

Measure fiche

**LEADER local development**

Measure 19

Articles 32-35 of of Regulation (EU) 1305/2013 of the European Parliament and of the Council  
(CPR)

Articles 42-44 of Regulation (EU) 1305/2013 of the European Parliament and of the Council  
(EAFRD)

This fiche is based on the text of Regulation (EU) No 1305/2013 [EAFRD] and, when relevant, on Regulation (EU) No 1303/2013 [CPR]. Since the Delegated and Implementing Acts supplementing these regulations have not yet been adopted, some modifications to this guidance fiche might be needed after their adoption.

This guidance does not represent a binding legal interpretation of Regulation (EU) No 1305/2013. It is therefore essentially non-binding in nature and complements the related legal acts.

**1. Rationale of the measure**

LEADER as an integrated territorial development tool on sub-regional ("local") level will directly contribute to the balanced territorial development of rural areas, which is one of the overall objectives of the rural development policy. It can potentially serve any of the six Union priorities for rural development.

The implementation of LEADER local development strategies (LDS) can reinforce territorial coherence and contribute to the long term sustainable development of an area. It can also be an appropriate tool to address rural-urban relationships.

**2. What is new in comparison to the period 2007-2013**

**Legal framework**

Till 2013 LEADER has been a stand-alone tool for local development supported under EAFRD. The relating support was provided for in the legal framework for rural development policy and followed its rules.

The new legal framework under CPR, relating also to EAFRD, sets out so called "community led-local development (CLLD)" which is based on the LEADER approach. CLLD can be supported by EMFF, ERDF, ESF and EAFRD, whereas it is obligatory for the latter fund only. Common Provisions Regulation

provides for common rules for CLLD, which are complemented by fund specific rules. This is the case of EAFRD and EMFF.

### **Programming**

During 2007-2013 programming period LEADER was designed as a separate methodological axis which, apart from serving its overall purposes of improving local governance and mobilising endogenous potential of rural areas, contributed to the priorities of axis 1, 2 or 3.

It was also split into several measures, i.e.: "implementation of LDS", "co-operation", "running costs, acquisition of skills and animation".

In the Rural Development Programmes (RDP) 2014-2020 LEADER will constitute a separate measure consisting of sub-measures which correspond to the obligatory CLLD elements to be proposed in a RDP, i.e. preparatory support; implementation of operations under the CLLD strategy; preparation and implementation of co-operation activities of the LAG; running costs; and animation. However, the financial management as regards LEADER in the RDP will be done on the level of the measure only.

Although LEADER will be entirely programmed under focus area 6 b, it will be able to contribute to other Union priorities and focus areas indicated in the RDP (see section 3.2 on Programming of LEADER in RDP and 4 on Contribution to focus areas).

### **Content**

Based on the lessons learnt from Leader + ex-post evaluations, the report of Court of Auditors and the implementation experience of LEADER axis in 2007-2013, several improvements have been brought into the new legal framework (both CPR and EAFRD), including:

- provisions on minimum elements to be included in local development strategies in order to ensure their sufficient quality
- provisions obliging the MS to guarantee the presence of all LEADER specificities in RD programmes (e.g. minimum tasks of local action groups)
- greater focus on animation and capacity building (e.g. through an explicit provision for preparatory support and LEADER start-up kit; an explicit allocation of funds for animation; and an increase in the budget for running costs and animation to 25% of the total public expenditure incurred within the LDS)
- strengthening the participation of private sector in the partnership (through a specific rule requiring a minimum share of participation of the non-public sector partners in project selection decisions)
- streamlining transnational cooperation (e.g. through common rules concerning publishing selection procedures and deadlines for project selection).

### 3. Programming steps

#### 3.1 Partnership Agreement<sup>1</sup>

First strategic choices for CLLD, including LEADER as regards rural development, will be set out by the MS/regions in the Partnership Agreement (PA). These will be based on an analysis of the development needs, followed by a definition of the relating main challenges to be tackled through CLLD, the identification of the funds that shall be used for CLLD and an approximate planned budget allocation for each fund. The PA will consequently indicate the main objectives and priorities for CLLD in the MS, including the general objectives the MS intends to achieve through CLLD but also, where appropriate, thematic focus and target groups. MS will also specify towards which thematic objectives (TO) CLLD could contribute.

