



*European Network for  
Rural Development*

**Leader subcommittee Focus Group on  
Preserving the innovative/experimental character of Leader**

**Extended Report on  
Preserving the Innovative Character of Leader**

November 2010



*Connecting Rural Europe*

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## **Introduction**

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This report presents the results of the work of Focus Group 2 (FG2) "Preserving the innovative character of Leader", established at the Leader subcommittee (LsC) meeting of 25 November, 2009. Preliminary results were presented at the LsC meeting on 20 May, 2010. These results were based on exchange outcomes from the two group meetings held on 28 January and 19 April 2010. However, additional information collection and further analysis carried out up to June 2010 are also included in this report. In its present form, the report is intended as a working document for use by the Commission, the Coordination committee (CC), the Leader subcommittee (LsC) and their working groups (Focus Group 1 and Thematic Working Group 4). A summary of this report will be made available for wider dissemination.

## **1 Background**

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Preserving the innovative experimental character of Leader has been identified as a key challenge for those involved in its implementation in 2007-13. The concept of innovation is an integral element of the Leader axis and is regarded as a crucial aspect of the current EU legislative framework applicable to Leader. Next to this, innovation is not only a feature restricted to the Leader-method but can also be found in measures of the other axes.

The voluntary focus groups, established by the LsC, were set up as to actively foster on-going dialogue on the implementation of the Leader approach, in EU Member States (MS). Their primary objective was to gather relevant information and propose solutions to improve Leader implementation and to report these findings to the LsC on 20 May, 2010.

Each focus group was led by a member of the LsC and a flexible and open format was maintained throughout the project period. Focus group participants covered their own costs, with secretariat and content support provided by the EN RD Contact Point and the Commission.

## 2 Focus Group 2

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### 2.1 Participants

The Commission invited the members of the LsC to express their interest in participating in the focus groups, by 11 December 2009. In total, 13 Member States expressed an interest in participating in FG2.

Germany and the Netherlands agreed to lead FG2, as co-chairs. Other members included representatives from Austria, Belgium-Flanders, Ireland, Czech Republic, Hungary, France, Estonia, Finland, Italy, Poland and Slovenia. The participants included representatives from Managing Authorities (MAs), National Rural Networks (NRNs) and Local Action Groups (LAGs).

The EN RD Contact Point, in its role as secretary for the FG 2 co-chairs, provided coordination and content support to the group. The Commission participated as an observer.

### 2.2 Mandate

The main objectives of the Focus Group were:

- To define the scope of innovation relevant for Leader;
- To identify different examples of good practice in the design and implementation of eligibility conditions for innovative projects and innovation support schemes, at both Rural Development Programme (RDP) and local strategy level;
- To propose suggestions to the COM, NRN and MS;
- To propose recommendations for the future.

It was agreed that preliminary results be discussed at the LSC meeting, in May 2010.

### 2.3 Process

FG2 held a first joint meeting (on 28 January 2010) where contributions from Poland and Austria were discussed, as well as other presentations from MS on the varying level of innovative approaches in Leader (at RDP, strategy and project level).

During this meeting the group agreed on the main points to be presented to the LsC and on the importance of providing a detailed report on the findings of the group, which would include case studies relating to different levels of innovation.

In order to execute the objectives of FG2, a questionnaire was established and sent to its members (see annex). The draft extended report includes answers on the questionnaire received from Germany, Netherlands, Belgium (Flanders), Finland, France, Ireland, Italy, Poland and Slovenia.

It was decided by the co-chairs to submit this paper as a first document for discussion by the Leader subcommittee, with a finalised report to be published after the LsC meeting in May. At the LsC meeting of 20 May 2010 devoted to this theme, FG2 presented preliminary results, complemented by two case studies from a local strategy/project level, which demonstrate innovative approaches to Leader, within this funding period.

### 3 Discussion and Findings of Focus Group 2

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'Innovation' is a widely used term in relation to rural development. However the concept of innovation is a complex one and raises many questions in terms of what it entails, how it should be exploited and how it can be best implemented, with respect to existing rules.

Therefore, innovation in itself is recognised as an important challenge for those interested in the preservation of the Leader character in the period 2007-2013.

In this report we will focus only on the implementation of "innovation" in the Leader-Axis. The question of how to keep the innovative character of Leader requires an analysis of the different levels which have a complementary influence on it:

- What is said at EU level, notably in the EAFRD regulation?
- What have the MAs interpreted the EU framework and 'translated' innovation in their RDPs?
- What is the approach of innovation at LAG / local strategy level?
- To what extent is innovation present in projects implemented locally?

Beyond this set of rather simple questions, it is the link between the different levels which is interesting, as well as the difficulties which arise in practice and the possible solutions which could help make innovation not only easier to envisage but also identify, select, manage etc.

#### 3.1 The framework for innovation as set at EU level

Innovation is seen as the basis for reaching the goals set by the European Union in relation to Leader. Its approach has been updated in the following document: 'Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions - Innovation policy: updating the Union's approach in the context of the Lisbon strategy' (COM/2003/0112 final).

However, in the Rural Development (RD) Regulation (EC) N° 1698/2005, the concept of innovation is not clearly defined. Rather, innovation is identified as one of the seven characteristic features of axis 4 of the RD Leader-axis but can also be found in one measure of axis 1 (cooperation for development of new product, processes and technologies in agriculture and food sector and in the forestry sector) where it is understood in the sense of 'technical and technological innovation', different from the more transversal concept of Leader innovation.

In addition, innovation is not explicitly mentioned as an eligibility criterion as regards Leader being identified as the 4<sup>th</sup> and horizontal axis of the rural development policy. The requirements of the EU do not provide for a minimum spending on projects with an innovative character.

Under the Leader+ Community Initiative, innovation was defined by the Commission Notice<sup>1</sup> and Leader LAGs were allowed in principle to support:

- New types of projects (e.g. territorial projects, collective investment, building local networks) if they contribute to the objectives of the RD axes;
- New categories of beneficiaries;
- The creation of new enterprises or new economic activities often associated with innovation;
- The testing of new applications and technology development projects of an experimental nature, aimed at developing new technologies into pilot plants;
- Demonstration projects / dissemination of innovation (e.g. 'open days' on farms);

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<sup>1</sup> OJ°C139 of 18.5.2000, p 5

- Studies, including market oriented research projects.

The absence of a clear definition at EU level under the present programming period can be viewed positively or negatively.

