



European Network for
Rural Development

Innovation in the LEADER delivery chain – a summary based on the LEADER Innovation PWG discussions and meetings

Disclaimer: This working document has been prepared as a summary of information collected during various discussions and meetings supported by the ENRD on innovation in LEADER before February 2018. The contents of the document do not represent the official position of DG AGRI.

1 Introduction

This working document summarises some of the key lessons learned about LEADER and innovation during the various discussions and meetings of the LEADER Innovation Practitioner-Led Working Group of the ENRD and associated workshops and meetings on the theme. The preparation of this document would not have been possible without the active participation and inputs of PWG members in the work of the LEADER Innovation PWG. The ENRD Contact Point wishes to thank PWG members for their contributions to the work of the PWG.

Innovation and LEADER are indivisible – innovation is an integral principle of the LEADER approach as reinforced both by the relevant regulations and the local development practice of LEADER local action groups. Innovation in LEADER does not lend itself to ‘narrow’ definitions with an emphasis on technological, sectoral or other considerations – rather, the concept of ‘LEADER innovation’ embraces all and any ‘innovative elements in the local context’¹ (i.e. applicable in the sub-regional territories constituting the areas where local action groups operate). For the purposes of our work on LEADER innovation, the PWG adopted an even broader view of ‘LEADER innovation’. This included the study of various innovations in the implementation of LEADER (both at the level of the local action group and in the delivery chain), as well as relevant attitudes that can often be characterised by “risk intolerance in the LEADER delivery chain”. This summary starts with explaining the PWG definition of innovation in LEADER. This is followed by a description of various context variables including the relevant legal framework and guidance. The document then examines the specific aspects of innovation in the LEADER delivery chain and innovation within the LAG. Practical examples provide further insight into relevant practice in several EU Member States.

2 Why is innovation in LEADER important? How is it defined?

LEADER is ‘expected’ to deliver development solutions to sub-regional territories through the involvement of local stakeholders in the design and implementation of local development strategies. Local development strategies should include ‘innovative elements in the local context’.

LEADER – from a rural development policy perspective – contributes directly to Priority 6 “Social inclusion, poverty reduction, and economic development” and Focus Area 6B “Fostering local development”. This defines the focus of LEADER local development interventions – it should directly contribute to social inclusion, poverty reduction and economic development at the local level. LEADER also contributes to other EU Rural Development Priorities and Focus Areas, either directly or indirectly depending on RDP programming. Out of the 110 rural development programmes adopted in the EU, LEADER has been ‘activated’ in 108 with 54% of rural population within the EU covered by local development strategies.

Throughout its successive stages – the Community Initiative of LEADER, LEADER II, LEADER+ and from 2007 LEADER ‘mainstreamed’ under Pillar 2 of the Common Agricultural Policy and as Community-Led Local Development from 2014 – local innovation has remained an integral part of LEADER. After its mainstreaming in 2007 the administrative and reporting requirements related to the implementation

¹ point 1. d) Article 32 of Regulation (EU) 1303/2013

of LEADER projects and the operation of the LEADER local action groups (LAGs) are perceived to have increased – from a local development approach, LEADER has become an EAFRD measure. This has influenced LEADER’s innovation potential through reducing the amount of time and local resources available for local animation and project development and increasing LAG time and resources allocated to running the LAG, reporting, and administration². This result of LEADER mainstreaming requires LAGs to work more innovatively in the LEADER delivery chain and within the LAG to maintain the innovative potential of the approach.

2.1 Definitions

There is a great diversity of definitions for innovation, some of these relate to its geographical or thematic scope (e.g. regional innovation, intra-territorial innovation, technological innovation, etc.). For LEADER, the closest we can get to a proper definition is to focus on ‘novelty’ (new approaches) in the local context (that of the Local Development Strategy and the Local Action Group territory). LEADER innovation in the specific local-rural contexts ‘plays out’ through the design and implementation of the Local Development Strategy. The following bullet points provide a summary of relevant provisions and definitions of innovation in LEADER.