It is to be noted that, although CLLD will be programmed in the relevant funds under one priority and relating thematic objective only, it will be able to contribute to any other TO set out by the MS. This contribution will be tracked in terms of monitoring in a qualitative way without any financial quantification. In the context of RDPs the most obvious link for LEADER is the TO 9 (Promoting social inclusion and combating poverty) translated into the Union priority for rural development 6 (Promoting social inclusion, poverty reduction and economic development in rural areas) and focus area 6(b) fostering local development in rural areas (see section 4 below).

The PA will also define the types of territories where each of the funds could intervene and possible specialisation of the individual funds in the context of CLLD. MS shall also state whether it will support local development strategies financed from multiple funds and, if not, how the integrated approach for territorial development required by the CPR will be achieved at local level.

Any mechanisms common for several funds will be indicated as well. This may include choices such as arrangements for preparatory support, the tasks attributed to Local Action Groups (LAGs) in addition to the minimum provided under the art. 34(3) CPR, the designation of a lead Fund where appropriate, the common selection criteria of local development strategies, the appeal procedure as well as the coordination aspects between the funds. Any proposal for derogation from population limits of CLLD areas will also have to be included in the PA, whereas the detailed arrangements concerning the determination of the area and population covered by the strategies should be set out in the relevant programmes.

#### 3.2 Rural development programme

The setting for LEADER to be established in the **rural development programme** has to be consistent with and complementary to the strategic choices made for CLLD presented in the PA.

On the basis of the TO and Union priorities pointed out in the PA for CLLD under EAFRD, the RDP will specify the relating **focus areas to which LEADER could potentially contribute** in addition to the area 6b under which LEADER will automatically be programmed. The LDS selected will have to contribute to the focus areas identified for the implementation of LEADER (see section 4 below).

As LEADER is a method used for rural development on the local level, its scope covers in principle all the instruments supported by the EAFRD. However, in order to avoid administrative burden and

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<sup>1</sup> See also the Partnership Agreement template and the Common Guidance of the European Commission on Community-led local development.

allow for a transparent monitoring of the RDP, LEADER should be **programmed as a separate measure** and split into sub-measures<sup>2</sup> corresponding to its obligatory elements (see section 5 below).

Keeping in mind the small scale and integrated character of LEADER projects as well as the bottom-up decision-making inherent to LEADER, but also drawing lessons from implementation difficulties of LEADER axis, it is recommended not to strictly bind the activities under LEADER to the standard measures as defined in the programme. The individual operations shall be eligible if they contribute to achieving the objectives of the local development strategy and correspond to the objectives and priorities indicated for support under LEADER in the PA and RDP. Consequently, the LDS should be the main criterion to assess the eligibility of LEADER projects and, in addition, the operations could also fit into the types of operations as defined under the "standard" measures in RDP.

In principle, the projects could include all types of action eligible for support under the ESI Funds, as long as they are eligible under the RDR and in line with objectives of LEADER defined in the programme and with objectives of the LDS.

Apart from the information mentioned above, the MS/region has to define in the RDP the following elements:

- Justification for selection of areas whose population falls outside the limits set out in Art. 33(6) CPR (10.000 -150.000 inhabitants), if not provided in the Partnership Agreement
- The procedure and timetable to select the local development strategies (to the extent it is not described in the PA for CLLD as a whole; see Common CLLD Guidance document)
- EAFRD-specific criteria for the selection of LDS
- Planned indicative number of Local Action Groups and planned percentage of rural territories covered by Local Development Strategies
- Co-ordination with the other CSF-Funds as regards CLLD (to the extent it is not described in the PA for CLLD as a whole; see Common CLLD Guidance document), e.g. any global solution applied with regard to the use of the lead fund option, complementarities between the CSF-Funds in financing the preparatory support
- Possibilities of paying advances
- Description of the division of tasks between Managing Authority/Paying Agency/Local Action Groups as regards the implementation of LEADER, including a description of the financial circuits, to the extent it is not covered by the PA
- Description of other relevant elements (see tables in section 5)

