

PWG Practical Experience Examples (Innovation in the delivery chain)

The examples presented in this document illustrate some of the practical experience in the EU relating to innovation in the LEADER delivery chain.

Table of Contents

Quality Management Process (Finland).....	2
Use of socio-economic data to support funding of Local Development Strategies in Scotland (UK-Scotland)	3
Guidance on Social Enterprises funded under the Lithuanian RDP (Lithuania).....	4
From "us versus them" to "we" (Denmark).....	6
Innovation in cooperation between LAG – MA – PA (the Netherlands)	7
Peer to Peer support with the MA (UK-Scotland)	10

The examples are described in the following structure:

- Brief `title` of innovation issue/initiative/example
- Relevant topic of Innovation PWG
- LAG name/country
- Contact person
- Short summary of the issue/initiative/example and possible relevance to other LAGs/transferable experiences or elements

Brief 'title' of innovation issue/initiative/example (if relevant)	Quality Management Process (Finland)	
Relevant topic on Innovation Practitioner-Led Working Group (topic 1)	<i>Innovating in the MA</i>	
MA/PA name / Country	Ministry of Agriculture and Fisheries / Finland	
Contact person	Laura Jänis	
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Short summary of the initiative related to LEADER innovation	<p>The need for a quality process in Finland was originally initiated by one individual LAG which found itself in a crisis situation. It was experiencing big challenges, for example many of its experienced staff left, taking with them a lot of knowledge of day to day running of the LAG. As none of the procedures of the LAG had ever been written down, nobody knew how the LAG really worked and what they needed to do in practice. The LAG decided to produce a Quality Manual detailing 'how LEADER is done in practice' specific to their own individual LAG. The manual detailed the full spectrum of LAG operations, for example the roles of board members, animation, project selection, networking, communication and project monitoring. The value of this approach was seen to be applicable more widely and so the process was undertaken by all Finish LAGs, who produced their own individual and specific manuals. The process was facilitated by the NRN and supported by consultants, who were paid for through the NRN's technical assistance budget. The quality manuals are now used for example as a tool for orientation for new board and staff members. The next step is that the LAGs have started the process of peer to peer auditing. With the support of the NRN, who organised training about auditing, all the 54 LAGs having chosen an audit partner. The MA/ PA together with LAGs have jointly formulated a manual for the auditing process. The aim is to learn from each other and the plan is to audit one process or part of a process, described in the quality manual, each year. The first round of audit visits should be done by April 2018 after which experiences and good practices will be gathered together.</p> <p>After seeing this work in action, the MA decided it would like to extend the quality process to all levels of the LEADER delivery chain. The MA and PA now see that it is their turn to do their part in the upper levels of the delivery chain. The idea started during discussions in the regular meetings of the small group who are responsible for LEADER implementation within the MA.</p> <p>The MA has started to draft its own manual of LEADER-processes in a very concrete way including topics like legislation, implementation, monitoring, evaluating, auditing etc. The manual will describe who is responsible for each one and what the roles and tasks include. These processes and the sub-processes can be classified as empowering and enabling, controlling and developing the LEADER method.</p> <p>The MA is planning to study its own processes and take for example some cases like project development and animation: how is it regulated, financed, implemented and so on. In all the processes it is important to think about how the work of the MA or PA enables or disables the LAGs to work according to the LEADER principles.</p> <p>The intention is to base the MA / PA quality manual on a similar template to the LAG quality manuals. This will include a mission statement, a service promise and how they can implement the LEADER principles in practice in the work of the MA/PA. Topics such as 'what are the practical methods to improve their work', 'how to deal with risk' and 'what the results should be and how to measure improvements' will all be considered as part of the process.</p>	