- ✓ **ESIF regulation (Regulation (EU) 1303/2013)** states that “community-led local development shall be: ...(d) designed taking into consideration local needs and potential, and shall include *innovative features in the local context*, networking and, where appropriate, cooperation.” (Article 32.)
- ✓ **The EAFRD Regulation (Regulation (EU) 1305/2013)** defines provisions relevant to the Union Priorities for rural development (in Article 5). Priority 6 (b) - the most frequently associated with LEADER refers to “fostering local development in rural areas”. Innovation as a cross-cutting area of action also relates to Priority 6b.
- ✓ **The EC Guidance on Community-Led Local Development for Local Actors (Version 1: May 2014)** states that “CLLD is about innovation and achieving results that bring about lasting change” and describes that the participative approach of CLLD leads to more demand-led ways of dealing with challenges, connect the experience of users to ‘providers’, and help go beyond the “usual suspects” and generate new ideas.
- ✓ **The EC Guidance on Community-led Local Development in European Structural and Investment Funds (version 3: June 2014)** specifies that Strategies ... should aim at introducing new ideas or approaches to the area and not simply defend ‘business as usual’. Innovation can take many different forms which are all valid in contributing to the innovative character of the strategy... ***Innovation should be assessed in reference to the local situation ...***

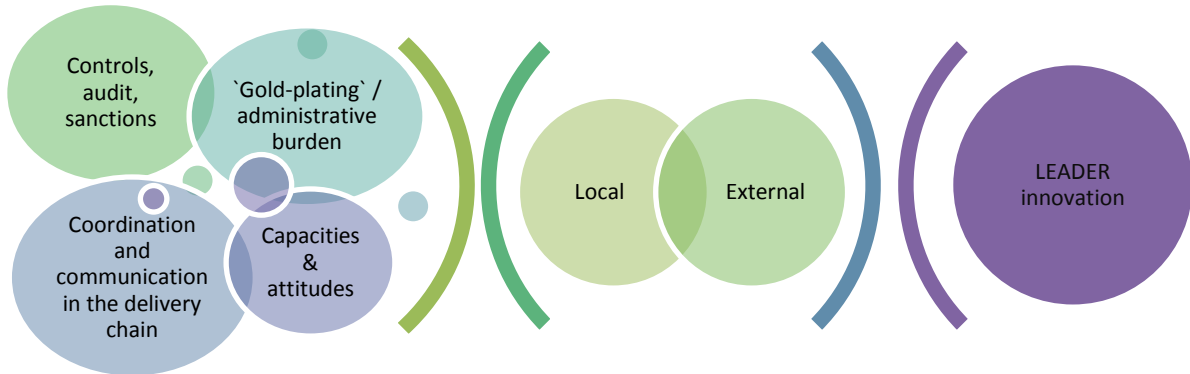
Note: No further details relating to the definition of innovation, its application in the definition of eligibility or selection criteria for local LEADER/CLLD projects are described in the main EU regulations.

²In a recent survey implemented by the ENRD Contact Point (ENRD LAG Survey 2017), when asked about various aspects of LEADER implementation, 84% of Local Action Groups either agreed or strongly agreed that their ability to implement LEADER was constrained by bureaucracy and administrative burden. According to 69% of LAGs administrative and reporting requirements limit their capacity for animation and local development.

2.2 The context variables

The degree to which the ‘innovative features in the local context’ translate into LEADER implementation is influenced by the interaction of several factors contributing to the context of any specific Local Development Strategy. These types of factor are summarised in the figure below.

Figure 1: Various factors affecting LEADER innovation



Looking at the local dimension – within a Local Action Group territory, sufficient LAG capacities and resources are essential to making local innovation happen. The primary element of capacity is that of the LAG staff to encourage and ‘manage’ local innovation. This is essential for successful LEADER innovation along with sufficient animation and capacity building resources at local level and in the LAG. The quality of the partnership is also important, this applies to the way the LAG operates, quality of projects selected and the selection methodologies. The LAG’s ability to communicate, coordinate, and cooperate with other RDP authorities in the LEADER delivery chain is also important. This can contribute to the success of local innovation, lower error rates and greater trust.

LAGs risk having to spend too much time on administration and reporting as opposed to animation and capacity building for innovation. If financial resources – especially those available to cover LAG Running costs and animation – are limited, LAGs need to rely more on alternative means of facilitating innovation (e.g. voluntary work, more extensive use of local networks, sharing of resources with other local organisation, e.g. with local municipalities, NGOs, businesses).

