Working on the LEADER delivery system

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Tools for programme authorities

LEADER requires linking up of different governance levels, involving the European Commission, Managing Authorities, Paying Agencies and LAGs in an overall LEADER delivery system to achieve the outcomes sought and deliver real added value. Each level has a different part to play but all have to work together and make the right decisions if the system is going to function efficiently and the objectives are to be achieved. This is unlikely to happen of its own accord, the best performing systems are those which are well maintained, where performance is checked, the constituent parts are properly linked, and adjustments, modifications or improvements are made when necessary.

Managing Authorities (MA) and Paying Agencies (PA) have a key role to play in ensuring smooth implementation of the LEADER approach. LEADER delivery must be adopted to take into account the specificity of the bottom-up, partnership-based approach – trying to apply to LEADER the implementation systems designed for other RDP measures may create administrative burdens and increase transaction costs. This section of the Toolkit provides advice to programme authorities on how to design a system that works harmoniously and allows the LEADER approach to deliver its added value.

Important sources of information and guidance for the 2014-2020 programming period are listed below:

- *ENRD website ⇨ LEADER/CLLD section*
- *Commission Guidance on CLLD ⇨ Guidance on Community-led Local Development in ESIF*
- *Guidance to EMFF Managing Authorities ⇨ Tools for Managing Authorities*

Improving delivery mechanisms

During the four periods of implementing the LEADER approach, several implementation issues have been identified, and practical solutions have been found to address many of them. The table below indicates some of the most common issues and some solutions found in the past:

Type of delivery issue	Examples of solutions
Limited autonomy of the LAG	- Delegation of certain roles to the LAG - Adapting eligibility under LEADER to the local needs - Umbrella projects: special mechanisms enabling LAGs by giving them more autonomy in supporting local actors
High administrative burden	- Using electronic application, approval and payment tools - Simplified mechanisms for small projects - Simplified cost options in LEADER
Access to funding for LAGs and beneficiaries	- Ensuring national/regional co-financing together with EAFRD funding - Special provisions for LEADER beneficiaries' own contributions - Advance payments

	- Working with financial intermediaries - Specific provision for LAG running and animation costs - Financial instruments

Lessons and practical applications in the 2014-2020 Programming period

Improving delivery mechanisms is an activity often associated with the simplification of LEADER implementation which sometimes requires innovation in the LEADER delivery chain. During the 2014-2020 Programming Period, the ENRD has started to discuss the issue of LEADER innovation and simplification. There is a growing collection of relevant materials on this topic. Some links to the available information are presented below.

- *ENRD recommendations for improved LEADER implementation (available from this page)*
- *LEADER Innovation (regulations, guidance, examples, studies, events)*
- *ENRD dissemination tool `Innovation in the LEADER delivery chain`*
- *Fast-track administrative procedures for smaller RDP projects*
- *Improving LEADER implementation through practitioner-led work*

Enhancing autonomy of the LAG

An essential factor of success of the LEADER approach is the ownership of the Local Development Strategy by the local community, and local decision-making is an essential element to ensure this ownership. However, this is often in conflict with the national or regional legislations which require that eligibility and selection criteria have to be defined by the relevant programme authorities. Thus, in many cases key decisions as to what kind of projects can be supported are taken at programme level (national or regional). This also sometimes causes doubts as to what can be financed under LEADER and leads to lengthy project approval procedures.

However, many Member States and regions have found ways to ensure a high degree of local autonomy by delegating certain responsibilities, typically handled by the MA or PA, to the LAG or by introducing special mechanisms enabling enhanced autonomy at the local level.

Examples from the 2007-2013 period.

In the 2007-2013 programming period, Focus Group 1: Implementation of the bottom-up approach of LEADER (LEADER FG1) established an inventory of LEADER implementation models, identified the main difficulties / obstacles in the implementation of LEADER axis and good practice, and reflected on possible solutions, at different levels and for the short, middle and long term to improve LEADER administrative implementation. The relevant findings and recommendations of the LEADER FG1 are available here.