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<sup>2</sup>The split into sub-measures is proposed for the reason of clarity. CLLD is composed of five types of support provided under art. 35 CPR. Each of them supports different, often several, types of operations, to which different selection procedures and eligibility conditions apply. The additional category in form of sub-measures helps to better visualise the support available and conditions attached.

- Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid (art. 21); investments under art. 20; and co-operation approaches under art. 35, in particular implementation of local development strategies by public-private partnerships
- Description of coordination and complementarities ensured with other operations supported under other national schemes for all the operations funded through LEADER

#### 4. Contribution to focus areas and cross-cutting objectives

As LEADER aims at the local development of rural areas, it contributes directly to the focus area 6 (b). Additionally, through the "implementation of operations under local development strategy" it should also contribute to other focus areas.

As explained in the previous section 3.2 MS are invited to offer to LAGs a large scope of action and avoid listing eligible types of operation. This can be done by defining a menu of indicative themes (e.g. territorial innovation and competitiveness poles, local climate plans, agenda 21, establishment of short supply chains, local action plans for basic services, management plans for Natura 2000 sites) which are in line with given focus areas for LEADER from which the LAGs can then choose when formulating their strategies. These "LEADER themes" would not necessarily have to be linked to only one focus area and should rather be seen as horizontal topics which help to better integrate the Union priorities for rural development which are chosen on programme level to be tackled by local development strategies. On the other hand, several themes could correspond to a single focus area (for example focus area 6 (b)). The strategies proposed by LAGs could then be structured around one or several of those themes.

The following examples give an idea of ways in which typical LEADER operations, programmed under focus area 6(b), can contribute to other specific focus areas. It should however be borne in mind that the projects carried out under local development strategies are often integrated and multi-sectoral, thus can produce multiple effects in various areas. To simplify, the operations are indicated only under the focus area where the contribution is the biggest.

6. Promoting social inclusion, poverty reduction and economic development in rural areas	
(a) facilitating diversification, creation and development of new small enterprises, as well as job creation	This is one of the classical intervention domains of LEADER and seems therefore to complement 6 (b) in an evident way. The scope of actions with which LEADER can contribute to this focus area is very large. It can include e.g. the support for development of commercial niches in an area; the creation of common business start-up facilities, etc.
(c) enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural	The scope of ICT in rural development projects is significant and covers many different activities such as those associated with: investments in internet infrastructure and on-line facilities; increasing the use of computer-controlled equipment in a variety of rural business settings; harnessing the potential of satellite

areas	technologies; up-skilling of citizens; delivery of new e-government services; and taking advantage of high-tech rural tourism products.
1. Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas	
(a) fostering innovation, co-operation, and the development of the knowledge base in rural areas	e.g. through support to novel use of information technology in rural tourism; fostering joint processes or product development among local businesses and research centers
2. Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	
(a) improving the economic performance of all farms and facilitating farm restructuring and modernization, notably with a view to increasing market participation and orientation as well as agricultural diversification	e. g. through assistance to farmers and processors with growing their businesses through innovative projects that improve overall competitiveness; through valorization of agricultural raw materials by converting them into quality food products
3. Promoting food chain organization, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	
(a) improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organizations	e. g. through support to: short-supply chains; common marketing strategies of local products
4. Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry	
(a) restoring, preserving and enhancing biodiversity, including Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes	e.g. through support to: environmentally sustainable approaches to tourism; restoration of traditional biotopes

<p>5. Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sector</p>	
<p>(c) facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non-food raw material, for the purposes of the bio-economy</p>	<p>e.g. through support to renewable/low energy local initiatives</p>

### 5. Scope, type and level of support

The support to LEADER shall cover the following elements, as set out in Article 35 CPR.