Increasing LAG resources and improving capacities for better animation and innovation support from LAGs to potential beneficiaries would improve the quality of projects, lead to lower error rates, lessen uncertainty and lower perception of risk. The local ‘innovation culture’ is a key influence – this covers the attitude – and previous experiences - of local stakeholders to innovative approaches, as well as that of the LAG decision-making body. The former influences the extent to which local innovation is ‘driven’ by the potential beneficiaries, while the latter can have an impact on how ‘receptive’ the LAG is towards local innovation.

Another strong influence on local innovation culture is the health status of the LAG – ideally, the relationship between the LAG staff, LAG board, and potential beneficiaries, as well as with the broader public in the LAG territory is based on transparency, trust, mutual understanding and acceptance of

the local development priorities defined. When any of these suffers from deficiencies, it can become extremely difficult to introduce and maintain innovation in the local LEADER context.

External factors of high importance relate to the LAG's ability to communicate and coordinate with other actors in the LEADER delivery chain. This ability is strongly affected by the relevant rules and procedures introduced at RDP level and the level of understanding of LEADER principles by both the Managing Authority and the Paying Agency. Coordination and cooperation in the delivery chain – as well as Paying Agency and Managing Authority understanding of LEADER innovation - can be improved by LAGs working together and coordinating their approaches to improving communication in the delivery chain. Linkages to LAGs in other EU Member States, as well as working with the ENRD can contribute to enhancing the participating LAGs' knowledge base, as well as their skills and capacities for furthering local innovation.

2.2.1 The role of attitudes

Trust, fear, knowledge, and the ability to understand the role of innovation are key determinants when we consider different attitudes to local rural innovation. Innovation should be viewed as means to an end and not as an end itself. Not all local projects need to be innovative – this is an unrealistic objective. Equally, the complete lack of innovative projects – and a conservative approach to local projects - may stifle local development by blocking the emergence and realisation of new ideas (and may lead to disillusionment of some potential beneficiaries by the LAG). The LAG itself should have an interest in fostering local innovation.

Knowledge can be both a 'driver' and a barrier to innovation. Innovation – through experimentation with new approaches – can be a means of finding a response to specific local challenges. However, if the LAG does not have experience – and knowledge – of innovation (or how to innovate), initially a mix of failures and successes can be expected. On the other hand, if the shared perception of a problem or challenge is that "we already have the knowledge" to deal with it, experimentation and innovation will be limited and the status quo will be maintained.

Trust and fear are the most important non-regulatory factors that define a LAG's attitude to innovation. Trust throughout the delivery chain is a key element in making LEADER innovation(s) work, while losing trust leads to more 'risk-averse' attitudes, tighter controls, and additional sets of rules and regulations. Trust is the element all delivery chain 'actors' need to build consciously at all levels. Fear is one of the root causes of the 'risk aversion' in the delivery chain and can lead to 'over-regulation' at national, regional, and local levels. For MAs and PAs this can relate to potential disallowance of RDP funds and losing accreditation (for PAs). LAGs and beneficiaries mainly fear the loss of funds and project failure.

When 'fear' and 'risk avoidance' prevail, non-standard projects have difficulty in being approved or

"...keep communication always in a high position among the methods used for achieving local development. Trust people and they trust you. From the Parnonas experience in Greece, a method to strengthen rural development is always to keep - as a treasure - the trust between the people who live and work in rural areas. LAGs must always be the support basis for entrepreneurship, local authorities, population etc. This is a principle."

Parnonas LAG, Greece

paid, partly due to the LAG's voluntary avoidance of non-conventional, innovative solutions to maximise compliance with administrative rules and minimise risk. Typical responses to audit findings of errors will be to add further layers of rules. This in turn limits imaginative approaches in addressing the strategy objectives. Added layers of rules - i.e. 'gold-plating' - requires LAGs and beneficiaries to spend relatively more resources in complying with these additional rules – they increase the costs of compliance with administrative requirements within the finite resources of the LAG (LAG staff working hours, remuneration, capacity development).