Viewed positively, the absence of a definition:

- Allows for the consideration of any approach or any type of project to be included, which presents a broader scope of possibilities; (there is no restrictive interpretation);
- Enables each MS/LAG to define an approach to innovation, most relevant to the national/regional or local situation.

Viewed negatively, the absence of a definition:

- Increases the likelihood that it will be interpreted differently from one MS to another – in some cases it is seen as restrictive and in others perhaps too flexible. This can be problematic as regards consistency of the application of the fund across the EU and also of equality between stakeholders;
- Creates difficulties for some stakeholder in terms of incentives to prioritise innovation, as there is nothing to encourage them in terms of guidelines, nor is there any kind of financial incentive (there is no minimum spending reserved for projects with an innovative character in Regulation (EC) 1698/2005);
- Permits the rules which apply to innovative projects, to be similar to those for all other projects. This is regardless of their appropriateness in terms of taking into account new aspects of a project, or in the case of the Leader approach, transversal actions which cover more than one axis.

The guidelines of the Commission on the implementation of the Leader axis do explicitly mention the Leader axis as being a funding instrument meant to stimulate innovation. Within this context, special importance has to be given to the possibility provided in Art. 63 of Reg. (EC) 1698/2005 of funding projects under the Leader axis, which do not correspond to the eligibility criteria of standard measures as regards axes 1 – 3, but which respect the goals of one or several of these axes. Yet, a one-sided interpretation of Art. 64 of Reg. (EC) 1698/2005 may be restricting in the sense that projects selected by LAGs within the framework of their local strategy, have to comply with the eligibility criteria of measures from axis 1-3. In practice, this article only mentions the possibility of using the mainstream measures for the implementation of projects linked to local strategies. It does not refer to this as the only way to implement Leader.

By the "mainstreaming" of the Leader approach the Commission did not intend to limit the possibility of funding innovative actions through the Leader approach, thereby reducing the possibility of funding innovative projects in relation to what was possible to fund under Leader+. Rather 'mainstreaming' was intended to broaden the scope of application to the whole rural development tool-kit and so create a specific added value. Innovation and the eligibility criteria of the standard measures are in principle not incompatible.

However, the Leader approach is specially adapted to create and add value due to its explicit decision making process. This specificity exceeds the normal impact of an individual innovative projects implemented through a standard measure but also requires that innovation be understood as eligible at the various levels.

In conclusion, the discussions in FG2 demonstrate how difficult it is to define innovation, since every definition implies the possibility of a restrictive interpretation in specific cases.

The possibilities of action of Leader were not explicitly mentioned in the regulation and so not all MS are aware of the potential of Leader. This needs to be rectified in the future period.

***Some possible areas for improvement or how to better promote innovation in the European texts...***

The Reg. (EC) 1698/2005 gives Member States the possibility to design Leader as an instrument for the implementation of innovation. The relevant statements in the Commission's Guidelines about Leader could still be improved. Local strategies frequently pursue, not only the goals of the EAFRD regulation, but due to their integrated character they also pursue goals outside rural development regulation. This is inevitably reflected in the character of innovative operations. An innovative project should then be allowed to be financed completely through the EAFRD, if the objectives of the EAFRD regulation are at least reflected in a substantial part of the project. Therefore for the new programming period, further discussion is needed on whether or not the formulation of demarcation criteria for local strategies at RDP level is in fact acting as a 'bottleneck' for these projects (see Annex II, Nr. 10.3 of reg. Nr. 1974/2006). This also means that within the EAFRD itself, it should be possible to take projects into account without having to dissect them into different aspects corresponding to different measures of the programme.

The financing regulations which also apply to Leader (Reg. (EC) 1290/2005 and deriving implementation regulations) must also be seriously considered in terms of whether or not their character is appropriate for the specificities of the Leader approach.

## **3.2 Leader and Innovation in the RDPs**

### **3.2.1 How the Council Regulation is translated in the RDPs?**

The possibility of funding experimental or innovative projects with the Leader approach depends strongly on the extent to which the RDPs are using the possibilities of the Council Regulation to fund projects outside the standard menu of measures from axis 1 – 3. It also depends on which ones comply with the objectives of one or more of these axes. This seems to vary throughout the RDPs in the 27 MS.

FG2 has attempted to cluster the different designs used in RDPs:

- Restriction to the measures of one axis;
- Restriction to the goals of only one axis;
- Restriction to the measures of two or all axes;
- Possibility of funding as regards the compliance with the objectives of all axes.

Article 64 of Regulation 1698/2005 foresees that its operation can be supported outside the standard menu of measures from Axis 1 – 3, which also only comply with the objectives of one or more of these axes. This allows for intervention in emerging economic activities and supporting other categories of beneficiaries or new types of projects. Yet, this potential seems to have been used in very different ways throughout the RDPs in the 27 Member States:

- Some RDPs do not allow for the explicit support of operations outside the menu of measures or to combine several measures under integrated approaches. Therefore it is not possible to support operations which do not fit the eligibility criteria of a catalogue measure.
- In other cases LAGs do not use the possibility of Article 64 Reg. 1698/2005 to support actions beyond the set of RD measures, since there is uncertainty on the eligibility of operations outside the menu of measures in the absence of a clear legal framework at RDP level.



- Other RDPs allow experimental actions by proposing a list of indicative operations outside the catalogue of measures which comply with Art. 64 of Regulation 1698/2005. Broad categories of eligible actions and beneficiaries are then indicated in the RDP.

In this respect RDPs do partly allow for more flexibility as regards smaller projects rather than larger ones.

Some RDPs have attempted to define what is meant by innovation. Where the legal approval of projects is not carried out by the LAGs, authorities tend to rely solely on what is stated in the RDP. In this case there seems to be a lack of flexibility in terms of finding feasible solutions for the implementation of certain Leader projects, especially those with an experimental character. Due to this fact, LAGs do in some cases avoid submitting innovative projects for approval by authorities. Some FG2 members reported that even LAGs who have project approval functions, are discouraged from approving certain innovative projects due to the limitations of the RDP.

### **3.2.2 Overall definition of innovation in the RDPs regarding Leader**

In the absence of a clear definition at EU level some MAs have decided upon their own definition of innovation, restricting possibilities in some instances, for LAGs and projects to be implemented within Leader. In other cases a more flexible approach was adopted.

