



LEADER approach as an innovative instrument for the development of the rural areas: the Italian experience

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Giuseppe Gargano
(National Rural Network - Italy)



RURAL DEVELOPMENT

- For rural development we mean the social-economic development of the extra-urban areas, characterized by competitive disadvantages in territorial terms, services, acquaintances and opportunities.
- It is considered rural the territory which "main part" is used for agriculture and economic, cultural, non urban recreation activities, for living uses.
- The rural areas constitute complex systems where agricultural activity continues to represent one of the main development factors, even if the extra-agricultural elements assume an increasing importance and articulation.



CHARACTERISTICS OF THE RURAL AREAS

- relatively **low demographic density**, aging of the population, not balanced demographic structure, exodus of the most qualified young people.
- **more or less importance of the agricultural field**, employment and agricultural activity decline, pressures on the land field in function of the vicinity to the urban zones, more or less emphasized environmental threats, etc.
- **heterogenous levels of wealth**, increase of the number of persons in non-permanent situation, greater isolation due to the passing of some services to enterprises and to persons, etc.

2007 – 2013 EU RURAL DEVELOPMENT OBJECTIVES



To increase the competitiveness of the agricultural and forest field, promoting its restructure



To value the environment and the natural space, by supporting the management of the territory.



To improve the quality of life in the rural zones and to promote the diversification of the economic activities.



Each objective corresponds to an axis in the rural development programmes:

1. Improvement of the competitiveness of the agricultural and forest field;
2. Improvement of the environment and of the rural space;
3. Quality of the life in the rural zones and diversification of the rural economy;
4. LEADER (methodological axis): local development integrated strategies of the territory.

AXIS I:

Improvement of the competitiveness of the agricultural and forest field

- ✓ Measures aimed to promote the acquaintance and to improve the human capital (training, early retirement, setting-up of young farmers, advising services);
- ✓ Measures aimed to the restructure and the innovation of phisic capital (to modernize agricultural, forest and agry-food holdings, productive forestry, infrastructures, prevention risks and extraordinary interventions);
- ✓ Measures for the food and production quality (attainment qualitative standards, participation to quality systems, quality products, promotion).

AXIS II e III

- ✓ **AXIS II - Improvement of the environment and of the landscape:** it previews the classic agro-environmental interventions and for the animal welfare, the politics of protecting forestry, the interventions to favor the Less-favoured areas.

- ✓ **AXIS III - Improvement of the quality of the life and diversification of the rural economy:** Diversification of the rural economy (Diversification towards not agricultural activities; creation of micro-enterprises, tourist activities), Improvement of the quality of the life in the rural zones (essential services for the economy and the rural population; development and renewal of the villages; protection of the rural patrimony (natural and cultural), Training, information, acquisition of competences, animation (strategies of local development), other public-private partnership.

AXIS IV: the LEADER approach

LEADER approach comprises the following elements:

- a) Local development strategies aimed to well defined rural territories at sub-regional level, homogenous and that present critical mass in terms of human, financial and economic resources, to support the strategy of local development.
- b) Public – private partnership at local level (Local Action Groups).
- c) Bottom up approach, with LAGs equipped of decisional power for the elaboration and the performance of local development strategies.
- d) Management of cooperation projects at interterritorial and transnational level.
- e) Creation of networks among the local partnership.



LEADER (Liaisons Entre Actions de Développement de l'Economie Rurale - Links Among Actions of Development of the Rural Economy) is an approach directed to promote the integrated, endogenous and sustainable development of the rural areas.

- It was introduced as a 'Community Initiative' financed under the EU Structural Funds. Since 2007, the Leader approach has been integrated ('mainstreamed') within overall EU rural development policy. This means Leader has been included in national and regional general rural development programmes supported by the EU, alongside a range of other rural development axes.
- It promotes the performance of development strategies of quality and constructed to one or more priority topics able to make the rural areas mainly dynamic, to create new occasions of occupation and to have durable effects.
- It contributes to generate in every endogenous and long-lasting rural territory dynamics of development, constructed on the history and the competitive factors specific of every area.