2.2.2 The role of eligibility criteria

Innovative projects may require specific selection and eligibility criteria. These should be clear, well-defined, and 'tailor-made' for innovative projects and initiatives. These should be devised by the LAG and approved by the Managing Authority as part of approval of the local development strategy. Defining specific eligibility criteria for LEADER innovation (or innovative LEADER projects) at the RDP level will be counterproductive to supporting local innovation as it is not possible to consider every local context for innovation in one centralised set of eligibility criteria.

Another aspect of LEADER/CLLD delivery for which the link to encouraging innovation is difficult to 'grasp' is that of eligible costs. How these are defined (and whether at LAG/LDS or MA/RDP LEADER measure level), and how these should be presented in a project application (e.g. linked to specific activities) all influence the innovative features of projects. In an innovative or 'pilot' project being specific regarding all cost items in a project application budget is difficult however the project application will be less likely to get approval if it is not fully specific in all respects. There seems to be an 'inherent contradiction' between being innovative and fully specific in budgetary planning due to an innovative action having non-foreseeable elements for which budgeting is not fully possible at the outset. One solution to this could be to exclude cost items which are less 'certain' (in terms of quantity or even necessity) due to the 'experimental' nature of the project. However, this is not always a feasible approach.

2.2.3 The role of controls

There are no LEADER innovation specific control requirements in the relevant EU Regulation (No809/2014), relevant control and administrative requirements are applicable to LEADER LAGs and projects irrespective of their 'innovative' content.

As administrative checks relate to 100% of projects funded from the EAFRD controls and payment claims may take considerable time to be completed. Where these checks have not previously been applied administrative obligations and risk averse attitudes may increase. Overly prescriptive eligibility conditions, additional 'layers' of rules or over interpretation of control provisions increase the complexity of overall requirements. This results in red tape for beneficiaries and for the control bodies themselves.

The effects of 'gold-plating'

According to a special report to the European Parliament (Research for REGI Committee: Gold-plating in the European Structural and Investment Funds) levels of 'gold-plating' by MAs make the implementation of EU funding more costly and burdensome for programme bodies and beneficiaries. "Gold-plating in the context of ESIF refers to imposing additional administrative obligations on top of the minimum requirements set by the ESIF regulatory framework."

"Risk aversion and fear are a key reason for gold-plating...the **fear of non-compliance** often leads players toward more narrow interpretations of rules...compliance dominates over performance focus...Although one would expect that inconsistent regulatory frameworks would be the most prominent reason *<for gold-plating>*, other reasons such as various uncertainties, risk aversion and fear tend to be more important. ... Due to the application of rigid rules **the quality of projects becomes often secondary**, while the compliance to these formal rules gets more importance, thereby negatively affecting potential results."

Such an approach provokes a higher risk of errors, sanctions and may in turn result in an even greater degree of risk aversion in the LEADER delivery chain, even at the LAG level – this can be described as 'voluntary gold-plating by LAGs'.

An important distinction between EU regulation and EU Member State (MS) level application regarding relevant controls, audit procedures and regulations can be drawn. EU auditors check the compliance of systems that have been put in place at the MS level with EU requirements. Administrative checks relate to 100 % of projects and their expenditure.

The assessment of the reasonableness of costs (RoC) can reduce financial risk for beneficiaries. Strictly following the requirement to carry it out at the application for support stage may not be adapted to process-oriented or umbrella projects which LEADER can support. The modification of the Regulation (EU) No. 809/2013³ extends the time when the reasonableness of costs should be assessed in the application for support. It also drops the requirement for small projects with values less than €5000. These changes help address the specificity of some LEADER projects when assessing the costs. In general, the use of simplified cost options (SCO) is encouraged as it considerably alleviates beneficiaries' administrative burden.

Guidance on SCOs:

- [Commission guidance](#)
- [ENRD guidance - part 1](#): Simplified cost options in LEADER/CLLD;
- [ENRD Guidance – part 2](#): Planning for SCOs in RDP and calculation of flat rates;
- [ENRD Guidance - part 3](#): Using lump sums under preparatory support;
- [ENRD Guidance – part 4](#): Applying flat rates to running and animation costs;
- [ENRD Guidance – part 5](#): Calculating running and animation cost using an "off-the-shelf" flat rate (indirect costs as up to 15% of staff costs) combined with a simplified method of establishing direct staff costs.