In the following countries/regions for example, no clear definition for innovation exists nor indeed for the innovative character of Leader as regards the RDP: Basilicata (Italy), Marche (Italy), Poland and Finland. In this context any assessment of the innovative character of Leader can be subject to arbitrary interpretations:

- The concept of innovation may seem more dictated by the regulation itself, than a true regional interpretation and this 'top down' interpretation poses certain problems in terms of 'eligibility';

It may be left to the interpretation of stakeholders and of the local actors, whose role will also be to define what innovation means in the context of their local area and the strategy they wish to implement (more of a 'bottom-up' approach).

In instances where there is no formal definition of innovation in the RDP, there are other definitions which are commonly accepted at national level:

- In Finland, innovation is regarded as the development or deployment of a new policy, operation model, product or technology. It can thus be either social (policy operation model, or a way of thinking and acting) or technological (new products or the deployment of new technology). Innovative actions must involve something new, particularly for the geographical area where the funded actions are implemented;
- In the Netherlands, innovation relates to new products and services in which local elements are embedded; new methods in which the human, natural and/or financial potential of the region can be integrated and thus better utilised; combinations of and links between economic sectors which are traditionally separated; original ways of organising and involving local people in the decision-making process and the implementation of the project; products or services which are new to the specific area; or creating new methods for products or services which pre-exist in the area;
- In Slovenia, innovation concerns new approaches, methods, products, projects, markets, etc.
- In Ireland, innovation concerns projects where the integrated nature and method of implementation or delivery of the projects, represent new and locally innovative approaches.

In other cases, innovation is defined in a way that still encompasses flexibility. This is the case for Bavaria (Germany) where, according to the Bavarian EAFRD Programme (BayZAL), innovation with Leader means: "the implementation of innovative concepts". This corresponds to Art. 61 (e) of Reg.1698/2005. The term "innovative" does not appear anywhere else in the BayZAL for Leader. However, according to Leader guidelines in the BayZAL, in principle all projects which correspond to the aims of the axes 1, 2 and 3 in Reg. 1698/2005 are eligible for funding. The contents of articles 52-57 of this regulation<sup>2</sup> form a basis for the activities of projects. With these guidelines, all well received new ideas put forward by regional agents in the LAG area are, in principle, eligible for Leader. This is also the case for Bolzano (Italy) where the RDP states that the "strategic elements characterising the Leader approach will be innovation, understood not only in the method but also in content. The innovative character is determined in relation to types of intervention within the Leader approach, as integration of various actions, such as cooperation between different actors and promoting the area as environmentally friendly".

### **3.2.3 Reference to innovation in the RDPs**

Concerning the question of the place for innovation in the RDP, there is much diversity to be observed across Europe.

In France, innovation is explicitly mentioned in the RDP for the following measures only:

- 111 (professional training and information actions) for the diffusing of specific knowledge and new practices. The idea is to develop innovation capacity in the agro-food chain and in the forest domain (innovation transfer);
- 124 (cooperation which leads to the conception of new products, processes and technologies) in order to support innovation in the farming and agro-food chain by promoting the transfer of technology and cooperation between professional actors and public research;
- 321 (basic services) mentions innovation in the objective of the measure.
- 421 (Leader cooperation) mentions innovation as a general objective for the measure.

Conversely, in Slovenia innovation is not linked to any specific measure (even if for some measures of axis 1 and 3, the support to development of new innovative products is mentioned as one of the measure goals). Yet, all measures do have an innovative aspect to some extent.

Leader remains the essential pillar for innovation in rural development in some RDPs:

- In Bayern (Germany) all projects within the framework of the Leader funding regulations have strong innovative elements;
- In Poland each local development strategy does not have a direct or compulsory link towards any particular measure but an obligatory chapter on an innovative approach.

### **3.2.4 Eligibility of projects at RDP level**

MS have to specify eligibility criteria in accordance with Art. 71 of Reg. 1698/2005. This also applies in cases where a choice has to be made between several projects which are eligible in principle and but need to be prioritised, notably in view of scarce funding.

It appears that every definition and/or limitation at the "abstract" level of the RDPs can potentially make the eligibility of a concrete project more difficult. Also detailed descriptions of what is innovative

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<sup>2</sup> Section 3 of the Regulation relating to Axis 3 (Quality of Life in rural areas and diversification of the rural economy)

(lists of possible actions) in the RDP may serve as a deterrent, especially if such descriptions give the impression of being a "closed" set of types of eligible operations.

***Innovation: an obligation, a priority or merely a possibility?***

The concept of innovation may not be identified as compulsory but is still encouraged in the RDP. For example, in France there are no obligations regarding innovation as regards the RDPs, but it is mentioned as an objective in the programme and actively encouraged. However, the MA does not require that all or most of the LAG strategy be dedicated to innovative approaches and this is reiterated in the National Management Guide.

In Slovenia, innovation is not obligatory either (and no specific criteria are foreseen). In the Leader measures, innovative projects are treated in the same way as other projects, as regards co-financing or eligibility. LAGs outline the innovative aspects of the project in a specific report, but this description is intended merely for analysis and evaluation at MA level as a means of assessing whether the "spirit of innovation" is present in the local area or not.

***Innovation, risk taking and possible sanctions***

Innovative projects are more difficult to initiate, develop and implement, particularly within the scope of the transversal approach of Leader. Due to the fact that experimental and innovative actions pose some risk (as compared to classical projects) there is a greater need for specific eligibility provisions within the RDPs. In principle, prototypes and pilot plans have to remain at the pre-commercial stage. As a result, with their main objective being the acquisition of knowledge, these projects do not have to necessarily reach economic sustainability or to be linked to a commercial investment. Thus, upon initial analysis they may not be economically sustainable but their support may still be essential for the development of a concerned area.

This notion of risk means that some innovative projects funded through Leader may fail and this consequence should be accepted in order to promote innovation. One way of ensuring this, would be to guarantee the system-inherent risk of innovative Leader actions not be subject to the same system of funding cuts and sanctions, applied to the first pillar of the CAP. Such an assurance would certainly contribute to moderating the restraints of some project promoters who do not seek financial support from relevant authorities because their project might be a considered too 'novel'.

***Leader: MAs, Project Assessment Bodies and Paying Agencies***

Some RDPs do attempt to give a definition to innovation. However, where the legal approval of projects is not carried out by LAGs, several problems may occur:

- Authorities may tend to rely solely on what is stated in the RDP, which might not be flexible enough for transversal and sometimes complex Leader projects;
- Authorities might therefore seem lacking in flexibility in terms of identifying feasible solutions for the implementation of certain innovative projects;
- Assessment bodies often interpret these sector-specific and legal regulations in a very literal way as a result of their previous experience in EAGGF-Guarantee.