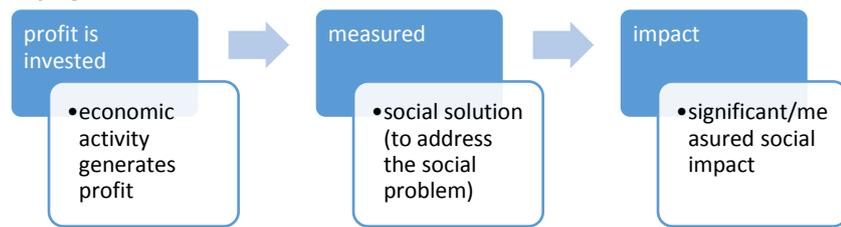
	<p>To sum up</p> <p>The quality management process of the Finnish LEADER started in 2013 as a bottom up and voluntary process. The LAGs drew up quality manuals and are now moving forward to peer to peer auditing. The NRN has supported the process consistently. The process at LAG level has inspired the MA and PA to draw up their own LEADER quality manuals.</p> <p>‘I hope this story inspires you to think about how to improve the quality of LEADER in the part of the delivery chain where you work. We could also think about what we can do together at European level to improve the quality of LEADER.’ <i>Laura Jänis, MA Finland</i></p>
More information	<p>Keywords: Quality Management Process; quality manual; peer auditing; LEADER processes in MA and PA; NRN supporting, facilitating, coordinating; bottom-up & voluntary Finnish LAGs started to develop a common quality management system in 2013. Improving the quality of Leader delivery is an ongoing process.</p> <p><i>An English version of one of the LAG Quality Manuals can be made available, depending on translation arrangements.</i></p>

Brief ‘title’ of innovation issue/initiative/example (if relevant)	Use of socio-economic data to support funding of Local Development Strategies in Scotland (UK-Scotland)	
Relevant topic on Innovation Practitioner-Led Working Group (topic 1)		<i>Innovating in the MA</i>
MA/PA name / Country	Scottish Government – UK_Sco	
Contact person	Alistair Prior	
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Short summary of the initiative related to LEADER innovation	<p>During the bidding process for funding for LEADER LAGs in the 2007-2013 RDP in Scotland budget allocations were based on the weighting of population and area (66%/33% respectively), ‘quality’ of LDS and in the Highlands & Islands region convergence funding according to population/GVA.</p> <p>The impact of this method was a huge disparity between LAG areas, for example the highest allocation was £14 million (including convergence funding) and the lowest allocation was £230k. This led to a very limited capacity for some LAG to administer LEADER or animate the territory.</p> <p>For the 2014- 2020 the MA decided to develop Socio-Economic Profiles (SEP) of the LAG areas to provide a solid evidence base to inform the allocation of EAFRD funding to LEADER LAGs and EMFF to FLAGs.</p> <p>The aim was to ensure that the allocation of funding better reflected the needs of individual LAG areas (in social, economic and geographic terms) whilst at the same time guaranteeing that there was sufficient resource to animate the strategy and administer the programme properly. The MA had a qualitative perspective (‘feeling’) from the local knowledge as presented in the LAG strategies of where the needs were greatest, however this method provided them with a concrete evidence base which was transparent, robust and repeatable.</p> <p>Scotland is divided, for statistical purposes into small-area geographies known as data zones. Each of the 6,505 data zones consists of between 500-1000 household residents, where possible with similar social characteristics. These data zones formed the building blocks for LAGs to define their areas and develop their strategies. Much of the data gathered at this level is based on the National Census and so is collected on a consistent, ongoing and comparable basis. This data is repeatable and will allow the same exercise to be carried out in the future. It also enables comparative analysis to be</p>	

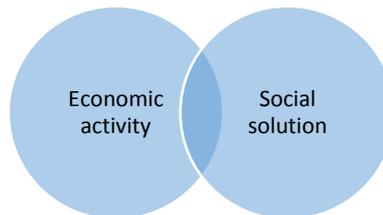
	<p>conducted over a period of time. The method also allows predominantly urban data zones to be excluded.</p> <p>Socio Economic Profiles of each LAG area were built up, by external experts at the James Hutton Institute, using data based on a basket of 20 indicators. These indicators related to the four strategic objectives of the Scottish Government (MA) and may be broadly categorised as Wealthier/Fairer, Heathier, Safer/Stronger and Smarter. (See the annex for the full list of indicators)</p> <p>The landscape in Scotland is complex, with a different mix of local assets and different SEPs often within the one LAGs area. In order to come up with a formula for allocation of funds a mixture of the weighted average SEP scores and the LAGs' geography was used by the MA with the final balance being 60% SEP scores and 40% geography. The results whilst not perfect have allowed better targeting of funding to areas of highest need.</p>
More information	<p>Full information on the methodology of SEP designed by James Hutton Institute and be found at</p> <p>Full information on the methodology of SEP designed by James Hutton Institute and be found here http://www.hutton.ac.uk/research/groups/social-economic-and-geographical-sciences/mapping-rural-socio-economic-performance - Executive summary here http://www.hutton.ac.uk/sites/default/files/files/SEP%20INDEX%20-%20Executive%20Summary.pdf</p>