- Original integrated strategies of sustainable development that can act as from pilot experiences and that help the rural operators to reflect on the potentialities of the territory, in a long time perspective and related to the experimentation of new shapes of:
 - ✓ *Valorisation of the natural patrimony;*
 - ✓ *Strengthening of the economic environmental, to create workplaces;*
 - ✓ *Improvement of the organizational abilities to the respective communities.*

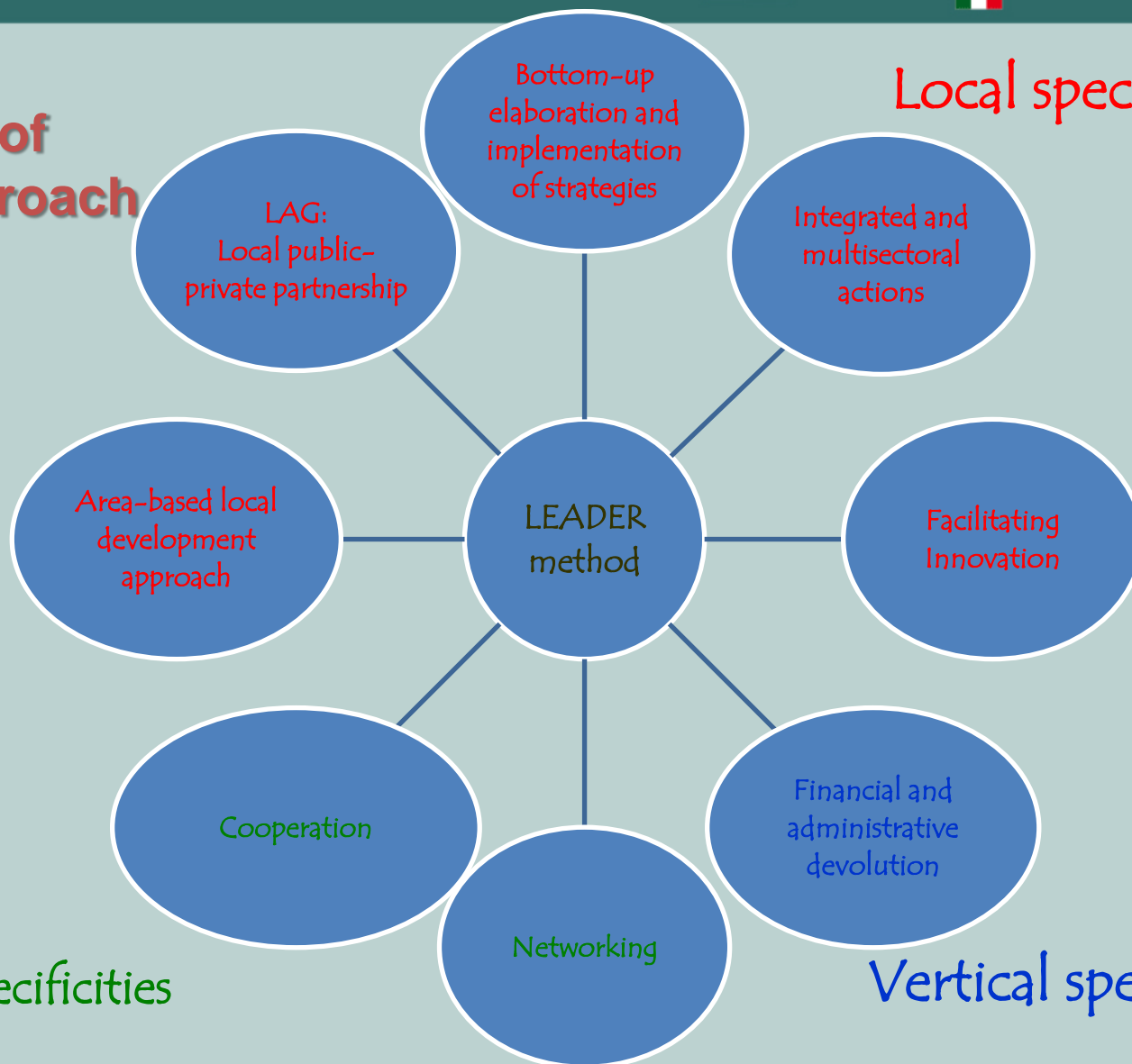
THE PILOT CHARACTER OF LEADER STRATEGY

The concept of pilot strategy can be defined following the indicative criteria:

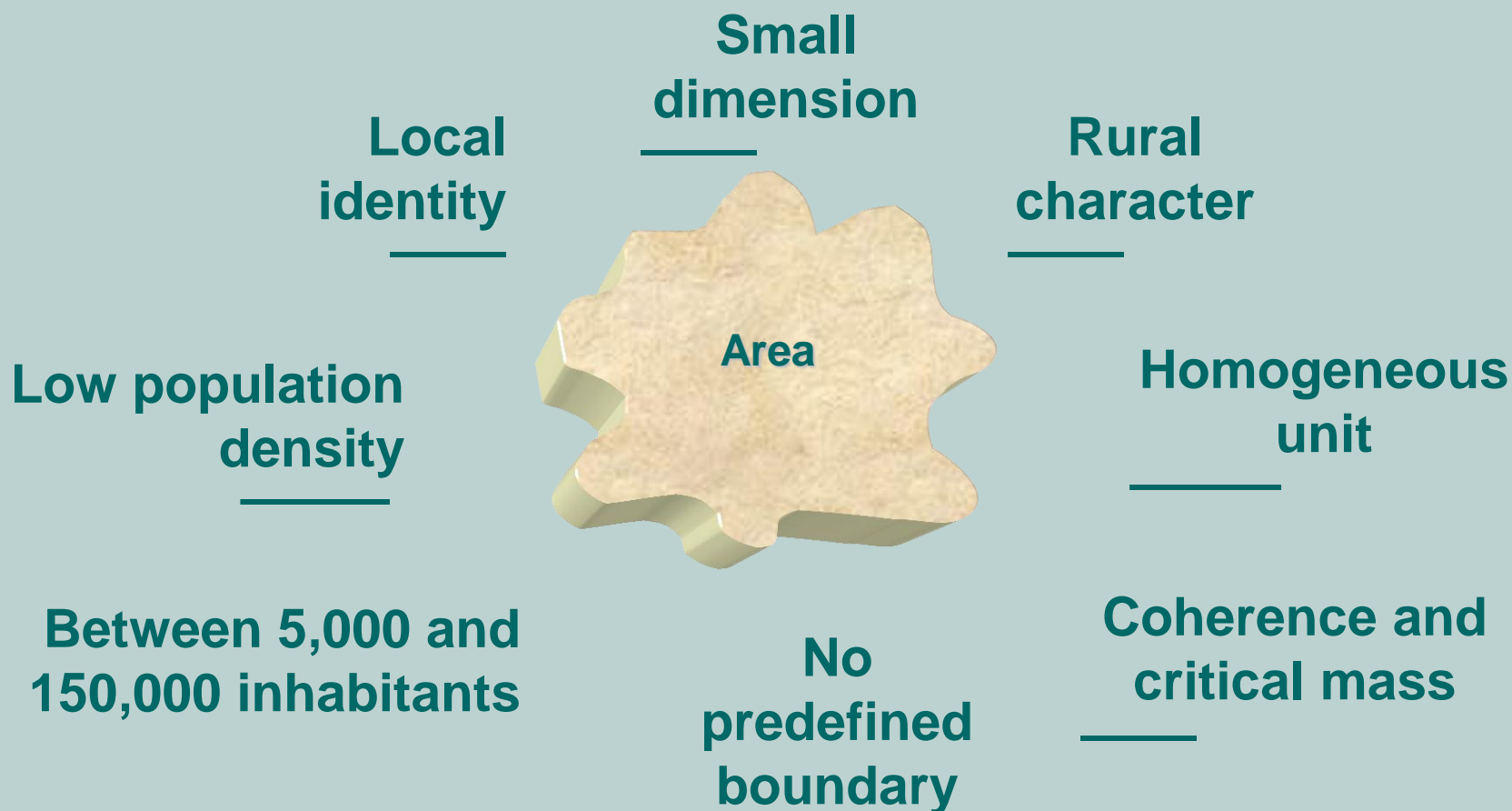
- birth of new products and services that include the local specificities;
- new methods aimed to interconnect the human resources, natural and/or financial of the territory in order of a better exploitation of its endogenous potential
- interconnections among economic fields traditionally distinguished (integrated approach);
- original organization and participation formulas of the local communities originate at the decisional and implementing phase of the project.



The DNA of LEADER approach



1. Area – based approach



2. The bottom up approach

... means that local actors participate in decision-making about the strategy and in the selection of the priorities to be pursued in their local area.

... as combining and interacting with national and/or regional authorities.

