was raised to up to 90% for the most fragile areas. There is little evidence that this rate is being applied: e.g. Argyll and the Islands LAG have considered but have rejected the idea of using the 90% rate.
- <sup>38</sup> See: [www.ruralgateway.org.uk/gd/node/1047](http://www.ruralgateway.org.uk/gd/node/1047)
- <sup>39</sup> The Trust has been a recipient of funds to compensate the local population for the operation of the Sullom Voe oil terminal from the 1970s.
- <sup>40</sup> Scottish Cabinet Secretary, Richard Lochhead showed his awareness of this problem at the Scottish National Rural Network event at Perth, September 2009.
- <sup>41</sup> G Merriman, Axis 4 LEADER, paper given at Scottish LEADER conference, Aberdeen June 2010.
- <sup>42</sup> Gerallt Llewellyn Jones, "A Practitioner Perspective of Delivery", paper given at Scottish LEADER Conference, Aberdeen, June 2010: see <http://www.ruralgateway.org.uk/sites/default/files/LEADER%20-%20Conference%20-%20June%202010%20-%20Presentation%20-%20Gerallt%20Jones.ppt>
- <sup>43</sup> 'Devolved Development Solutions for Dispersed UK Rural Communities.' in European Network for Rural Development, EU Rural Review, 2009
- <sup>44</sup> The socio-economic part of the programme was marketed through the Rural Enterprise Scheme, the Vocational Training Scheme and the Processing and Marketing Grant Scheme.
- <sup>45</sup> Notes on the implementation of the LEADER approach, Defra July 2007, p.6
- <sup>46</sup> The Conservative Party in its manifesto for the 2010 General Election proposed if elected to empower councils and businesses to form their own business-led local enterprise partnerships instead of RDAs. But they added: "Where local councils and businesses want to maintain regionally-based enterprise partnerships, they will be able to."
- <sup>47</sup> J Dwyer and D Mayne, "Assessing the second round of CAP pillar 2 programmes", paper given at seminar on RuDi/Rural Development Impacts, March 2009. Their point about the difficulty of evaluating the RDPE is well-made. The information on the Defra and the RDAs' websites on the RDPE and the LEADER approach is either seriously incomplete or absent (or is hidden).
- <sup>48</sup> Defra project overview –Building an evaluation framework for Leader in England, 2010.
- <sup>49</sup> The NWDA delivers equity for excluded areas through a process they called "direct delivery" – of small grants for farms and other rural businesses – in Cheshire and Greater Manchester. In addition all areas of the North West can make use of a "livestock" programme worth £18m and funded from modulation from the Single Farm Payment.
- <sup>50</sup> See RDPE Northwest England Programme, Delivery Report, March 2010.
- <sup>51</sup> A point which is hugely difficult to achieve in England in the current programme due to the diversity of interpretation from the different RDAs.
- <sup>52</sup> Chris Parkin, (South Lanarkshire LAG), "Co-operation and Networking in Scotland", Battleby, Sept. 2008: <http://www.scotland.gov.uk/Resource/Doc/1110/0067422.ppt>
- <sup>53</sup> It is good to see that the European Network for Rural Development is beginning to produce useful material: <http://enrd.ec.europa.eu>
- <sup>54</sup> Rural Development Council News (NI), 15 March 2010.
- <sup>55</sup> It is said, for instance, that the Scottish budget for its website alone is about the same as the budget for the whole programme of activity through the RDPE Network.
- <sup>56</sup> Though Newcastle University Centre for Rural Economy's Northern Rural Network showed what was possible at a multi-regional level in the North of England.
- <sup>57</sup> DARD NI's Axis 3 Operating Rules run to 485 pages, 14 Chapters and 23 appendices – and was probably neither better nor worse than anywhere else.
- <sup>58</sup> Rural Report: news from the Rural Network for Northern Ireland, Issue One Spring/ Summer 2010.
- <sup>59</sup> Eero Uusitalo, "Local and Regional levels as actors in Finnish rural policy" (2007)
- <sup>60</sup> M Selkainaho and K Murtomaki, "LEADER in Finland: administration and implementation of axis 4", 2009: [http://www.netzwerk-land.at/leader/veranstaltungen/downloads-veranstaltung/fin\\_aut\\_coop\\_ws/8\\_selkainaho\\_murtomaeki\\_leader\\_in\\_finland.pdf](http://www.netzwerk-land.at/leader/veranstaltungen/downloads-veranstaltung/fin_aut_coop_ws/8_selkainaho_murtomaeki_leader_in_finland.pdf). Some spelling changes have been made but not all grammar has been corrected.
- <sup>61</sup> OECD: "Finland is a pioneer in cross-sectoral rural policy", (News Release, April 2008.)
- <sup>62</sup> Mariann Fischer Boel, the previous DG for agriculture, was very opposed to this move to cohesion (i.e. regional) policy; because she felt that the resources would get eaten up by urban programmes.
- <sup>63</sup> There are also 3 rural development questions: what should be the objectives of future RD policy?/ How can the Rural Development policy instruments be made more effective?/ How can the management of Rural Development policy be improved?
- <sup>64</sup> By the end of May! Work like this done properly takes time and needs expert inputs and an educative approach -as was the case with the Carnegie Trust co-funded European Citizens' Panel on "What roles for rural areas in tomorrow's Europe" 2008.

The **Carnegie UK Trust** was established in 1913 to address the changing needs of the people in the UK and Ireland, in particular those of the less powerful in society. Our 21st century role focuses on strengthening democracy and civil society and enhancing the well-being of rural communities. The Trust also continues to support approaches to effective philanthropy in the UK and Ireland.

**Published by the Carnegie UK Trust**

**Author: Geoff Brown**

Andrew Carnegie House  
Pittencrieff Street  
Dunfermline  
Fife, KY12 8AW

[www.carnegieuktrust.org.uk](http://www.carnegieuktrust.org.uk)

August 2010

ISBN: 978-0-900-259-73-9

If you would like further information about our work please contact us on [01383 721445](tel:01383721445) or [info@carnegieuk.org](mailto:info@carnegieuk.org)

Scottish charity SC 012799 operating in the UK and Ireland

Disclaimer: The Carnegie UK Trust normally does not take institutional positions on public policy issues; the views presented here do not necessarily reflect the views of the Trust, its officers, staff, or trustees.