- Preparatory support consisting of capacity building, training and networking with a view to preparing and implementing a local development strategy; the preparatory support may also include a Leader start-up kit, supported by the EAFRD only
- Implementation of operations under the CLLD strategy
- Preparation and implementation of cooperation activities of the LAG
- Running costs linked to the management of the implementation of the strategy consisting of operating costs, personnel costs, training costs, costs linked to public relations, financial costs as well as the costs linked to monitoring and evaluation of the strategy as referred to in point (g) of Art. 34(3)
- Animation of the CLLD strategy in order to facilitate exchange between stakeholders to provide information and to promote the strategy and to support potential beneficiaries with a view to developing operations and preparing applications

They should be programmed as sub-measures with the exception of the running costs and animation which could be covered in one sub-measure or separately in two sub-measures (see also section 3.2).

The co-financing rate of the measure is subject to the ceilings set in Art. 59 (4) RDR (90% maximum EAFRD contribution for the programmes of less developed regions, the outermost regions, and the smaller Aegean islands, and of transition regions); 80% maximum EAFRD contribution for the rest of regions).

## 5.1 Sub – measure "Preparatory support"

<b>Type of operation</b>	<p>Preparatory support</p> <p>(i) LEADER start-up kit (voluntary)</p> <p>(ii) Capacity building, training and networking with a view to preparing and implementing a local development strategy</p>
<b>Eligible expenditure</b>	<p>(i) setting up of public-private partnerships; training actions for local actors; studies of the territory concerned; actions related to public relations regarding the local development activities; administrative costs related to coordinating the implementation of pilot project schemes; development and implementation of pilot project schemes</p> <p>(ii) training actions for local stakeholders; studies of the area concerned (including feasibility studies for some of the projects to be foreseen in the LDS); costs related to the design of the LDS, including consultancy costs and costs for actions related to consultations of stakeholders for the purposes of preparing the strategy; administrative costs (operating and personnel costs) of an organization that applies for preparatory support during the preparation phase (future LAGs; existing LAGs, if any double funding is excluded); support for small pilot projects</p>
<b>Beneficiaries</b>	<p>(i) Local communities who did not implement LEADER in the 2007-2013 programming period</p> <p>(ii) To be defined by the MA</p>
<b>Eligibility conditions</b>	<p>(i) To be defined by the MA</p> <p>(ii) To be defined by the MA</p>
<b>Principles with regard to the setting of selection criteria</b>	<p>(i) To be defined by the MA</p> <p>(ii) To be defined by the MA</p>
<b>Links to other legislation</b>	<p>Particular attention should be paid to avoid risk of overcompensation or double financing of running costs in case of LAGs benefitting from support under a 2007-2013 programme and under preparatory support of the 2014-2020 period.</p> <p>General rules of EAFRD Reg.; Rules on Eligibility of expenditure provided under art. 65-71 of CPR</p>



<b>Aid intensity</b>	Up to 100%

### 5.2 Sub – measure "Implementation of operations under the CLLD strategy"

<b>Type of operation</b>	Implementation of operations under the community-led local development
<b>Eligible expenditure</b>	<p>MAs are advised to clearly indicate the added value of LEADER operations in comparison to standard ("top-down") ones implemented under other measures.</p> <p>This added value can be achieved through specific eligibility conditions as for example: small scale projects, complex integrated projects, innovative /experimental projects, area based projects, , cooperation projects. It should also be clearly stated for which types of projects the LAGs can be the beneficiaries.</p> <p>In order to allow for a maximum of flexibility to accommodate a variety of local projects, MA could consider indicating what is not eligible (including non-eligible costs set out in art. 69(3) CPR) instead of trying to define ex-ante eligible costs, which is as a matter of fact difficult to foresee in the context of LEADER.</p> <p>Eligible investment costs according to the art. 45 RDR</p> <p>Contributions in kind (art. 61(3) RDR)</p> <p>Any operation in line with general rules of RD Reg., priorities for CLLD/LEADER and the LDS</p>
<b>Beneficiaries</b>	local actors, LAGs
<b>Eligibility conditions</b>	Operations shall be in line with priorities identified for CLLD in the PA and EAFRD Reg. and contribute to the objectives of the LDS