One way of strengthening the autonomy of the LAG is the use of **umbrella projects or schemes.** These are projects where the Managing Authority allocates a block of funding to the LAG (or in more decentralised schemes, the LAG allocates some of its budget to a local organisation), with which they then set up and deliver a targeted programme of support e.g. a small- scale grant scheme or programme targeting a specific priority theme, target group or area. When the umbrella scheme is set up by the Managing Authority, it is normally delivered by the LAG, which takes responsibility for the total grant, even though individual activities are implemented by a number of local actors. In more decentralised systems the LAG receives applications to deliver and manage umbrella projects or schemes from public sector organisations, representative bodies or NGOs and target business and community beneficiaries. In all cases, umbrella schemes involve a degree of devolved delivery of support by an intermediary – which is formally the project holder (scheme manager) – to the target group (the ultimate or scheme beneficiaries).

Such schemes provide a useful means of directly engaging small scale community organisations or businesses in the work of the LAG and of coordinating their actions towards strategic objectives. They can be delivered more directly to the ultimate beneficiaries through simplified application and delivery mechanisms, with more direct targeting and tailoring to the specific characteristics of the target group or area. The use of schemes is common in business support actions e.g. a small-scale tourism quality improvement initiative, a wide range of training activities, supporting the introduction of new technologies to improve efficiency or in green business initiatives e.g. supporting measures to reduce waste. They are a useful means of grouping and managing large numbers of small scale applications efficiently and reducing the administrative burden on applicants, the LAG and its staff.

When properly managed such schemes present few additional risks; however, this means that the compliance, progress, performance reporting and audit arrangements have to be very clearly established. Consequently, LAG staff need to maintain a high level of overview and scrutiny of such projects.

Care is needed to ensure that the 'scheme' does not merely introduce a further layer of decision making, payments and administration which then needs to be signed off further up the delivery chain rather than simplifying access to support for small applicants. Care is also needed with regard to managing the delivery costs.

Lessons and practical applications in the 2014-2020 Programming Period

- *Umbrella projects in LEADER/CLLD (main report on the relevant findings of an ENRD workshop)*
- *Small projects – great leverage (examples from Sweden)*
- *Working group "Umbrella projects under LEADER" (summary and conclusions prepared by Managing Authorities and Paying Agencies from Austria, Germany, Luxembourg and Sweden)*

Reducing administrative burden

One of the characteristics of the LEADER approach is the local decision-making, which should enable a quick and flexible decision process. However, in some delivery models the projects selected at the local level still have to undergo administrative checks very similar to those for project submitted under

the standard 'top down' delivery system. This means that the whole decision process under LEADER could take longer, not shorter, than in the other RDP measures.

To avoid this, several mechanisms have been developed, including the use of **web-based application, approval and payment tools,** and **simpler delivery systems for small projects**

Whilst umbrella projects or schemes offer one mechanism for dealing with small scale projects they are by no means the only solution. Managing Authorities and LAGs should consider other possibilities to reduce the administrative burden for themselves, LAGs and of course for beneficiaries. Simplification is the greatest demand in case of small projects implemented by small-scale beneficiaries. There could be specific provisions at programme as well as LAG level, e.g. targeted calls, simplified procedures, on line approaches, the use of differentiated or simplified selection criteria. The approval process of small projects could be simplified by giving delegated authority to specific staff members of the relevant body within financial decision-making thresholds.

The use of simplified cost options in LEADER delivery is an effective method for simplifying LEADER implementation. Simplified Cost Options (SCOs) were widely used already in the 2007-2013 period, in particular in the European Social Fund. From 2014-2020, the European Commission strongly recommends a broader application of SCOs in all the ESI Funds, including the EAFRD. Several MAs apply simplified costs under LEADER, in particular for preparatory support, as well as for running costs and animation.

Examples from the 2007-2013 period

- *E-services and document management (Estonia)*
- *Single IT system for validating EMFF and EAFRD payment claims (Portugal)*
- *From small projects to umbrella projects (Poland)*
- *Example of simplified cost option under ESF (Germany)*

Lessons and practical applications in the 2014-2020 Programming Period:

- *(section 7.5 describes the application of SCO in CLLD)*
- *EC Guidance on Simplified Cost Options*
- *ENRD Guidance on Simplified Cost options ⇨part 1 / part 2 / part 3 / part 4 / part 5 (includes planning SCOs in RDPs; using lump sums under preparatory support (sub-measure 19.1); and applying flat rates to running and animation costs (sub-measure 19.4)*
- *LEADER lump sum payments for preparatory support (Poland)*
- *The Omnibus Regulation[1] introduces new simplified cost options and offers other opportunities for simplification and reduction of administrative burden*
- *Practical examples of innovation and simplification in the LEADER delivery chain (examples from Denmark, Finland, Lithuania, The Netherlands, UK-Scotland).*
- *ENRD Workshop on Simplified Cost Options (summary, presentations, issues relevant to LEADER)*