As already mentioned this may deter LAGs from submitting innovative projects for approval. FG2 noted that due to the fact administrative stakeholders differ for each programming period, they are often unfamiliar with the specificities of the Leader approach. The lack of any set methodology for assessing projects (such as an eligibility check list for innovative projects) may also contribute to a reluctance to decide a project is eligible.

Questionnaire respondents recommend that any follow-up of Leader projects by public administrations necessitates knowledge, experience and an acceptance of the Leader principles. Therefore, where possible an effort should be made to avoid unnecessary changes to personal or institutions with responsibility and/or competences for Leader.

One very common view is that assessment bodies should not demand comprehensive application forms with detailed descriptions of the different steps of the project or expected results. Rather, innovation requires 'testing new ways', for which some uncertainty may remain. Consequently, a balanced approach should be implemented in terms of administrative requirements for projects which follow the Leader approach. Assessment bodies should also have enough experience to ensure a better understanding of the Leader approach; the Leader approach is not compatible with extremely detailed regulation which needs to be taking into consideration at the planning stage. This should be validated by the Commission and the MAs and accepted by assessment bodies. Otherwise, difficult or complex projects – which often have a dramatic impact at local level - will be deterred.

### 3.2.5 The selection of innovative projects, the criteria for innovation

With the exception of a few cases, innovation is often not included in the selection criteria of standard measures where the selection criteria are not of qualitative nature.

#### ***The selection criteria for innovation...***

##### ***... should not be too precise***

The selection criteria for innovation should not be too precise. Former evaluations of the Leader Community Initiative have already highlighted the risk that the benefits of Leader in terms of innovation may be lost because of limited or detailed eligibility rules. Indeed, very strict criteria can hinder innovation and limit the development of (new) ideas.

##### ***.....should be decided at the relevant level***

Selection criteria should also be decided at the relevant level. Due to the specificity of the Leader approach, it is unlikely that any potential for innovation will be predicted by public authorities only. Indeed, eligibility conditions and selection criteria defined in the RDP may represent an obstacle to supporting new types of projects. It would be more pertinent to have LAGs set criteria in the context of their local strategy and area/development conditions. LAGs should actively contribute to defining the innovation selection criteria to be included in the RDP (for instance by organising working groups and/or questionnaires for LAGs during the design phase of the RDP). They should also set these criteria in the framework of their local strategy and in the context of their own area.

For example, in Bolzano (Italy), innovation is assessed mainly in relation to territorial considerations (in terms of culture, environment, socio-economic conditions). In France, the introduction to axis 3 asks those regional partners who selected the Leader groups to establish selection criteria which allow for the integration of innovative approaches in the territory where projects are implemented, and to promote innovation in rural areas. It is then up to the LAGs to define their own eligibility criteria, which may or may not be linked to innovation.

##### ***... should make it possible to select more complex projects***

Selection criteria should also make it possible to select more complex projects. With the mainstreaming of Leader, the same rules apply to this approach as to all the other beneficiaries. In many cases, the scope of aid is limited to a closed catalogue with clear eligibility rules but is not relevant for the more complex Leader approach. Leader projects cannot adhere to the sector-relevant and legal regulations at national or EU level in their entirety and apply them comprehensively. Solutions specific to Leader ought to be found both at European and national levels for those LAGs who cannot fit their transversal projects into rather compartmentalised measures.

**Some examples of innovation criteria for Leader:**

**Finland:** Quality of actions, cost efficiency (for example cost of one employed person), capacity of the applicant to deal with the bureaucracy linked to the project and with the actions for which funding is requested;

**Germany (Bavaria):** Bottom-up, networking, integrated approach, sustainability, LAG agreement (including project selection criteria) and contribution to the implementation of the RDP must all be fulfilled (also by main development projects) and it must be guaranteed that these projects contribute to an innovative approach to the RDP;

**Ireland:** The LAG should gear its operations towards aiding projects where the integrated nature and method of implementation or delivery of the projects represent new and locally innovative approaches;

**Italy (Basilicata):** RDP planning should assess proposals for Leader Development Strategies as regards: a) the proposed strategies and design quality, b) integration with respect to the strategy of the RDP and other programmes operating on the ground, c) the implementation of innovative approaches;

**Italy (Bolzano):** Innovative actions are regarded as those which respect the territory and take into account the environmental component, involving some form of integration between individual economic activities. Interventions which contribute to the development of an integrated approach between the different stakeholders (including not only economic but also public bodies) and NGOs, are seen as particularly innovative.

In conclusion, it is apparent that the definition (or lack of) definition and other limitations imposed at the "abstract" level of the RDPs can potentially make the eligibility of a concrete project more difficult. In addition detailed descriptions of what is meant by innovation (lists of possible actions) in the RDP are hindering, especially if such descriptions give the impression of being a "closed" set of eligible types of operations. Innovative Leader projects frequently pursue multi-dimensional objectives, which can also fall under the scope of other funding possibilities. Innovation is therefore affected by demarcation criteria established with other EU funding possibilities, in particular structural funds. In some MS LAGs therefore must undergo a complicated "splitting" of projects in order to apply for funding from the various funds.

The participants of FG2 were of the unanimous opinion that given the specificity of the bottom-up approach, it of LAGs should be involved in setting criteria for definitions of innovation in the framework of the local strategy and not the RDP.

### 3.2.6 Innovation and financial framework

#### *Difficulties in finding co-financing for innovative projects*

As previously mentioned, innovative projects inherently pose some risk which can have specific consequences in terms of project selection:

- In terms of eligibility projects may not be selected because they do not offer any guarantee that they will be implemented soundly and/or achieve all the expected results;
- In terms of identifying potential co-financing, potential backers may tend to have the same reluctance as the Leader assessment bodies.

Another difficulty regarding Leader is the fact that Leader funding is often paid last. This may cause problems for project promoters with less financial capacity (and these are often the more innovative projects). In order to overcome this difficulty, project promoters might tend to seek funding from programmes other than the Leader programme.

It would be useful to ensure that essential national co-funding for the whole funding period be available at LAG level. This would avoid any blocking of innovative projects to co-funding due to national or regional conditions. The principles for national co-financing should follow what is already being implemented as regards the EAFRD funding.

### ***Difficulties with Public Funding***

EU regulations state that in order to participate in the RDP, public finances must provide the basis for funding. This requires private projects to find co-funding from state bodies, whose finances are rigorously managed and therefore often not amenable for the support of projects which are not seen as a priority in terms of the national strategy. It is recommended that both public and private funding be considered as co-financing options.