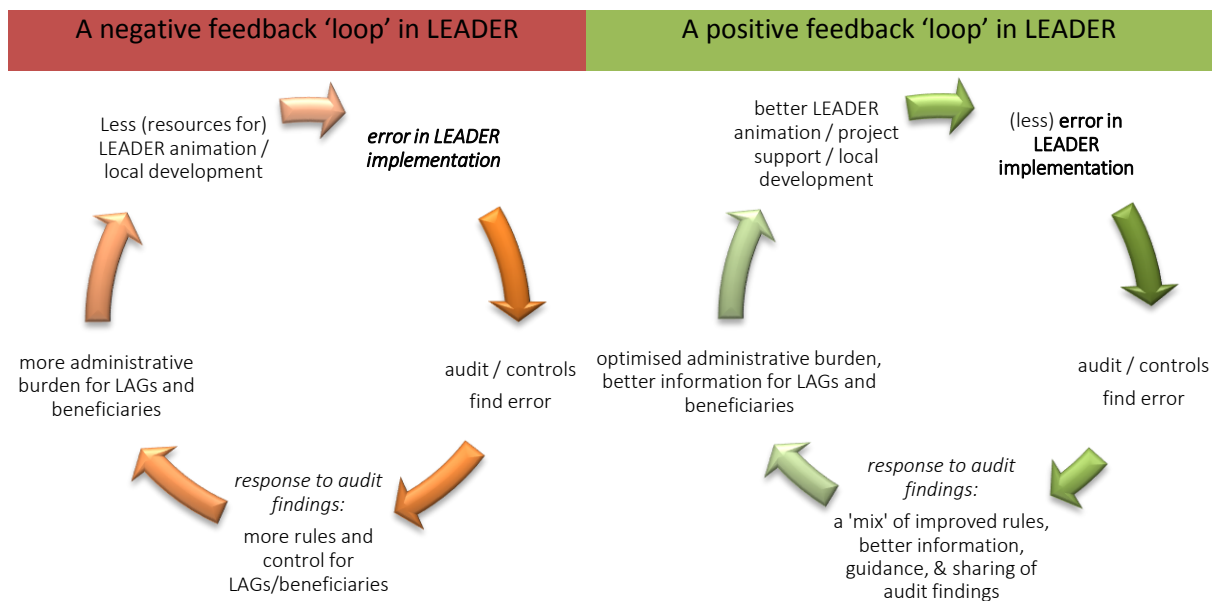
³ <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32015R2333>

Checks on small amounts of expenditure often bring about a disproportionate administrative burden and can result in costs exceeding the value of the actual item of expenditure. Some possible solutions proposed – based on actual EU MS practice – are described below:

- ✓ To counter the burden, the project owner may claim support for relatively ‘large value’ items of expenditure only while covering ‘smaller amounts’ from his/her own budget.
- ✓ The importance of local knowledge and LAG decision-making in local project selection must not be underestimated. Local decisions should use clear and transparent selection criteria equally applicable to all potential beneficiaries.
- ✓ Certain specific quantified outputs (e.g. number of jobs created) should not be used as an eligibility or selection criterion for innovative or pilot projects. Their use can reduce the possibility of these projects being developed or result in payment claims being rejected if such quantified outputs cannot be proven.

Controls and audits – and compliance with (perceived) audit expectations – are sometimes described as having a negative impact on LEADER innovation. In the figure below, two possible feedback loops are described. These can have the opposite effect on attitudes to innovation in LEADER, and consequently on the practice of innovation in LEADER.

Figure 2.: Possible feedback loops in LEADER and controls



3 Making LEADER innovation work

Building on practical examples, the following sections describe some of the possible responses to the LEADER innovation challenges detailed above. The examples provided relate to various levels of the LEADER delivery chain: the LAG level, innovation connections of the LAG, and working better in the delivery chain.

3.1 Innovation in/by the Local Action Group

According to the TAGUS LAG (Spain) the animation of innovation by the LAG is crucial in rural areas, because ‘emergent innovation’ is less likely due to the – generally – smaller number and size of rural enterprises and lower likelihood of rural businesses forming clusters (a ‘critical mass’ of companies and their ability to form clusters being some of the possible prerequisites of ‘emergent innovation’). Furthermore, research and development centres and universities often focus on global themes in innovation rather than specific local-rural challenges.