[1] REGULATION (EU, Euratom) 2018/1046 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012

Improving access to funding

Even when EAFRD funding is available for project promoters implementing the local strategy, they may face difficulties in carrying out their projects because of lack of national/regional co-financing, which in some MS/regions is automatically made available together with EAFRD funding, but in others it has to be applied for separately for each project. Some beneficiaries – including many LAGs – also find it difficult to provide up-front financing and then wait to get their payments, often many months after the projects have been completed; a good solution here is to enable advance payments.

Other possibilities include working with financial intermediaries (e.g. banks) or using financial instruments under the EAFRD (if made available under the relevant rural development programme) to facilitate access to loans and guarantees for LEADER actors.

*For **2007-2013 examples** of innovative approaches of facilitating access to funding see proceedings of the seminar on "Financing for LEADER/CLLD: Opportunities and relevant practices"*

*This ENRD fact sheet summarises relevant issues in **the 2014-2020 Programming Period**.*

Coordinating CLLD

Coordination tools within EAFRD

Coordination between different actors involved in LEADER was already very important in previous funding periods, even before CLLD was spread to other EU funds. Various methods were applied to ensure good partnership across the multi-level governance structure, within which roles and responsibilities are defined. The specific multi-level arrangements could vary between Member States but the need for effective working partnerships between the different actors involved in the associated multi-level delivery system was fundamental to all.

Since 'mainstreaming' in 2007, LEADER's entry into the wider RDP delivery and administrative arrangements, whilst retaining its distinctive approach, has involved new arrangements, unfamiliar approaches, different conventions and cultures and new requirements for all concerned. The challenges this has posed for all have been well rehearsed in RDP and LEADER evaluations, working groups and committees to name but a few. The whole LEADER approach is based on establishing links and making these work for rural communities. The arrival of CLLD will further strengthen this priority.

Within EAFRD, the use of a **LEADER coordination group** can provide a simple yet effective basis on which to develop essential communications, working links and relationships.

The importance of using coordination groups as a participative tool to improve the management and delivery of LEADER is increasingly recognised by all types of LEADER delivery stakeholders. Such groups are a natural extension of the LEADER approach improving both what is done and how; through improved knowledge, developing mutual understanding and strong working relationships. The whole purpose of such groups is to help make the system function better by providing a space and platform

where the different actors can work together reviewing progress, developing shared and agreed solutions, improving the whole and creating the conditions for success. One of the greatest benefits of this is the mutual trust which can be engendered between the various actors.

Normally such groups involve Managing Authorities, Paying Agencies, LAGs (presidents or staff), and National Rural Networks, other rural development actors or representatives from other funds may also be involved. In some respect they may be seen to replace elements of the former LEADER Programme Monitoring Committees and national LEADER Networks involving stakeholders in effective programme delivery. Their origins can differ; starting off as ad hoc, issue based or one-off groups which evolve or be a planned part of the overall process, they can be driven by LAGs, MAs or NRNs.

No two coordination groups will be the same but commonly they will have similar functions helping to coordinate, refine and streamline activities and providing a forum for technical assistance and joint working. They can function as a single group or may employ topic or task based working groups, many different formats are possible. Coordination groups provide a dedicated space and place to strengthen the links and communications between actors, build working relationships and shared understanding. They help define roles and responsibilities and in doing so coordinate the various delivery functions. They can also provide a useful mechanism for external coordination with other funds, interests or networks.

Ideally forming a LEADER coordination group should be a proactive step taken early in the programme process. Whilst they are a useful tool in problem resolution it clearly makes sense to employ this approach to inform the development of working arrangements and systems from the outset. Many of the examples active today are performing a bridging role between programmes enabling learning and improvement, together with continuity and organisational memory.

National Rural Networks are involved in LEADER coordination groups in different ways; this in part depends on their own structure. As an existing tool it can provide the essential basis of working links. In some cases, the NRN is the instigator of such activities, in others it may be tasked by the MA to develop such a group or work stream. It may have a specific LEADER working group, may act mainly with LAGs or fulfil an important brokerage role between the different actors. NRNs' coordination role can be particularly important in Member States with Regional RDPs.

