European Network for Rural Development

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**Better LEADER practices for Local Development Strategies across the EU**

*This Infosheet is part of a series of relevant practice examples that Managing Authorities and Local Action Groups have used while implementing the LEADER approach in the 2007-2013 period. The series aims to extend the reach of rural development policy by highlighting what works well in the design and delivery phase of Local Development Strategies (LDS).*

# Clear rules and methodologies to ensure multi sector integration in local strategies

N.03

**Country:** Greece

**Organisation:** Managing Authority (MA) - Hellenic Ministry of Rural Development and Food

AT A GLANCE

## Objectives

Clear rules and methodologies were put in place by the Greek MA in order to improve transparency, representativeness and to guarantee a broad-based multi-sector participation in the Local Development Strategy (LDS) design and implementation – a key feature of the LEADER approach.

## Key elements of the approach

The most important aspect of this approach is that by issuing clear rules and methodologies, the MA, in conjunction with the Local Action Groups (LAG), can avoid potential misuse of EU funding and diligently perform their monitoring roles.

## Lessons learnt

The MA can set monitoring and project selection criteria in the RDP that is supportive of broad-based multi-sector integration in the LDS design and implementation. The LAG can then play its part at the project level when carrying out on-the-spot supervisory checks.

## Objectives and background

The danger of channelling EU funds to non-representative LAG-related interest groups, especially in sparsely populated rural areas was one of the strongest criticisms in the European Court of Auditors' report on the implementation of the LEADER approach[1]. Although very rare, such 'closed groups' could be based on a common business interest, ethnicity, language or even religion. The current European economic crisis may fuel such behaviour, including from public sector organisations at the local level seeking external funding to bridge gaps in their budget.

In order to avoid such negative pressure, there should be clear rules and methodologies - at both the Managing Authority and Local Action Group levels - to safeguard the transparency and representativeness of various sectors needed for a good practice LDS design and implementation.

## Key elements of the approach

The Greek Rural Development Programme (RDP) rules specify that:

- A LAG cannot be a beneficiary of a project within its own funding allocation;
- The public expenditure on projects implemented by LAG shareholders cannot exceed 30% of the LAG's funding allocation;
- The public expenditure on projects implemented by Local Government Organisations and related bodies cannot exceed 30% of the LAG's funding allocation;
- The public expenditure on projects implemented by Local Government Organisations only cannot exceed 25% of the LAG's funding allocation.

These rules encourage multi-sector integration by effectively preventing individual or a few closely-related interest groups taking the lion's share of the LAGs budget.

As Greece follows the so-called Global Grant LEADER administration model, whereby LAGs have autonomy over project funding as well as payment decisions, LAGs are also officially entitled to monitor project implementation closely. The monitoring reports are electronically submitted to the MA information system and are also accessible to all LAGs.

### *Communication aspects*

The MA communicates its rules to all LAGs as part of the National Rural Development Programme (NRDP). In order to follow these rules, LAGs must use a variety of

[1] Report of the European Court of Auditors on the Implementation of the LEADER approach for rural development http://eca.europa.eu/portal/pls/portal/docs/1/7912812.PDF

participatory techniques to involve all interest groups in the strategy design and implementation. The local media proved to be a very effective strategic partner in this work.

Communication skills are also highly relevant when carrying out supervisory checks on project implementation. Rather than make predetermined assumptions about project owners, the checks create the conditions for a mutual learning process and dialogue between the LAG and project applicant.

## Lessons learnt

### *Benefits*

The clear rules effectively actively prevent individual or closely-related interest groups from receiving disproportionate funding. The jointly-implemented monitoring by the MA and LAGs helps to protect the multi-sector integration - which is one of the seven key features of the LEADER approach - in the LDS planning and implementation. It prevents the creation of small cliques around the LAG and potential misuse of the LEADER funds.

### *Barriers*

LAGs must continuously be aware of how much funding is being directed to their own shareholders and to Local Government Organisations. LAGs must also have adequate staff resources to carry out supervisory tasks. Local monitoring is both more effective and cost-efficient than long-distance external supervisory procedures. Often when left to an external supervisor from another organisation and/or location, it tends to become a box-ticking exercise and can also lead to overlapping roles at different levels of the hierarchy.

### *Lessons learnt*

The potential misuse of LAGs' funds is minimised if the MA and LAGs perform their monitoring tasks diligently. The MA can set the monitoring and project selection criteria in the RDP level in a way that supports broad-based multi-sector integration in the LDS design and implementation. The LAG shall intervene at the project level by carrying out on-the-spot supervisory checks.

Even though the LEADER approach is already 20 years old, most of the EU's over 2,300 LAGs are fairly new and starting only their second programming period in 2014-2020. In these circumstances ensuring wide participation is highly relevant.

*The information included in this Infosheet is primarily coming from case studies carried out within the ENRD Focus Group 4 on Better Local Development Strategies. It has been compiled by the Contact Point on the basis of the information collected in the EU Member States and regions and takes into account views expressed by the Focus Group. This notwithstanding, the content does not necessarily reflect the official position of the EU institutions and national authorities.*