Brief 'title' of innovation issue/initiative/example (if relevant)	Guidance on Social Enterprises funded under the Lithuanian RDP (Lithuania)	
Relevant topic on Innovation Practitioner-Led Working Group (topic 1)		<i>Innovating by the Managing Authority</i>
MA/PA name / Country	Ministry of Agriculture of the Republic of Lithuania	
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Short summary of the initiative related to LEADER innovation	<p>The Department for Agriculture identified that there was a need for guidelines to be developed to regulate Social Enterprises, as these types of businesses are relatively new in Lithuania. They had no formal regulation and low levels of awareness within the general population.</p> <p>The intention is to allow Social Businesses (Social Enterprises) under two measures in the RDP; 'LEADER' and 'Farm Business Development' – for the specific activity of 'Business start-up aid for non-agriculture activities in rural areas' (known as 'start-ups')</p> <p>The guidelines state which applicants are eligible. For start-ups it is private legal entities and public institutions; and for LEADER it is public and private entities (the LAG itself decides who the potential applicants are under the Local Development Strategy).</p> <p>The guidelines also identified which types of organisation that Social Enterprises cannot be implemented by. These include religious communities and communes; political parties; seafarers established by state or municipality; or legal persons, if the state or municipality owns more than 50% of them. votes, shares, shares or the like</p> <p>Social Enterprises can be implemented by one of three methods:</p>	

Profit generator model:



Trade-off model:



Lock-step model:



The guidelines lay out certain rules which any Social Enterprise must follow. In summary, they affect areas such as:

1. It must be clearly stated at during the formal process for establishing the Social Enterprise what type of economic activity will be undertake and that the main objective of the business is a social one. It must be clearly stated what its target groups will be, its mission etc.
2. The Social Enterprise must have written internal procedures indicating the proportion of profit allocated to the social mission, who can make such decisions, how the stakeholders are involved in decision making etc.
3. The Social Enterprise must publish financial information about the company's activities, prepare and publish social impact reports etc.
4. The Social Enterprise can be made up various partners contributing to the social mission, however they must remain independent of state and municipal institutions and public sector organisations.

There are several safeguards built into the guidelines to reinforce that the Social Enterprises need to be proper income generating business. For example, the guidelines set levels of reinvestment of profits that must go back into the business, for public entities it is 100% and 80% for private legal entities. At least 50% of the income must be generated by the business activities and monies received through grants, charitable gifts etc. cannot be considered as income. The social enterprises must provide a report of their

	<p>operating expenses each year in order that the work of the business is open and transparent and that the purchases are appropriate to the needs of the business.</p> <p>Measuring Social Impact</p> <p>It is mandatory to plan and measure social impacts and this is done using indicators. Templates have been created offering a wide variety of standard indicators although entrepreneurs can propose their own indicators, as long as the methods for calculating achievement are also presented.</p> <p>All projects have to choose to report against one main impact indicator which can be measured, a 'quantitative' indicator. This type of key indicator is included in the business plan and monitored during the implementation of the project. Additional 'qualitative' indicators can also be selected to demonstrate the softer benefits of the project, for example improved seniors' health or better family atmosphere. These are more subjective so more difficult to measure numerically.</p> <p>Additionally, the Social Enterprises must also measure the impact they themselves have. This is measured using at least three indicators: the target groups of the social enterprise (e.g. young people, women, seniors), number of people taking part in the company's activities and the number of people affected by the operation of the company.</p> <p>The template does not set the minimum social impact result threshold, since it is not possible to determine the expressions in numbers because of the non-comparable target groups, i. e. An effect greater than "0" has a positive social impact but is evaluated in terms of investment and target group.</p>
More information	<p>The Guidelines: https://www.etar.it/portal/it/legalAct/c2dd3290c53e11e79122ea2db7aeb5f0</p>