The use and success of these types of groups is clearly evident almost every time LEADER practitioners come together to consider different elements of the delivery system. People really recognise the value and examples of its success are regularly quoted. In fact, many of those involved now consider this to be an essential part of the approach particularly in learning lessons for the future.

Delegates at the 2013 ENRD 'Building Bridges for the Future' LEADER event highlighted a number of successful examples particularly in relation to RDP design and the involvement of LAGs.

- In many countries coordination groups and ad hoc working groups have been employed to draw lessons from this programme period to inform 2014 – 2020 arrangements:
- The Greek NRN showcased the thematic LEADER working group involving the MA, PA, LAGs and other stakeholders (Regions, Universities, Chambers, Young Farmers) which has been working on the strategic options for local development.
- In Spain coordination groups involving Regional MAs, LAGs, LAG networks, NRN and PA are analysing management and delivery problems and developing solutions as a basis for common agreed guidelines for LEADER 2014-2020.
- Sweden has extensive experience in using virtual think tanks, you don't need to bring people together physically to work together effectively.

- Practical examples such as project visits and field trips which bring people together in a new environment can broaden and deepen mutual understanding.
- You may not have all the solutions within LEADER, why not widen your coordination group and its experience?

Coordination across EU Funds

The task of coordination becomes much more complex when the application of the LEADER/CLLD method is extended into other Funds, but it is essential to ensure good coordination at the level of programme authorities in order to achieve synergies, avoid duplication and reduce administrative burden for LAGs and beneficiaries.

Too often, coordination is understood primarily as a way to avoid double-funding of the same project (demarcation). However, with the improved delivery and monitoring tools the risk of double-funding is relatively minor, and the key objective of coordination is to achieve complementarity and synergies, thus contributing to a more efficient use of public funding. In their Partnership Agreements for 2014-2020, Member States describe the coordination mechanism they use to coordinate different CLLD Funds. A number of tools were proposed, for instance:

- Joint MA for all CLLD Funds (SE)
- Joint body with delegated responsibilities (DK)
- Joint Monitoring Committee (UK Sc)
- Nominating a 'Lead Ministry' (SK)
- National Permanent Conference (CZ)

The experience of Sweden: a joint Managing Authority for all CLLD Funds

In Sweden the government has opted for the most advanced coordination mechanism between the CLLD Funds. CLLD is possible in all the four Funds: it is included in the Rural Development Programme and the Operational Programme of the EMFF, and there is a special Operational Programme which covers the CLLD part of the ERDF and the ESF. These three programmes are managed by the same Managing Authority, the Swedish Board of Agriculture, so there is one authority in charge of the whole CLLD funding in Sweden. This makes it possible to have harmonised national implementing rules across the Funds.

This approach was introduced in order to broaden the local partnerships, enhance synergies and broaden the coverage of CLLD, as well as create economies of scale. It also contributes to simplification, LAG being the single entry-point for the beneficiary.

In spite of the institutional simplification of having CLLD managed by one entity, coordination between ESI Funds in Sweden faces significant challenges, such as:

- Different organisational cultures of each Fund;
- The need to create new cooperation structures with new partners;
- Harmonisation of national implementing legislation and avoiding red tape;
- Development of adequate IT systems to deal with applications, decisions and payments in a timely manner;
- Communication and publicity; and

- Dealing with CLLD in cities and facilitating urban-rural linkages.

Based on the experience of the Swedish Board of Agriculture, a number of conditions must be fulfilled to ensure good coordination between the Funds. These include:

- Strong political will;
- Good cooperation between ministries and other responsible authorities and bodies;
- Internal visibility of CLLD and knowledge development – this is particularly important for those Funds which don't have previous experience with CLLD;
- Constant communication with all relevant stakeholders at all levels, horizontally and vertically and
- Building knowledge at the LAG level.

It is also important to accept that building an efficient system for CLLD delivery takes time.

Example from the 2007-2013 Programming Period:

Linking different EU Funds at the local level: example from Netherlands

Lessons and practical applications in the 2014-2020 Programming Period

- *Multi-fund CLLD in Sweden*
- *CLLD in Poland*
- *LAGs Mutual Learning in the Czech Republic, Jan Florian, Czech National LAG network*