<b>Principles with regard to the setting of selection criteria</b>	<p>To be defined in the LDS by the LAG.</p> <p>N.B. the project selection system set out in the LDS is approved by the MA through selection of a given strategy. It is therefore not subject to further approval by /consultation with respectively MA and Monitoring Committee.</p> <p>LAGs' selection of projects shall be based on documented assessment that demonstrates the soundness and fairness of the decision in terms of consistent and relevant criteria. The selection shall be based on consistent and relevant data and the process made public (e.g. through publishing minutes of project selection meetings on the LAG website).</p>
<b>Links to other legislation</b>	<p>General rules of EAFRD Reg.; Rules on Eligibility of expenditure provided under art. 65-71 of CPR</p>
<b>Aid intensity</b>	<p>Up to 100% depending on the applicable state aid regime</p> <p>A co-financing by the public or private investor is recommended</p> <p>LEADER LAGs should have a possibility to propose an aid intensity for the individual types of operations funded under their LDS, based on the strategic role these operations can play and in the limits of the aid intensity rates provided by the legal framework. When fixing the aid intensity, LAGs should take into account such criteria as: collective interest, collective beneficiary, public access to the results of the operation, innovative features of the project at the local level, and the budget available.</p> <p>Consequently, operations funded under LEADER might have higher aid intensity than similar operations supported via other RD measures.</p>

### 5.3 Sub-measure "Preparation and implementation of cooperation activities of the local action group"

<b>Type of operation</b>	<p>Preparation and implementation of cooperation activities of the local action group</p>
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<b>Eligible expenditure</b>	<p>(i) Costs of technical preparation for inter-territorial or transnational co-operation project</p> <p>(ii) Costs of co-operation projects within a Member State (inter-territorial co-operation) or co-operation projects between territories in several Member States or with territories in third countries (transnational co-operation)</p>
<b>Beneficiaries</b>	LAGs, local actors
<b>Eligibility conditions</b>	<p>(i) LAGs have to envisage implementation of a concrete project</p> <p>(ii) To be established in the LDS</p> <p>In case the projects are selected by a MA, the latter shall make public a list of eligible costs.</p>
<b>Principles with regard to the setting of selection criteria</b>	<p>(i) To be established by the MA</p> <p>(ii) To be established in the LDS.</p> <p>N.B. the project selection system set out in the LDS is approved by the MA through selection of a given strategy. It is therefore not subject to further approval by /consultation with respectively MA and Monitoring Committee.</p> <p>In case where co-operation projects are selected by a MA, the latter shall make public procedures for the selection of co-operation projects.</p>
<b>Links to other legislation</b>	<p>General rules of EAFRD Reg.; Rules on Eligibility of expenditure provided under art. 65-71 of CPR</p> <p>ETC Regulation</p>
<b>Aid intensity</b>	<p>Up to 100% of the costs depending on the applicable state aid regime</p> <p>A co-financing by the public or private investor is recommendable</p>

## 5.4 Sub – measure "Running costs and animation"

<b>Type of operation</b>	- Running costs - Animation
<b>Eligible expenditure</b>	Running costs: Costs linked to the management of the implementation of the strategy consisting of operating costs, personnel costs, training costs, costs linked to communication, financial costs as well as the costs linked to monitoring and evaluation of the strategy as referred to in point (g) of Art. 34(3) CPR  Animation: Costs of animation of the CLLD strategy in order to facilitate exchange between stakeholders, to provide information and to promote the strategy and to support potential beneficiaries to develop operations and prepare applications
<b>Beneficiaries</b>	Running costs: LAGs or the (legal) structures clearly entitled to carry out the LAG management tasks  Animation: LAGs or the structures clearly charged with animation tasks
<b>Eligibility conditions</b>	n.a.
<b>Principles with regard to the setting of selection criteria</b>	n.a.
<b>Links to other legislation</b>	General rules of EAFRD Reg.; Rules on Eligibility of expenditure provided under art. 65-71 of CPR
<b>Aid intensity</b>	Up to 100% of the costs  Support for running costs and animation shall not exceed 25% of the total public expenditure incurred within the LDS.  Within this limit, the MA should indicate what is the actual maximum share for financing the running costs and animation allowed under the programme.