<i>Brief 'title' of innovation issue/initiative/example (if relevant)</i>	From "us versus them" to "we" (Denmark)	
Relevant topic on Innovation Practitioner-Led Working Group (topic 1)	4. Enabling innovation in the delivery chain	
Relevant topic on Innovation Practitioner-Led Working Group (topic 2, if relevant)		
LAG name / Country	LAG Djursland/ all Danish LAG's and the MA	
Contact person	Helle Breindahl	
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Short summary of the issue/initiative/example related to LEADER innovation:	<p>In the beginning of the 2014-2020 programming period, the cooperation and coordination between LAGs and the MA/NRN/PA was difficult and not without tensions. Some of the causes of this included increased focus on documentation, changes in administration of rules, changing of ministry, departments, staff and very long processing times in previous years.</p>	

<i>Brief 'title' of innovation issue/initiative/example (if relevant)</i>	From "us versus them" to "we" (Denmark)
	<p>Since then, steps have been taken on both sides to try and improve this. A few years back a head of department in the MA said that the aim was to see all LAGs, managers, boards, MA/NN/PA as parts of the same whole – to become a "we".</p> <p>On the LAG managers' side, several steps have been taken to try to bring the managers together to present as more of a whole instead of 30 different opinions. The LAG managers started a Facebook group, open to them only. This allows for a lot of easily accessible knowledge exchange, peer-to-peer learning, and a little bit of fun between managers. Apart from being a handy everyday tool for the managers, it also serves to soften the blow of frustration towards the MA a little, since the managers can discuss their concerns with each other first, before confronting the MA with a possible issue.</p> <p>Furthermore, the managers organized themselves in two informal groups (east and west Denmark) and organize their own manager meetings two-three times a year. The MA/NN has decided to allocate a little funding to these meetings and attend when invited. At least once a year, the managers choose one representative from each group to represent the managers in different working groups with the MA/NN. Thus, they present a more united opinion to the MA/NN, and the MA/NN know whom to involve in specific tasks.</p> <p>On the MA/NN/PA part, several steps have been taken to streamline the administration and to listen to the concerns of the LAG managers. They also involve the elected managers in the work on guidelines, developing templates (for instance the guidelines for applications, templates about LAG-running costs, etc.)</p> <p>There is still room for improvement, and the administration of the Danish LEADER programme is by no means perfect. However, there is more coordination and understanding - between the two sides, and we are much closer to a common "we" and far from the previous "us versus them".</p>
Possible relevance to other LAGs / transferable experiences or elements	The above has been achieved without any real financial investment. By slowly changing the mind-set on both sides, and by getting to know each other on a more personal level, we are achieving better results.

<i>Brief 'title' of innovation issue/initiative/example (if relevant)</i>	Innovation in cooperation between LAG – MA – PA (the Netherlands)	
Relevant topic on Innovation Practitioner-Led Working Group (topic 1)	4. Enabling innovation in the delivery chain	
Relevant topic on Innovation Practitioner-Led Working Group (topic 2, if relevant)		
LAG name / Country	LAG De Kracht van Salland – The Netherlands	
Contact person	Mireille Groot Koerkamp	