### **3.2.7 Innovation and regulation: Conflict of interest?**

The mainstreaming of Leader resulted in a different regulation to be applied. Leader+ followed the regulations of the structural funds with a wide scope (EAGGF, ERDF and ESF), but Leader now falls under EAFRD. By being part of a larger programme, the specificities of the Leader approach and Leader projects themselves encounter difficulties.

Responsibility for the approval of Leader projects, as well as control of the eligibility criteria frequently lies with the authorities. Furthermore, in cases where the LAGs have approval and control functions (see Art. 29f of Reg. (EC) 65/2011), for example in Spain and Ireland), the Paying Agencies remain responsible for the payments, according to the financial regulations. However LAGs are still responsible for deciding on the appropriateness of funding in accordance with their local strategy.

Paying Agencies who are used to operating under the relatively homogenous and 100% community financed system of the 1st Pillar of the CAP, might place less importance on the achieving of local strategy objectives, in comparison with their concern for a well-managed execution of the budget. Innovative projects are often experimental and so not conducive to this sort of approach to funding.

The MAs can take advantage of the flexibility offered by the EAFRD regulation to shift decisions regarding the classification and/or definition of innovative actions (inherent to the system of the objectives of the EAFRD regulation) to the local level. The same possibility exists for the demarcation criteria associated with other funds.

### **3.2.8 Further areas for improvement at RDP level**

According to responses received to the questionnaire given to FG2 members the following areas were identified as requiring further improvement:

- Further time is needed for innovation to develop (which is not possible given the objective of commercial imperative which currently exists);
- Links should be forged between the RDPs, the authorities (instructing services, MA, assessment bodies and Paying Agencies) and the applicants. Furthermore a consultation

service is envisaged so as to identify the best financing solutions for individual innovative ideas/actions;

- A measure specific to the Leader approach should be developed, with a wide scope in terms of available aid, the possibility of financing riskier ventures, and the different projects to be implemented;
- Greater flexibility is needed in terms of the verification of the 'reasonableness' of innovative projects (at the European level and also with respect to auditors) and verification in terms of the relevance of costs;
- Better promotion of innovative cooperation projects and exchanges of experience in this area;
- More information highlighting the benefits of innovation, including its possibilities and added value for local development;
- Determining a way of rewarding innovation (prize and/or financial bonus).

### **3.3 Leader and innovation at Local Development Strategy Level**

As well as the establishment of clear objectives through the SWOT analysis, a local strategy should also demonstrate that a debate on innovation has taken place locally. In Poland strategies must include a chapter on innovation. The rather abstract definition of innovation in the local context (e.g. new types of projects, categories of beneficiaries, new economic activities, demonstration projects with an experimental character which claim being transferable, linking of existing mainstream actions in a new context etc.) could be more focused. This is the only feasible way to ensure that innovation is recognised as a valuable eligibility criterion when a project proposal is being assessed.

#### **3.3.1 The overall interpretation of innovation at LAG level**

In most cases, innovation is interpreted as something 'novel' at LAG level. For Flanders (Belgium), the LAG has to demonstrate that there are new additional benefits to be gained in terms of sustainable development, in comparison with other aspects of the mainstreaming programmes. In Ireland, it should be a new project for the area or a new sector (such as renewable energy) or a new approach (integrated funding). In Finland, an innovative project or action must always include some kind of new action, policy or cooperation. Furthermore in Finland, innovation must (usually) be transferable to other areas. Poland too puts as an important point the fact that innovation is the implementation of ideas and solutions known elsewhere but new in a given area. In Slovenia, innovation requires a new, different (in terms of approach, method, product, project, market etc.) in and/or for the local area and its inhabitants. While in France, innovation is encouraged through the priority theme which the LAGs need to define in order to develop their strategy (no pre-defined theme at national level). This priority theme must demonstrate the multi-sectoral approach of the strategy.

Both France and the Netherlands suggest that there may be differing definitions of innovation depending on the LAG. For one particular LAG in the Netherlands for example (LAG De weidse Veenweiden) innovation may involve product processes, new cooperation consortia, new markets for new products and new products. However for another LAG (LAG Beerze Reusel) innovation denotes new cooperation consortia, products, innovative processes, target groups or something new for the area.

#### **3.3.2 Selection of innovative projects and eligibility criteria at local level**

##### ***LAG definitions and subjectivity***

As previously mentioned, selection criteria as regards the innovative character of planned actions should also be described in the Local Strategy, but not in such a way where they might become exclusion criteria. Selection criteria are only relevant as regards eligible projects if only limited funding is available.



By asking LAGs to provide an adequate system of selection criteria and a sound system for documenting their decisions, the question of eligibility of innovative projects can be answered with regard to a principle of "defendability". This means that innovation becomes a matter of opportunity for which the LAG is the only reference point. It is therefore not necessary for National Authorities to share the opinion of a LAG, especially if the LAG estimates that a project fulfils criteria in terms of its local strategy, thereby adding value to its area.

These selection criteria could include a series of qualitative indicators which would be more useful to measure innovation than any of the quantitative indicators which are currently available (i.e. amount of rural population involved the actions/projects, increases in company turnover, the creation or securing of employment etc.) which are not the most appropriate means to assess innovation.

***One objective criteria: The capacity of the LAG and of the project promoters***

Furthermore, those elements, which are not directly linked to the "defendability" of the project, can also be taken into account when selecting innovative projects. As we have seen, innovation is risky. The answers to the questionnaires have therefore shown that even more special attention has to be paid to the fact that, despite the risk inherent in any innovative project, the project promoter has the potential to implement it in all its aspects (financial, administrative, management etc.).

***The purpose of innovation***

Having the LAG decide upon selection criteria seems to be the best solution given the specificities of the Leader approach. This means that innovation may denote different qualities according to the level of 'maturity' of the area and of the LAG. For example, in the current programming period, simply putting together a public-private partnership and writing a common strategy may be the central innovative point of a new LAG, in which the actions carried out would otherwise be less innovative. On the contrary, experienced areas and/or LAGs would be more inclined to work on innovative projects (in the sense of new actions or the implementation of new ideas) since the Leader approach would be something that they are already familiar and comfortable with.

**Some examples of Leader selection issues and criteria at local level:**

Does the project have an experimental character?

Does the project serve as a positive example for other areas?

