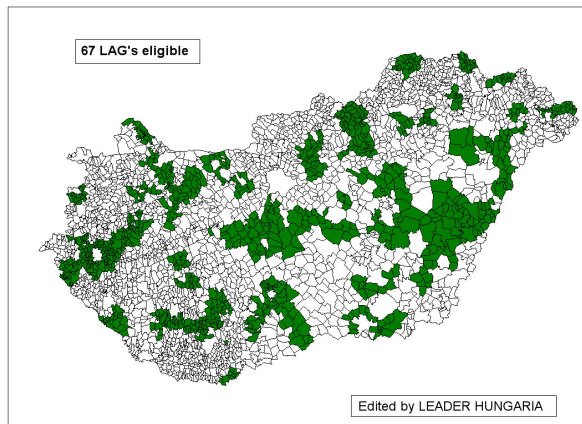


Leader+ type activities in HUNGARY

Source: Hungarian Ministry of Agriculture and Rural Development



Hungary carries out Leader+ type activities under its Agriculture and Rural Development Operational Programme. Those provide for training of interested rural actors and communities, in particular coaching future Local Action Groups (LAGs). There are 70 LAGs financed, and who were selected in a two-step procedure by the Ministry of Agriculture. The LAGs were responsible for the selection of individual projects through calls for proposals which took place between

May, 2006 and the end of 2006. LAGs which had expressed an interest in becoming involved in transnational co-operation as part of their development strategies were able to do so provided that the projects were not limited to a simple exchange of experience and information.

A "National Leader Centre" acting as the official Leader network in Hungary has been operating since May 2006.

I. PILOT ACTIVITIES PREVIOUS TO THE LEADER+ TYPE MEASURE OR IN PARALLEL

⇒ **Has the Member State had any previous experience with rural development community based programmes before the Leader+ type measure?**

Yes, there have been two pilot rural development programmes carried out before accession to the EU:

- **Agricultural and Rural Development micro regional programmes** (1999-2002)

The scheme was nationally funded with a total budget of EUR 5,5 million. Each participating region, depending on the number of its inhabitants and villages, had approximately EUR 24 000 available for developing its strategy and programme.

The whole of Hungary was eligible for activities aimed at developing a participatory planning approach and a strengthening of local partnerships. Micro-regional groups could apply for financing and 190 partnerships were selected. They were selected by a team of experts hosted by the Ministry of Agriculture and Rural Development in co-operation with VÁTI - National Rural Development Office.

Among the main outputs of the programme the following can be identified: associations of rural settlements established at micro-regional level in charge of preparation of local development plans; preparation of local development plans (excluding the

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implementation phase which was not financed); and local initiatives which developed strengthening local partnerships and management capacities.

- **Rural Development Target Programme: Leader-type pilot programme (2001-2004)**

The total budget of the scheme amounted to EUR 1,7 million which came from the national budget. Each group could receive up to EUR 120 000.

The activities aimed at preparation for future actions of Leader+: carrying out of regional situation analyses; implementation of local strategies; and networking. The whole country was eligible but only 40 pre-selected LAGs dealing with issues linked with the following pre-determined target groups could apply for finance: Roma population; large families; and youth. Finally, 14 groups were granted aid by an inter-ministerial Committee established by the Ministry of Agriculture.

As a result, LAGs prepared their local rural development plans and 272 projects were supported.

- ⇒ **Are there any existing forms of rural bottom-up partnerships financed under schemes other than a Leader+ type measure?**

No.

II. THE LEADER+ TYPE MEASURE

- ⇒ **How is the measure designed?**

The Leader+ type measure is included in the Hungarian Agriculture and Rural Development Operation Programme under chapter 3.5. It comprises of four schemes: acquisition of skills; pilot integrated rural development strategies; support for inter-territorial and transnational co-operation; and communication network development.

- ⇒ **Who can benefit from the Scheme I "Acquisition of skills" and what are the actions which can be financed?**

LAGs were selected in a two-step procedure: pre-selection took place under scheme I and the final selection under scheme II. Under scheme I, a group of trainers were selected through a tendering procedure (open, international public procurement) in the first half of 2005. It provided preparatory trainings starting in mid-2005 until the end of 2006. The activity was available to any rural community, as well as any interested organisation or association. Following the training, LAGs could be formed and local rural development plans drawn up and submitted for pre-selection.

- **Who are the beneficiaries?**

The beneficiaries of the scheme are training bodies: PROMEI public company in consortium with the Village Workshop Foundation; local enterprise development public

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foundations; and after their pre-selection for further training, fully fledged LAGs i.e. those whose members have concluded an agreement for cooperation between themselves.

- Who are the final recipients of aid?

The final recipients of aid could be rural community organisations, associations or anybody interested in taking part in the training. Some of the training was targeted at a limited audience: either selected or non-selected LAGs. The aid included a form of training so LAGs did not receive any financial support under the scheme.

- When are the projects to be selected?

The trainers' selection was carried out in the first half of 2005 and training was ongoing from mid-2005 till end 2006.

The pre-selection of LAGs took place in the third quarter of 2005: 186 LAGs applied, covering approximately on third of the total population of Hungary. 108 LAGs were pre-selected. They received further training and coaching resulting in the submission of proposals for scheme II in the fourth quarter of 2005.

- ⇒ **Who can benefit from the Scheme II "Implementation of a development strategy" and under which conditions?**

The scheme is aimed at the LAGs pre-selected under scheme I.

- Is there any legal form suggested for a LAG?

The selected 70 LAGs need to have a legal status as defined under the Civil Code and their operation is based on a syndicate agreement. However this agreement does not mean that they have the status of a legal entity.