<p><i>Brief 'title' of innovation issue/initiative/example (if relevant)</i></p>	<p>Innovation in cooperation between LAG – MA – PA (the Netherlands)</p>
<p>Email</p>	<p>mireille@dekrachtvansalland.nl</p>
<p>Short summary of the issue/initiative/example related to LEADER innovation:</p>	<p>Innovation in cooperation between LAG – MA – PA</p> <p>This Leader programme (2014-2020): make the best of it.</p> <p>Leader does not fit in this system. But we cannot change the system for this programme. So, make the best of it!</p> <p>“Build trust, it’s fundamental to the whole process.” Example: After a Leader project is approved there is a ‘start meeting’ with the applicant, MA, PA and LAG. The colleague from the PA explains how the applicant can do the declaration, administration, etc. She explained that the applicant has to prove the reasonableness of the costs, even the small amounts. The applicant was desperate and said: “I already did when I sent my application one year ago! I answered all your many-many questions. What more information can I give? When is it enough?”. The colleague from the PA realized this was really too much. It is not reasonable for the applicant anymore. She understood and said: “When you have questions, just call me. I will be your contact person from now on and I will help you.”</p> <p>Face to face contact between applicant, MA, PA and LAG is crucial. You have to know each other and see the projects to understand where Leader is about. Some say the PA must be on a distance to be objectively. Yes, but do not exaggerate. When you go too far in preventing failure, you will miss the boat. You won’t have projects at all.</p> <p>Everybody is focusing on the rules and the system. But that is not what it is about. MA, PA, LAG and applicants are partners with a common goal. Focus on the goal of Leader: the projects and the people! That’s where Leader is about. Make it possible together.</p> <p>“Allowing innovation by allowing failure’ - release people’s potential, don’t be afraid to innovate and learn. Regulations need simplified, rules changed and success criteria adapted to reflect project outputs. Train the whole delivery chain to change attitudes and build trust.” (ENRD meeting in Sweden 2015).</p> <ul style="list-style-type: none"> - We try to invest in the relation between applicants, LAG, MA and PA by: - Start meeting with applicant, MA, PA, LAG on the project location - Meetings with MA, PA and LAG to discuss the process and practical problems and to solve them. - Invite the MA and PA in LAG meetings. - Field trips to the projects. - Evaluation together. We did the midterm evaluation with applicants, inhabitants, LAG, MA and the NSU. <p><u>Ingredients for a good relation:</u></p> <p>Realize that you have a common goal</p> <ul style="list-style-type: none"> - Respect each other’s work (role), work as equal partners.

<p><i>Brief 'title' of innovation issue/initiative/example (if relevant)</i></p>	<p>Innovation in cooperation between LAG – MA – PA (the Netherlands)</p>
	<ul style="list-style-type: none"> - Open, informal and face to face contact. - Be professional, practical and positive. Try to solve problems. <p>Our MA (Province of Overijssel) is doing a good job:</p> <ul style="list-style-type: none"> - The MA understands what LEADER can do for the region. They realize LEADER is more than a financial instrument. - The MA gave the LAGs a budget to prepare their LDS, but they do not intervene in the decision making of the LAG. - The MA is trusting and supporting (helpdesk). Not taking over the responsibility of the LAGs. - The MA organizes meetings with MA, PA and LAGs. There are 4 LAGs in the Province Overijssel. We learn from each other. <p>It helps! There is more contact, trust and understanding. But still... MA and PA are afraid of Audits from the EC. That is the angle. It is like doing the splits with cramp in your legs. Difficult position.</p> <p>The next LEADER programme: make a new start.</p> <p>The LAG is trying to work bottom up with the community, at the local level. We try to stimulate innovation from the ground. But LEADER is captured in a top down system. The LEADER approach only works when all partners work bottom-up. Now the whole system is top down (prescribe, control, penalty...). LEADER does not fit in this system. The system eats the programme.</p> <p>How is the balance between benefits and bureaucracy? We almost reach a critical point. Imagine, you can start with a clean sheet of paper.... Starting from scratch. Back to basics.</p> <ul style="list-style-type: none"> - “From top down hierarchy (government) to network co-creation (governance).” (ENRD meeting in Sweden 2015). <p>From top down hierarchy (government):</p> <ul style="list-style-type: none"> - communication through vertical channels downwards - responsibility at the top - prescribe, control, audits, penalties - risk preventing - fear, no trust in each other - bottom is dependent <p>To network co-creation (governance):</p> <ul style="list-style-type: none"> - shared responsibility, equality - interdependent, common interest, common goal - interconnected actors - open communication (inform all at the same time, not via via) - give space to explore - trust, support and help each other - accept failures and learn from it - be flexible and feel what is needed <p>What is needed?</p> <ul style="list-style-type: none"> - a separate Leader/CLLD programme (not under RDP) - with one very simple CLLD regulation for all funds - allowing innovation by allowing failure