Is the project strengthening cooperation between organisations both within the area and elsewhere?

Is the project strengthening social cohesion?

Is the operation innovative?

Is there a connection between innovation and local tradition (innovative use of local traditions, knowledge, methods, resources etc.)?

Does the strategy foresee innovative projects, an innovative use of local resources, or the innovative integration of different sectors?

### 3.3.3 Innovation in Leader and other funds

Innovative Leader projects do frequently pursue multi-dimensional objectives, which can also fall under the scope of other funding possibilities. Therefore it seems necessary to define demarcation criteria with other funding possibilities, in particular with those of structural funds. In some MS, LAGs have to undergo a complicated "splitting" of projects in order to apply for finance from several funds.

Yet, demarcation criteria with other EU funds should not restrict the scope of local strategies by identifying eligible domains of intervention (e.g. tourism, training, micro business support etc.). Instead demarcation criteria should be related to the size, nature or location of project. In one case, for example, it is mentioned that certain "social projects" cannot any longer be funded due to necessary demarcation with the ESF.

The establishment of demarcation criteria with other EU funds is a task which ought to remain at the local (LAG) level. The necessity of demarcation should however not prevent the local strategy from pursuing other objectives than those of the EAFRD regulation. This implies that certain innovative projects will have to be funded by means other than the EAFRD.

If the LAG is implementing an additional strategy funded by another EU fund, demarcation should apply at local strategy level, respecting the demarcation criteria mentioned in the RDP. This principle (explained in the 2007 EU inter-service note on complementarity) is not applied in all MS (or even respected in all RDPs).

### 3.3.4 The factors which may limit innovation at local level

According to the responses to the questionnaire there are additional factors which may limit innovation at local level:

- A quantification of the individual goals should be developed by the LAGs together with the local strategy success indicators. These indicators should then be adapted to all individual innovative projects. Close collaboration is therefore recommended during project preparation, between project promoters, LAGs (as decision making bodies) and the authorities dealing with the administration of the EAFRD. In this way time-consuming or frustrating discussions with regard to the eligibility of projects can be avoided;
- When the eligibility of some projects does not correspond with the RDP, the LAG should be able to negotiate with the assessment bodies in order to introduce reasonable changes to the RDP;
- The fact that project promoters must self-finance a percentage of the budget is identified as problematic for innovative (and therefore risky) projects;
- In some rural areas, there is a lack of new ideas or an innovative approach generally. Information, training, exchanges, mentoring and external technical assistance with more 'proactive' areas/actors could be useful to boost the innovative spirit required.

## 3.4 Innovation of projects: the wide scope of approaches

Four different types of innovation can be seen in the sample of projects which have been analysed:

- Innovation in the project itself, which raises the question of who decides what is/is not innovative. With this approach, projects may be innovative in many different rural development themes (extracts of example to be presented for as many themes as possible)  
e.g.
  - Tourism;
  - Service to the population;

- Environment;
  - Education and social affairs;
  - New products;
  - Support to business creation and development.
- Innovation in the combination of different projects which contribute to a more transversal objective. This relates more to the general Leader strategy than to any individual action implemented using one measure or another (i.e. bigger settlements in rural areas with strong NGOs and small companies with development potential);
  - Innovation in the new types of partnerships emerging thanks to the Leader method (examples from Finland, Ireland and Poland);
  - Innovation in financial engineering projects which were necessary to overcome some difficult procedures (examples from Germany, France and the Netherlands).

### **3.4.1 Examples of innovation in the project itself**

#### ***Leader innovation in the field of natural and cultural heritage***

##### Finding new uses for the local cultural heritage and resources

One innovative approach is to find new alternative uses for old buildings or other cultural resources in order to strengthen the regional culture and promote its specificities. Three examples can be mentioned:

- Creating a house of literature in a rural area: the German case of the Wipfeld House of Literature - This project aims to create a literary museum and forum using the reputation of Wipfeld's three most famous writers (Conrad Celtis, Eulogius Schneider and Engelbert Klüpfel). Its innovative character lies in the fact that it will lead to the establishment of a 'house of literature' and a reading room in a rural area, which is not commonly encountered.
- Turning an old mill in a KidsKaffee: the Flemish case of the Kempen-Maasland LAG -The old mill house was refurbished and now proposes walking and cycling activities, catering facilities for children and an area where interactive exhibitions can be organized.
- Refurbishing former farm buildings in order to welcome artists: the SART project of the Dutch Zuid Twente LAG - The SART project consists of the development of (guest) studios for visual artists and designers and the organisation of thematic workshops, for various disciplines in former farm buildings on Tweekelose yards. This 'new' function for the farm's barns and sheds enables them enliven the area and gain direct revenues from them, thus creating a new economic activity in the area.

##### Communicating about the local environment

Local people are sometimes unaware of the environment they live in, of its richness or its specificities. Innovation can lie in changing the way people see the area they live and also perhaps the way they feel about it:

- Traveling landscape - how to make the landscape of LAG Flevoland(NL) better known locally: This involves a traveling exposition about the landscape of the province of Flevoland. The exposition can be placed in buildings like schools, cultural meeting points, libraries, village buildings, nature information centres, elderly homes etc. The innovative aspects of the project lie in the new manner in which the information is presented and also in the fact that the exhibition travels to people (and not the other way around). Furthermore, the development of the project involves the population, in particular the young people in the area.

### Promoting an environmental approach

Renewable energy and environmentally friendly approaches are areas with unlimited innovation possibilities which some areas have already seized:

- A wide programme supported under Leader to promote renewable energies in Ireland (3 LAGs: Cavan-Monaghan LEADER, Louth LEADER, Meath LEADER) A project was carried out which aimed at raising awareness among the general public as to the potential of renewable energy. The central idea was to provide both technical support and to generate employment, through the development of renewable energy projects in the area.
- Communicating about energy savings in Flanders and in the Netherlands: The Dutch LAGs of Kop van Noord Holland and Texel, both participated in the ELREN cooperation project. This is a network for sustainable energy in Europe encouraging, which aims at facilitating regional and international projects on energy saving and renewable energy (solar, wind, biomass, renewable heat, tidal energy, energy and waste heat utilisation, hydrogen and sustainable building). In Flanders, (the Vlaamse Ardennen LAG), 'energy trimmers' use a mobile information stand and some demonstration material to stimulate people in rural areas to make their houses more efficient in term of the use of energy.
- Combining agriculture and water protection - the 'Alternative water sources: the new gold?' project from the Flemish LAG Westhoek (Belgium): This project aims at stimulating awareness of the issue of water knowledge for farmers and people involved in horticulture. Taking into account the decreasing availability of deep ground water (in terms of quantity and quality) and the increasing demand for water in the area, the project aims to make farmers aware of just how valuable water is and increasing their knowledge of water sources, water treatment techniques, prevention of water floods, etc.