LAGs can facilitate local innovation by supporting and encouraging linkages among local stakeholders and creating a ‘local innovation culture’ conducive to the generation and realisation of new ideas, and ensuring that local actions are not ‘disjointed’ and isolated. In this respect, LAGs can play an enabling role in relation to a wide range of RDP measures. To describe this role, the concept of ‘innovation animator’ has been suggested – this also describes the strong link between local animation and innovation. LAG capacity to perform this role is key to local innovation. The ‘innovation animator’ should be good at facilitating idea generation and does not necessarily have to be a specialist in a specific field or sector. Furthermore, in the early stages of the innovation process, the LAG’s role can be more focused on - supporting and not necessarily funding the process. Finally, in order to be able to perform this role, the LAG itself needs to innovate in relation to the way it operates both in terms of its internal structures (e.g. the relationship between the decision-making and the day-to-day management body) and the way it develops and manages its relationship with the potential beneficiaries of support in its territory. Consequently, the line between innovating in the LAG and innovation fostered by the LAG may not be so clear, the two are closely inter-linked.

The examples over describe some of the ‘local innovations’⁴ initiated by LAGs in EU Member States.

⁴ More details and examples are accessible at the ‘LEADER Innovation’ page at the ENRD Website (https://enrd.ec.europa.eu/leader-clld/leader-innovation_en)

1

Innovation ‘voucher’ (LAG Keskipiste, Finland)

First introduced in 2010 to support the youth, communities, and SMEs to develop innovative projects/approaches with a small – 500-1000 Euro – grant. A very simple application process and short ‘turnaround’ time – funds paid one month after the application – enabled 320 youth initiatives, 60 SMEs, and 90 community projects to access this form of support.

2

“SMART” LEADER (TAGUS LAG, Spain)

‘SMART’ LEADER has six elements: Selection of comparative advantages, Specialisation profile, Smart+ governance model, Action plan, Innovation ecosystem, Evaluation and monitoring. The ‘SMART+’ governance model applied by the Tagus LAG involves local and regional representatives of the knowledge sector in strategic decisions of the LAG. Based on the recognition that rural innovation does not emerge spontaneously and it requires an active innovation facilitation role from the LAG, the LDS becomes a ‘smart specialisation strategy’.

3

Social innovation (LAG Pohjoisin Lappi, Finland)

In a LAG territory double the size of Belgium and a population density of 0.6 inhabitants/km², an innovative ‘model’ for providing social services allows people to find employment in social services for senior citizens and families with small children through a local co-operative that brings together ‘customers’, municipalities, and professionals. The co-operative employs 26 part-time and one full-time staff – providing services in 11 villages.

3.2 LEADER innovation in the delivery chain

No LAG operates as an isolated, ‘free’ agent of local innovation – LAG operation is heavily influenced by the EU, MS, or region⁵ specific LEADER delivery systems and the way RDP authorities, National Rural Networks, and other stakeholders cooperate and coordinate with LAGs within this system. Some key considerations for establishing good cooperation in the LEADER delivery chain for LEADER innovation include:

- ✓ resources: financial, time, human competences and capacities;
- ✓ identification of and engagement with the right partners: the key issue is identifying the ‘right’ person within institutions and organisations external to the LAG (e.g. research institutes, universities) / in NRN, PA, MA / the contact person may be a given and not a matter of choice;
- ✓ perceived benefit/common interest/purpose: developing networks for more innovation should have a demonstrable benefit for the LAG, the involved partners, the beneficiaries, and the LAG Board (enhanced knowledge base, improved implementation of the LDS, new connections leading to new project ideas, solutions, etc.);

⁵ for LAGs operating under regional RDPs

- ✓ striving for a common understanding of relevant rules by all levels in the delivery chain and common recognition / appreciation of the role of LEADER and innovation in local development by all levels in the delivery chain;
- ✓ building and maintaining trust – a conscious goal for all levels in the delivery chain.

