

# Local financing and management

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# Issues relating to local financing and management

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## Reconciling

**Simplification**



**Transparency of responsibilities**

**Convergence**



**Responsibility and control**

**Decentralisation**



**Respect for national  
administrative traditions**

## A few examples

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→ **By local  
action groups**

**By a local  
administration**

**Financial  
management**

**By the regional  
authorities**

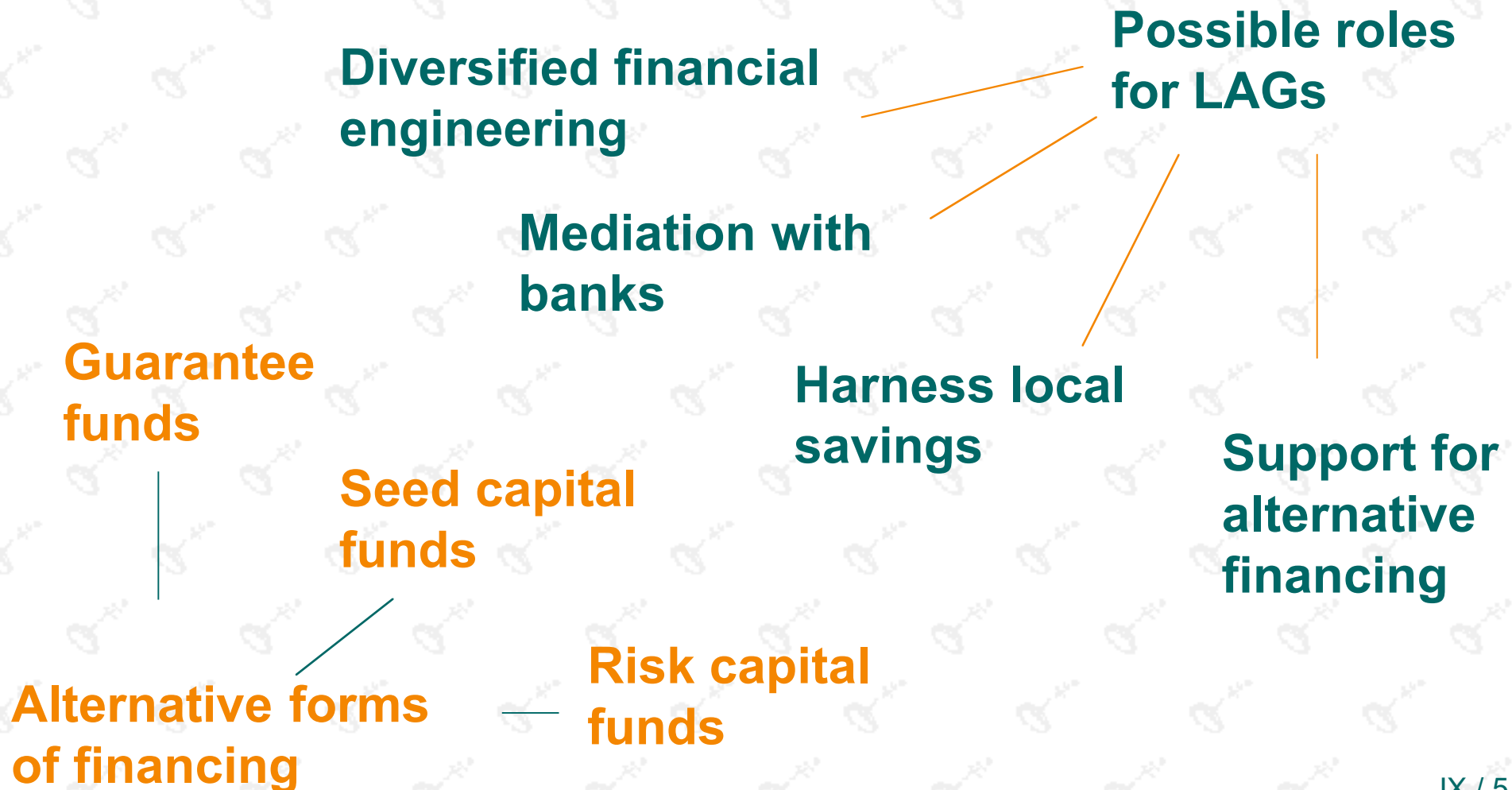
# Advantages of local management

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- ⇒ **Credibility of the LAG**
- ⇒ **Identification of and support for new initiatives**
- ⇒ **Stimulation of private investment**
- ⇒ **Support for project leaders**
- ⇒ **Adjustment of the plan**
- ⇒ **Bridges between development players**
- ⇒ **Regular contacts**
- ⇒ **Participation of the beneficiaries in a collective approach**

# Diversifying financing mechanisms for local projects

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# Factors limiting access to financing

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**Profile of projects in rural areas**

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**Trends in financial services**

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**Growing gap between supply and demand**

# Some avenues for action

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**Acting on the  
demand side**



**Supporting project  
leaders**

**Acting on the  
supply side**



**Introducing ethical  
criteria**

**Bridging the gaps**



**Creating the missing  
links**

# Local partnership and financing

## Convergence

when the banks  
are part of the  
partnership

## Decentralisation of financing

the LAG acts as an  
interface with the financial  
institutions

## Greater LAG legitimacy if

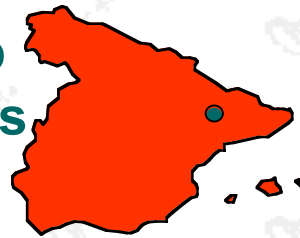
- able to respond to needs
- able to mediate
- able to create a platform



# Three areas, three types of financial engineering

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**Technical and  
financial partnership  
between local groups  
(Aragon, Spain)**



**Financial support for  
business creation  
(Brittany, France)**



**A credit and  
guarantee  
cooperative  
(Sardinia, Italy)**



## Looking ahead

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- ⇒ **Autonomy acquired/desired for financial management?**
- ⇒ **Should cooperation be improved between the local group and administrations? Where?**
- ⇒ **Should responsibilities be better divided among the different levels?**
- ⇒ **Effectiveness of management and financial procedures in LEADER?**
- ⇒ **Explore alternative financing systems: for whom? How?**