### ***Leader innovation in the field of services to the population***

More than individual service projects, Leader innovation enables a transversal approach for services to population, with the objective of maintaining or developing a level of services in rural areas which will be similar to the service available in more urban zones; and to inform on how to best access this service:

- Creating a centre of services in a scarcely populated zone - Balow, a village for Children, a village for everyone (German LAG South West Mecklenburg): The integrated approach of the LAG enabled the village of Balow (with 325 inhabitants) to have direct access to an important number of services including a primary school, a childcare centre, a culture and communication centre, activities, leisure and sports facilities, a shop, restaurant and community centre. A strong local partnership and five local NGOs, who have been strongly committed to the project for more than 10 years, have enabled the creation of a sustainable child-friendly community in a structurally weak area.
- The "Care – What next?" booklet in the German Müritz region: After the "Hurray, we're a family now" booklet published under the previous programming period, the current project aims to provide information about the legal framework, where to get advice and how to contact existing networks when searching the most relevant care system for an older person requiring specific attention. The objective is to put all the information in one booklet which will give an overview of what exists and present the different possible options. No such guide existed before this project and no financing sources are currently available for such projects.

### ***Leader innovation in the field of new products, services, activities and technologies***

Projects in this category may be even more diverse than those in the aforementioned categories, as demonstrated in the three examples below:

- Digiroute42 - a digital Flemish Ardennes route developed by the LAG: Vlaamse Ardennen: This project aims to develop an instrument that creates opportunities for proposing routes (which are recorded with a GPS) on a smartphone, thereby enriching their presentation with informative and interactive animations.
- The Spicy Meetjesland project - ethereal oil from the area of the LAG Meetjesland-Leie-Schelde: The project aims to promote the production and use of ethereal oils from the within the region itself and also in other Flemish regions. This is facilitated through a combination of educational, commercial and economical approaches.
- The creation of recording and music facilities in Poland: Setting up a recording studio and a record company which proposes music workshops in rural area is innovative in Poland for several reasons. Firstly, it is a completely new (and unusual) activity in this area. Secondly, the project offers an interesting combination of profitable and social activities (music therapy and a music school for local youth are foreseen).

### ***Leader innovation in the education and social sector***

Projects within this category also offer valuable examples of innovation:

- Ever heard of trees? How to raise the interest of children for trees in the Flemish Midden-Kempen LAG area: This educational project introduces children at the third level of primary school to planting, cultivating and maintaining their own trees. This is done on the premises of a professional tree nursery located near the school.
- The LAG North West Overijssel "Green wish boat": Following an idea by a family with a disabled child and a nature conservation association, a boat is made accessible for bedridden people and their families, to privately navigate inside a nature reserve.
- The Malchow island residency (German, LAG "Mecklenburgische Seenplatte-Müritz"); enabling people suffering from dementia to live together with their life partner: An old textile factory is converted into a centre for old people and those suffering from dementia, where the marital partners may also be accommodated in order to maintain closeness to loved ones, contributing to the pathology being better dealt with by the family and easing relations between the family and the caring staff easier.

### **3.4.2 Examples of innovation in the new types of partnerships emerging thanks to the Leader method**

One essential characteristic of the specificities of the Leader approach is partnership. This partnership is evident at different levels. It refers to the public-private decision making partnership which is compulsory inside the LAG but it also refers to the idea of a wider partnership involving local actors and stakeholders who gain the opportunity to be involved in the strategy definition process, the implementation of projects and in the development of their area. This forging of new links inside the area also helps clarify definitions of transversal projects, common to more than one promoter, fostering a greater drive for success than one actor alone would have been able to achieve.

- Bringing together public, private and third sectors in Finland (LAG ETPÄHÄ RY) in order to develop services for elderly people in rural areas: In order to find and create new operational models and policies which provide services in rural areas (notably for elderly people), the different social and welfare stakeholders were brought together, and a survey was carried out on the different places where services could be organised (village houses, village schools, libraries, etc.). This project planted the seed for better public-private partnership (between the municipality and third sector) in the organising of welfare services in rural areas. New cooperation arose between rural associations (village movements, sport associations, etc.) and the public sector (municipalities) and forced municipalities and different administrations to work with each other in order to produce efficient and high quality services.

- Creating links between farmers and agro-food actors in the regional dairy farming sector of the Zuid Oost Drenthe LAG (The Netherlands): New cooperation links have been established between farmers and breeders to contribute to farmers being less dependent on EU support, becoming more specialised and better involved in regional development.
- The historical workshops in Torglow (Germany) - making the history of the region part of people's history: This action, comprised of two open-air museums, a historical shipyard which has so far rebuilt eight ships according to archaeological evidence; and an international youth meeting place has been made possible thanks to the frequent and high quality links which were developed between young workers, tourism organisations, active labour-market actors and cultural citizen representatives.

Furthermore, Leader also opens up the possibility to work with structures and people from outside the area or even outside the MS. Cooperation between territorial (and rural) actors is both innovative in itself and serves as a path for the development of new ideas and concepts.

### **3.4.3 Examples of innovation in financial and administrative engineering**

One generally agreed fact is that innovation is not always compatible with the financial and administrative frameworks conceived for projects more 'conventional' than the ones implemented within the previous Leader programmes or indeed the current Leader axis. Furthermore, innovation inherently involves the necessity of taking risks, which are also not compatible with certain regulations. However, for some projects, innovative solutions have been found in terms of financial and administrative engineering.