- Who are the beneficiaries?

The beneficiaries can be municipalities and their associations, natural persons, small-scale producers, private entrepreneurs, micro and small enterprises, NGOs, foundations and their associations.

- Who are the final recipients of aid?

The final recipients can be municipalities and their associations, natural persons, small-scale producers, private entrepreneurs, micro and small enterprises, NGOs, foundations and their associations.

- Are there any specific national requirements for the selection of LAGs in addition to the European criteria?

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No.

- What is the amount of grant available per individual project and per LAG (development strategy)?

There is a minimum limit of budget per individual project which must be above EUR 400. At the LAG level, the maximum grant can amount to EUR 392 156, if 60% or more of the total population covered by the LAG falls under the category of a "rural development" region (according to government regulation criteria) and a maximum of EUR 352 941 in other cases.

- Can a LAG use aid other than that granted under the Leader+ type measure to finance some projects (with respect to avoiding double funding)?

A single project cannot be funded jointly with Leader money and other public funds. However, some actions within the pilot development strategy can be financed from other national or European sources provided that at the same time they do not benefit from Leader funding.

- What is the timetable for the LAGs selection and implementation of the projects?

The first call for applications aimed at the pre-selection of LAGs was published in June, 2005. The closing date of this call was in August. The second call for applications targeted at the pre-selected LAGs was published in November 2005 and closed in December 2006. As a result, 70 LAGs were selected, i.e. 30 more than initially planned, in March 2006. No further LAG selection rounds were planned.

The selection of individual projects was carried out through a call for proposals at LAG level. It started in May 2006 and lasted until the end of 2006. The approval of the projects submitted has been taking place in the first half of 2007 and LAGs will sign all contracts by the end of July 2007. Implementation of the chosen projects will be carried out till September 2008.

⇒ **What about transnational co-operation?**

- Is it possible for a LAG to finance transnational co-operation projects?

There has been no separate call for applications for transnational cooperation.

- Are there any limitations to the scope of co-operation?

Simple exchange of experience and information cannot be financed. The upper limit of the total budget of the international cooperation is EUR 20 000.

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⇒ **What are the characteristics of the LAGs financed under the Leader+ type measure?**

- Area, population, previous experiences

The area covered by LAGs amounts to 29 141 km², which constitutes approximately 31% of the total surface of the country. 920 settlements are located in the area of the selected LAGs.

The population of the LAGs area is equal to 1,52 million, i.e. 15,2% of the national population and the average LAG population density reaches 52 inhabitants per square km.

Nine out of the 70 LAGs selected have benefited from a pilot programme prior to Leader.

- Themes chosen

LAGs could choose more than one theme for their strategies: no national themes were proposed. The breakdown of LAGs according to the themes chosen is as follows:

Use of new technologies and know-how: 34 LAGs

Improvement of the quality of life: 60 LAGs

Development of local products: 61 LAGs

Development of natural and cultural resources: 61 LAGs

⇒ **Which institutions are involved in the implementation of the measure?**

Managing Authority: Ministry of Agriculture and Rural Development

Implementing Authority: Agricultural and Rural Development Agency

Paying Authority: Ministry of Finance

⇒ **Who is in charge of the LAGs and projects selection?**

- Who selects beneficiaries under scheme I?

Ministry of Agriculture and Rural Development

- Who selects LAGs?

Ministry of Agriculture and Rural Development

- How are the projects (as submitted within a strategy) selected and approved?

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LAGs evaluate the form and content of the project proposal, and then prepare a bid for the Leader+ Decision Preparatory Committee (DPC) which is based at the Ministry of Agriculture and Rural Development. The DPC makes the final decision on project approval.

⇒ **Till when can the projects be implemented?**

Till 2008

⇒ **How is the networking organised?**

- Is there a National Network Unit?

A "National Leader Center" was selected in April 2006 in a public procurement procedure and will operate until December 2007. It is run by the "Leader Public Association" and its partners. Its tasks are to provide comprehensive training and coaching, and to help the LAGs in establishing inter-territorial co-operation.

- Are there any informal networks active in the Leader+ field?

Yes, the "Hungarian Leader Public Association", established in 2005, provides help to Hungarian LAGs in the implementation of rural development strategies and inter-territorial cooperation projects.

Another body active in the field of Leader is the Hungarian Rural Parliament – Vidék Parlamentje, set up in 1998. It aims at facilitating co-operation in rural territories and expressing their interests. About 500 members belong to the organisation, including rural NGOs and local groups.

⇒ **What is the budget for the Leader+ type measure?**

Total budget (2004-2006): EUR 25 million

EU share: EUR 18,75 million

Other public funds: EUR 6,25 million

Private funds: None

Distribution of the budget

Scheme I: Acquisition of skills: EUR 400 000

Scheme II: Pilot integrated rural development strategies: EUR 21,2 million

Scheme III: Support for inter-territorial and transnational co-operation: EUR 1,4 million
(EUR 1,2 million for the transnational co-operation)

Scheme IV: Communication network development: EUR 2 million

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**DOWNLOAD THE SINGLE PROGRAMMING DOCUMENT CONTAINING
THE LEADER+ TYPE MEASURE**

<http://www.fvm.hu/doc/upload/200407/ardop.pdf>

**DOWNLOAD THE SINGLE PROGRAMMING DOCUMENT COMPLEMENT
CONTAINING THE LEADER+ TYPE MEASURE**

http://www.fvm.hu/doc/upload/200511/pkd_avop_eng_2005.pdf

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