... capacity building is an essential component of the bottom up approach, involving:

- awareness rising, training, participation and mobilization of the local population to identify the strengths and weakness of the area (analysis);
- participation of different interest groups in drawing up a local development strategy;
- establishment of clear criteria for selection at local level of appropriate actions (projects) to deliver the strategy.

... participation should not be limited to the initial phase.

3. Public-private partnerships: the Local Action Groups (LAGs)

The expression of a group of development players
(public and private)

constituted in various forms

capable of organising and managing a
collective approach

and with the legitimacy to manage public funds



4. Facilitating innovation: Leader can play a valuable role in stimulating new and innovative approaches to the development of rural areas. Such innovation is encouraged by allowing LAGs wide margins of freedom and flexibility in making decisions about the actions they want to support.

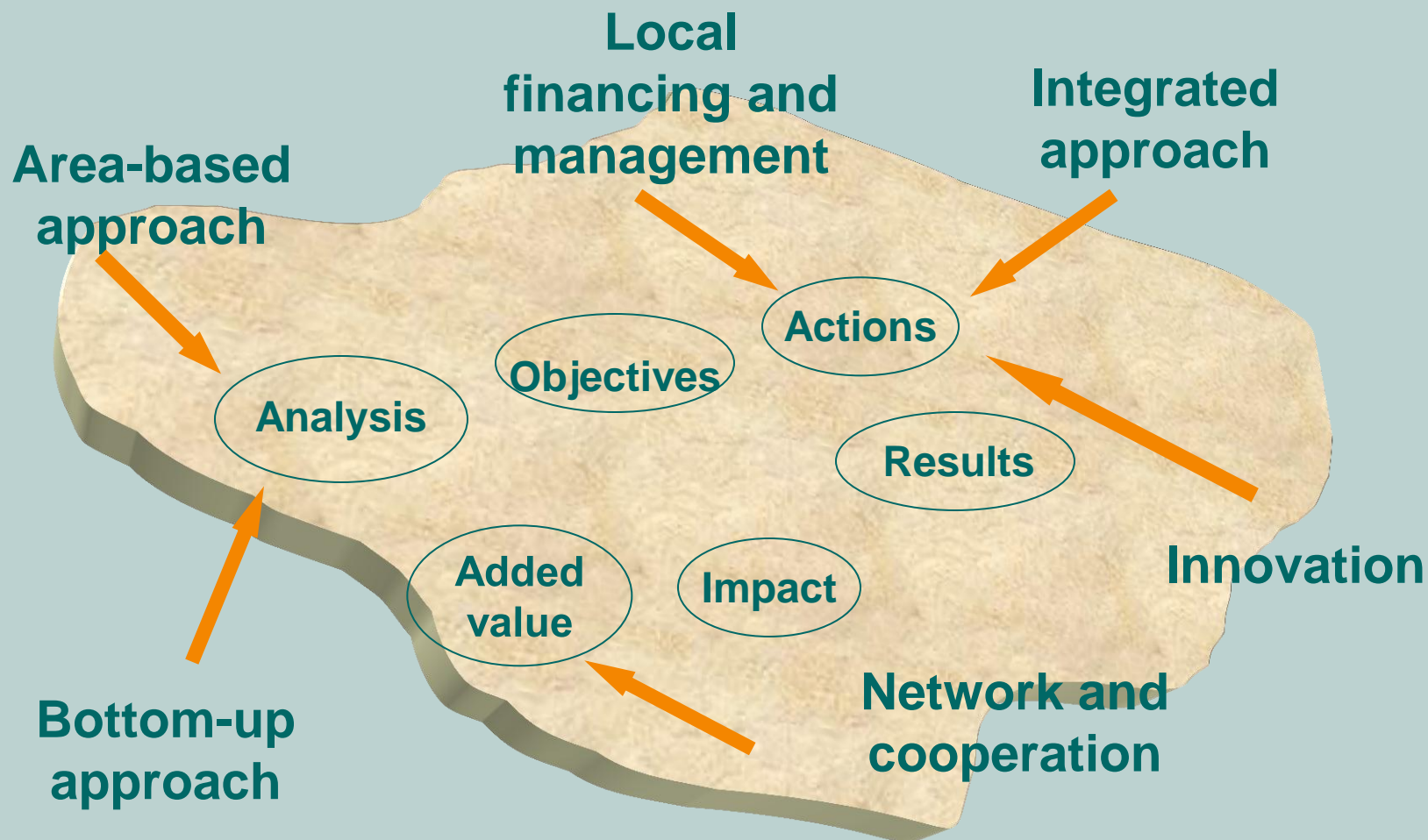
5. Integrated and multi-sectoral actions: the local development strategy must have a multi-sectoral rationale, integrating several sectors of activity. The actions and projects contained in local strategies should be linked and coordinated as a coherent whole. Integration may concern actions conducted in a single sector, all programme actions or specific groups of actions or, most importantly, links between the different economic, social, cultural, environmental players and sectors involved.