Brief 'title' of innovation issue/initiative/example (if relevant)	Innovation in cooperation between LAG – MA – PA (the Netherlands)
	<p>- focus on capacity building instead of penalties. Most failures are caused by mistake / ignorance and the difficult bureaucracy, not by fraud.</p> <p>- Reasonable audits. Do not exaggerate!!</p> <p>How can we get rid of the ballast from the past? How can we design a new LEADER programme?</p> <ul style="list-style-type: none"> • Practice Theory U. • Don't go straight from A (former programme) to B (new programme). You do not need a copy from the past, but a solution for the future. • Start with a mixed group: PA, MA, LAG, NSU, applicants and auditors. Make sure everyone is involved from the start! • At first you all let go your ideas and opinions about the new programme. • Listen, see, feel with open ears, eyes, heart and mind. • Let new ideas emerge. Make prototypes. Try out. • Design a new Leader programme

Brief 'title' of innovation issue/initiative/example (if relevant)	Peer to Peer support with the MA (UK-Scotland)	
Relevant topic on Innovation Practitioner-Led Working Group (topic 1)		4. <i>Enabling innovation in the delivery chain</i>
LAG name / Country	Ayrshire Local Action Group, Scotland, UK	
Contact person	Sarah Hyslop	
Email	sarah.hyslop@ayrshire-leader.com and sarahlouisehyslop@googlemail.com	
Short summary of the example related to enabling innovation in the delivery chain:	<p>From an informal conversation over coffee with the Head of Delivery for LEADER at the Managing Authority, it became apparent that there was a real and valid opportunity for a member of the LEADER local delivery team from Ayrshire to provide peer to peer learning and support with the MA on a regular basis thus providing both vertical and horizontal aspects of support to both our LAG, the MA and LAGs across Scotland.</p> <p>In the provision of this support and engagement there would be an opportunity to experience and offer support, feedback and solutions to MA, LAGS, Accountable Bodies, activities and information to support the delivery of a successful LEADER scheme in Scotland U.K.</p> <p>Why do we do this?</p> <p>Communication (which can be lost in translation) between the Managing Authority and Local Action Groups can always be improved and it was considered to be beneficial to have the input of a rural development officer partner with the MA on a regular basis allowing an improved understanding of the functions and responsibilities of each link in the delivery chain.</p>	

<p><i>Brief 'title' of innovation issue/initiative/example (if relevant)</i></p>	<p>Peer to Peer support with the MA (UK-Scotland)</p>
	<p>It was further inspired by the need for learning and knowledge exchange on the internal and external pressures such as regulatory requirements, bureaucracy, national priorities versus local priorities, workloads and time pressures. Scotland has had substantial changes to how the new Programme is managed, monitored and tracked through the implementation of a new on-line application database called LARCS. The implementation has created significant challenges across the whole delivery chain from applicants, LAG delivery staff, Accountable Bodies and MA. It was anticipated by having a member of delivery staff working with the MA this would highlight 'on the ground' issues. Following the introduction of LARCS, there was a huge amount of questions coming from the 21 LAGs across Scotland, so the peer support provided the MA with additional resource to allow the compilation of a Frequently Asked Questions for all within the delivery chain to access.</p> <p><i>Added Value of this approach</i></p> <p>This was a new way of working together 'in-kind' that demonstrated the LAG and Managing Authorities commitment to partnership working and understanding the varying pressures and challenges within the delivery chain process from LAG and MA perspective including local delivery, compliance and audit, communications.</p>
<p>Possible relevance to other LAGs / transferable experiences or elements</p>	<p>Important to show the true partnership, collaborative working and understanding/respect for the benefit of all parties delivering the Programme and not just one responsibility per role – share the success and share the challenges to find practical solutions</p> <p>Breaks down the 'them and us' thinking with a understanding and respect for what each other does, as part of delivering together.</p>