The examples below describe some of the approaches taken in various EU MSs to improve cooperation between different actors in the LEADER delivery chain.

| | |
|---|---|
| 1 | <p>Quality management process (Finland, Ministry of Agriculture and Fisheries)</p> <p>The first procedural and quality manual was written by one LAG with the aim of ‘recording’ all accumulated knowledge in the LAG – now this has become common practice among LAGs in Finland. As a next stage, with NRN support the LAGs started ‘peer to peer’ audit processes – the MA/PA also got involved by supporting the preparation of a manual for the auditing process. The first round of audit visits was expected to take place in April 2018.</p> |
| 2 | <p>Cooperation between MA-PA-LAG (the Netherlands)</p> <p>“Making the best of it” and understanding the benefits of LEADER are the underlying principles of improvements in the LEADER delivery chain in the province of Overijssel. Face to face meetings, field trips to projects, joint ‘start up’ meetings, a helpdesk operated by the MA are all ingredients of the ‘investment’ in good relations and better LEADER implementation.</p> |
| 3 | <p>From “us versus them” to “we” (Denmark)</p> <p>Improvements in the LEADER delivery system since 2014 have been based on the principle to see LAGs, Managing Authority, and National Rural Network as “we”. Better coordination includes involving the LAGs in developing guidelines for applications or templates for reporting on LAG running costs, as well as MA/NRN representatives attending the meetings of the informal group of LAGs.</p> |

4 Conclusions

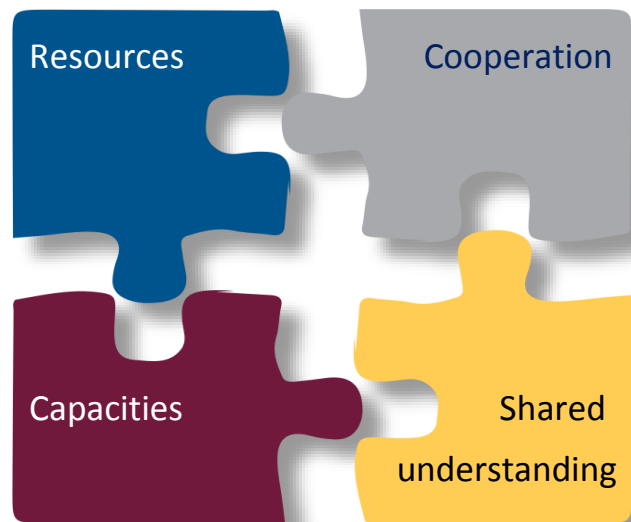
Local Action Groups are expected to deliver against high expectations related to social and local innovation. Key elements conducive to this specific type of innovation in LEADER can be categorised under four main headings.

- ✓ **Shared understanding** relates to how the concept of innovation is defined in LEADER and why this is important for local rural development. An important component of this is understanding the local definition of innovation which incorporates social innovation and empowerment, local learning processes and innovative local governance. Some critical issues in the context of LEADER/CLLD and innovation relate to whether ‘local’ interpretations of innovation (as demonstrated in the relevant local development strategies) are ‘embraced’ by the various decision-making levels of the delivery chain (if yes “how” - if not “why”). This includes selection by LAG decision making committees, approval by Managing Authorities or Paying Agencies, approval of innovation related expenditure in projects by Paying Agencies. A common acceptance of LEADER innovation as being closely linked to a diversity of local contexts and understanding the

relevance of this for local eligibility and selection criteria by all stakeholders in the LEADER delivery chain is essential. It is important to emphasize that not all LEADER projects have to be `innovative`. According to the Common Provisions Regulation CLLD shall be designed "taking into consideration local needs and potential and shall include innovation features in the local context" - this relates innovation to the LDS, and not to each individual project.

- ✓ **Capacities** relate to this shared understanding in a way that require the LAG level – as well as RDP Authorities – to be able to work with the specificities of LEADER innovation (rooted in the local context and requiring an active, animation role from the LAG). Resources, particularly at the LAG level and for animation and innovation, are essential for LEADER innovation to occur. Without adequate **resources** dedicated to the LAG’s animation activities local innovation will not happen (or will be only sporadic, not framed by the Local Development Strategy).