## 6. Output indicators

Reference should be made to the Working Paper "Elements of strategic programming for the period 2014-2020", Annex IV.

## 7. Verifiability and controllability

Member States should ensure that effective procedures are in place concerning the weaknesses identified in the Court of Auditors<sup>3</sup> report on the implementation of LEADER, and that the correct operation of these procedures is supervised. This concerns in particular the following aspects:

- Ensuring that any conflict of interest is avoided (e.g. through obligation to document and publish declarations of interest)
- Ensuring that LAGs selected have strategies and implementation plans of the highest standards
- Ensuring that LDS contain measurable targets and providing for procedures to revise LDS

A step towards facilitating implementation of projects and likely to contribute to avoiding errors is the possibility to **use simplified cost options**. Especially flat-rate and lump sum systems are particularly adapted to be applied in the context of small projects, running costs and animation. MS are encouraged to consider offering these options in the framework of CLLD/LEADER.

Reference should be made to the "Guidelines on verifiability and prevention of errors"(to be provided at a later stage).

## 8. Transitional arrangements<sup>4</sup>

MA shall provide for a clear cut- off date for undertaking legal commitments to beneficiaries under Reg. (EU) 1698/2005 either on the measure or on the LAG level. However, the preparatory support provided under art. 35(1)(a) CPR can be offered by the MA as of 1 January 2014, independent of the

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<sup>3</sup> Implementation of the LEADER Approach for Rural Development. Special Report No 5. European Court of Auditors, European Union, 2010

<http://eca.europa.eu/portal/pls/portal/docs/1/7912812.PDF>

<sup>4</sup> Commission Implementing Regulation (EU) No 335/2013. of 12 April 2013 amending Commission Regulation (EC) No 1974/2006 laying down detailed rules for the application of Council Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

commitments undertaken under the programming period 2007-2013. In practice this means that the "old" LAGs can continue implementing their strategies and animating activities when already preparing the new local development strategies. Obviously, new actors as well can benefit from support in this framework as early as the new programming period begins.

Also, activities aimed at preparation of LDS can be financed through Technical Assistance under the 2007-2013 programming period. This support must however have a general nature (e.g. awareness raising actions, training) and cannot take form of individual support to partnerships (e.g. through separate grants).

## **9. Best practises**

The principle reference document and source of good practice for programming LEADER is the Common Guidance of the European Commission on Community-Led Local Development.

For LEADER cooperation the specific reference document is the Guidance for implementation of the LEADER cooperation activities in rural development programmes 2014-2020.

LEADER Gateway offers a single access point to a variety of tools and documents provided by the European Network for Rural Development: [http://enrd.ec.europa.eu/leader/en/leader\\_en.cfm](http://enrd.ec.europa.eu/leader/en/leader_en.cfm)

In particular, reports of LEADER Focus Groups provide a useful insight into 4 themes (Implementation of the bottom-up approach of LEADER; Preserving the innovative/experimental character of LEADER; Implementation of the "Cooperation measure" in LEADER; Better local development strategies in LEADER): [http://enrd.ec.europa.eu/leader/leader/en/leader-focus-group\\_en.cfm](http://enrd.ec.europa.eu/leader/leader/en/leader-focus-group_en.cfm)

Examples of LEADER projects can be found in an ENRD publication:

[http://enrd.ec.europa.eu/app\\_templates/filedownload.cfm?id=C2098A13-A094-502B-81FA-4C9E46AB658D](http://enrd.ec.europa.eu/app_templates/filedownload.cfm?id=C2098A13-A094-502B-81FA-4C9E46AB658D)