- The German case of the Wipfeld House of Literature: how to secure an action when municipal finances are limited? This previously mentioned project faced several difficulties, primarily centred on how to make an action financially sustainable when the municipal finances are limited. This limitation has been overcome as a result of the entire project development being financed in advance, by the local community. Furthermore, the project will depend exclusively on volunteer workers.
- France - taking the voluntary work inside associations into account: Many local development projects are implemented by local NGOs (associations) which do not have any independent financial means. Consequently it is difficult for them to co-finance a project they wish to implement as it is usually compulsory for them to contribute to at least 20% of the budget. This resulted in a tendency of this type of beneficiary to be 'excluded' from crucial Leader funding. Taking this into account and, in parallel, the fact that much of the work done in these structures is voluntary work (thus not 'financially tangible', the MA is looking at possibilities of financially valorising the time spent by co-financers, thereby equating it with own co-financing for some specific types of projects (notably in the social care sectors).
- The Malchow island residence project: a transversal approach which required the combining of three different EU-funding sources and six project approval decisions based on different regulations: The implementation of this previously mentioned project (apartment sharing, for people suffering from dementia to live together with their life partners) requires specific administrative skills. Indeed, three separate EU funds were called upon: ESF via the Ministry for Social Affairs, ERDF via the Ministry of Economy and EARDF via the Ministry of Agriculture. Furthermore, in order to complete the budget, national funding was obtained via the Ministry of Transport with several foundations and trusts intervening, each one applying its own procedures, calendar and decision making processes. This required a lot of innovation in terms of the management of the whole file in order to maintain the global coherence of the project, as well as keep a clear track of the different procedures and avoid double financing.

## 4 Recommendations for possible solutions

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### 4.1 Possible solutions at the level of the regulatory framework

The Reg. (EC) 1698/2005 gives MS the possibility of designing Leader as an instrument for the implementation of innovation. The relevant statements in the Commission's Guidelines about Leader could still be improved. Local strategies frequently pursue, not only the goals of the EAFRD regulation, but due to their integrated character they also pursue goals outside rural development. This is inevitably reflected in the character of innovative operations. An innovative project should therefore be permitted to find finance completely through the EAFRD, if the objectives of the EAFRD regulation are at least reflected in a substantial part of the project. Therefore for the new programming period it should be discussed whether the formal task of formulating demarcation criteria for local strategies at RDP-Level (see Annex II, Nr. 10.3 of reg. Nr. 1974/2006) could be a bottleneck for these projects. The example of France (RDP for the French Hexagone) illustrates this.

As for the financing regulations which also apply to Leader (Reg. (EC) 1290/2005 and deriving implementation regulations) whether or not their character fits to the specificities of the Leader approach should be seriously considered in the new programming period. The future design of the regulation should take into consideration the particular requirements of the Leader approach even with regard to its administrative execution.

At the very least, it should be made clear that the system-inherent risk of innovative Leader actions should not be subject to the same system of sanctions, which were applied to the first pillar of the CAP. Such a clarification could moderate the restraint shown by many relevant authorities vis-a-vis innovative projects. For example, innovation is a process which has been synthesised by the Irish Rural Development Support Unit in the following way: animation, identification, development, funding, follow-up.

### 4.2 Possible solutions at the RDP level

The MAs can take advantage of the flexibility offered by the EAFRD regulation and shift the decision on the classification and definition of innovative actions (inherent to the system of the objectives of the EAFRD regulation) to the local level. The same applies to the demarcation criteria with other funds.

The National Rural Networks (NRNs) should support the process by collecting the different approaches in the RDPs, and providing opportunities for discussing both advantages and shortcomings of the approaches.

FG2 was of the strong opinion during the two joint meetings of the group (28 January and 19 April 2010) that it would be useful to always ensure that the LAGs can count on the fact that the necessary national co-funding is available together with the EAFRD funding throughout the whole funding period, thereby avoiding the necessity of LAGs having to search for national-co-financing for each project. This would avoid blocking innovative projects due to national or regional conditions regarding national co-funding, which sometimes turn out to have particular eligibility criteria, parallel to those of the EAFRD.

Both meetings concluded that FG2 is aware that this might require a paradigm shift towards a partnership principle as regards the decision-making on the budget. The principles for national co-financing should follow what is already being implemented as regards the EAFRD funding.

### **4.3 Possible solutions at the level of national authorities**

Even if the final and general responsibility for sound and safe EAFRD funding remains with the National Authorities, FG2 is still of the opinion, that they are not taking advantage of the flexibility provided by the regulatory framework.

By asking LAGs to provide them with an adequate system of selection criteria and a sound system to document their decisions, the question of eligibility of innovative projects can be answered with regard to a principle of "defendability". This means that it is not necessary that national authorities share in all aspects the opinion of a LAG, especially if a project fits the local strategy and will add value. By following this principle, small doubts on eligibility could be accepted without putting the project or overall eligibility criteria in jeopardy. For example, in the Flemish LAGs Meetjesland-Leie-Schelde and Vlaamse Ardennen (Belgium), innovation is one of the selection criteria and marks are awarded according to the level of innovation of the submitted projects.

NRNs could play a useful role in moderating the different points of view through the organisation of common meetings with all relevant actors. (LAGs, MAs, Paying Agencies and Certifying Bodies).

### **4.4 Possible solutions at the level of the local strategy**

A delegation of competences from the programme level to the local strategy level implies that a LAG has to make use of these competences in an appropriate way. The term innovation should not be used in an inflationary way, either in the strategy or in relation to individual projects. The central factor should be whether or not the respective project has a specific added value for the strategy.

A quantification of the individual goals should be developed by the LAGs, together with the local strategy success indicators. These indicators should then be adapted to all individual innovative projects.

The NRNs should support the LAGs in performing this task by offering them necessary expertise and opportunities for an exchange of views.

FG2 therefore recommends a close collaboration between project promoters, LAGs (as decision making bodies) and the authorities dealing with the administration of the EAFRD, during the project preparation. In this way, time-consuming or frustrating discussions with regard to the eligibility of projects can be avoided.



## 5 Annex

### Annex 1: Questionnaire for Members of FG2 Preserving the innovative/experimental character of Leader

Focus Group: Preserving the innovative/experimental character of Leader-draft template	
A.General Information	
Member State	
Region	
Contact details	
B. Design of the implementation procedure	
	At RDP level
Overall definition of innovation	
Measures with innovation component	
Eligibility criteria	
Key limitations as obstacles for innovation	
Solutions to overcome obstacles	
	At LDS/LAG level
Overall interpretation of innovation	
Selection criteria for innovative projects	
Key limitations as obstacles for innovation	
Solutions to overcome obstacles	
	Solutions/Recommendations
How better support the different levels in defining/understanding innovation? (MAs, PAs, LAGs, other)	
C.Practical implementation of innovation	
Most frequent areas for innovative projects	
	Example of innovative project
Aim of the project	
Innovative measure(s)	

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Innovation components of the project	
Key limitations as obstacles for innovation	
	Solutions/Recommendations
Solutions to overcome obstacles related to the project	
Any other practical suggestions	