- ✓ **Cooperation** between the different levels of the LEADER delivery chain is key. Links between the different levels of the LEADER delivery chain should be improved for better coordination and communication of LEADER objectives, delivery procedures and controls. A change of attitudes and operational culture is needed– from “top-down and controls” to “bottom-up and partnership”. This can bring the Paying Agency closer to the project to better understand its objectives and bring the LAG or beneficiary closer to understanding the rationale of controls. This needs a ‘can do’ attitude focused on achievement, optimising the results of local rural development – at the same time keeping the focus on compliance. Delivery stakeholders can work together to prevent failure e.g. by setting up good quality, enabling systems and criteria. Sharing of control and audit findings and using these in capacity building for LAGs and RDP authorities could be used to help facilitate improvements and learning. A lack of clarity regarding relevant regulations and their varied interpretation at different LEADER delivery chain levels can also be important sources of risk for LEADER innovation. Limited coordination between different delivery chain levels may also lead to knowledge gaps and lack of understanding of objectives (of the controls, of the LDS, etc.).



One of the conclusions of the [Europarl report](#) on ‘gold-plating’ includes a list of actions that can also be applied to improving the context for LEADER innovation in general : “One of the key effects of `gold-plating` is the decreasing attractiveness of ESIF for beneficiaries. ...Potential actions across levels include capacity building, open dialogue, better focus on a balance between compliance and performance, encouraged use of simplification measures and a possibly new role for the auditors to limit different interpretations of regulations.”

5 Annex

5.1 Conclusions of relevant workshops and events⁶

Achieving Results the CLLD Way: Putting the method to work (2016, Sweden): The 'Working with local assets' workshop included a focus on developing and fostering innovation. Some of the ways to foster innovation that participants proposed included:

- build stronger relations along the delivery chain to enhance mutual understanding;
- innovate at all levels to take away the fear, encourage supportive Managing Authorities;
- build innovation into strategies, i.e. re` the way things are done; and
- design calls for projects with the participation of potential beneficiaries.

The priority innovation recommendation put forward by workshop participants stressed the need to include 'allowing innovation by allowing failure' and 'real decision making by local people'.

Capitalising on CLLD experiences – Building resilient communities (2017, Hungary) – The workshop discussions on 'Rules for risk and innovation' concluded that not all results and effects can be expressed by standard numeric indicators. RDP Managing Authorities 'chase' numbers, which – even though LEADER impacts can be powerful – leads to LAGs' risk averse selection of projects. Differences in understanding of what innovation is at different levels of the delivery chain also affects LEADER innovation. Framework rules cannot 'predict' all eligible situations and thus do not allow 'out of the box' actions. Participants agreed that ways to improve LEADER innovation include developing good learning examples (successes and failures), 'educating' all levels of the delivery chain (through workshops and networking), and that the regulatory framework should place more trust in local levels.

ENRD Workshop on Improving LEADER Implementation through Practitioner-led Work - The innovation workshop session discussed 'Enabling innovation in the delivery chain'. Participants agreed that innovation is often unjustly equated with risk. The delivery chain is risk intolerant and dominated by 'fear of errors'. Promoting a positive perspective in the delivery chain and communicating the local meaning and relevance of innovation are essential, and for this purpose, more examples of practical procedures and flexible ways of delivering innovation are needed.

ENRD Workshop on Extending LEADER Innovation discussed the 'LEADER Niche' in innovation. Participants agreed that LEADER creates the space for sharing ideas and can be a good 'midwife' for local innovation by facilitating links between different actors and sectors and supporting the transition from ideas to projects. Some of the things LEADER could do better – according to workshop participants – include: communicate innovation results better, broaden involvement to include universities and researchers to help identify innovators, improve synergies between LAGs and EIP OGs, and strengthen the innovation focus within local strategies.

⁶ More information on these events (and the full reports) can be found at the relevant ENRD web page (https://enrd.ec.europa.eu/news-events/events/past_en)

ENRD Workshop on LEADER Simplification – With the participation of over 70 LAG, Managing Authority, National Rural Network, and Paying Agency representatives from 23 EU MSs this workshop considered simplification in the current programming period informed by the results of the ENRD LAG Survey, as well as possibilities for simplification in the next programming period. Complexity, the distance between the “worlds” of those who implement and those who control the implementation of LEADER, rigid eligibility criteria and the mechanistic application of centralised project selection criteria were emphasised as factors making effective LEADER implementation difficult. ‘Reducing ‘gold-plating’, adopting a problem-solving attitude at all levels of the LEADER delivery chain, and strengthening communication between all levels of the LEADER delivery chain (including audit) for mutual understanding of one another’s needs were some of the solutions proposed by participants.