6. Networking includes the exchange of achievements, experiences and know-how between Leader groups, rural areas, administrations and organisations involved in rural development within the EU, whether or not they are direct Leader beneficiaries. Networking forges links between people, projects and rural areas and so can help overcome the isolation faced by some rural regions. It can help stimulate cooperation projects by putting Leader groups in touch with each other. There are different types of networks (e.g. **insitutional netwoks, informal networks...**).

7. Cooperation involves a local action group undertaking a joint project whit another Leader group or another group with a similar approach: 1) Interterritorial; 2) Transnational.

8. Financial mechanisms (e.g. diversified financial engineering, mediation with banks, guarantee funds, risk capital funds) **and administrative devolution** to a local administration, local groups, regional authorities.

Dynamics of the approach



LOCAL DEVELOPMENT PLANS

Integrated and concentrated in a central topic characteristic of the identity and/or the resources and the specific know-how of the territory that acts as a catalyst for the whole operators and the plans in several fields that concur to the development strategy:

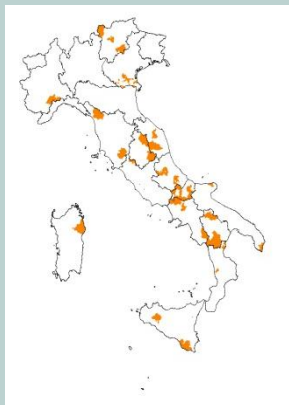
- *use of new know-how and new technologies in order to increase the competitiveness of the products and the services of the territories in issue;*
- *improvement of the quality of the life in the rural areas;*
- *valorisations of the local products, in particular facilitating, through a collective, the access to the markets for the small productive structures;*
- *valorisations of the cultural and natural resources.*

The implementation of Leader approach

In principle, the implementation of the Leader approach may be divided into the following phases:

1. Planning phase within the national policies for rural areas (definition of objectives, role, priorities regional action, thematic priorities and financed measures, types of partnerships and management structures for local development strategies to be funded, role of main institutional and not actors);
2. Selection LAGs and Local Development Plans (a. definition of procedures, management system, information flows (monitoring and evaluation) and financial circuits; b. definition of procedures and criteria for selecting LAG and LDP areas; c. submission of project proposals from local partnerships d. selection of the areas, LAGs and LDPs; e. setting up of LAGs);
3. implementation of local development strategies (a. start of operations by the LAG, b. activation and deployment of the monitoring and evaluation of project activities c. disbursement of contributions to LAGs and beneficiaries).

Leader approach in Italy



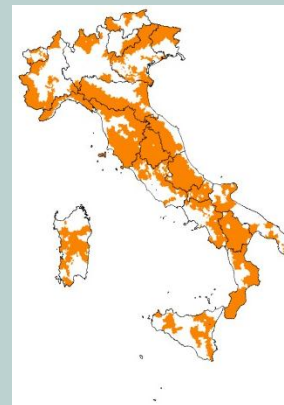
1989/93 Leader I

N. LAG	29
Surface (%)	7,5
Inhabitants (%)	2,5
Resources (meuro)	100,3
Average LDP resources (meuro)	3,4



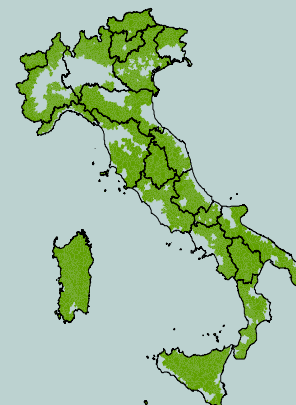
94/99 Leader II

203
47,5
17,4
471,4
2,3



2000/06 Leader+

132
53,1
18,9
473,8
3,6



2007/13 Asse IV

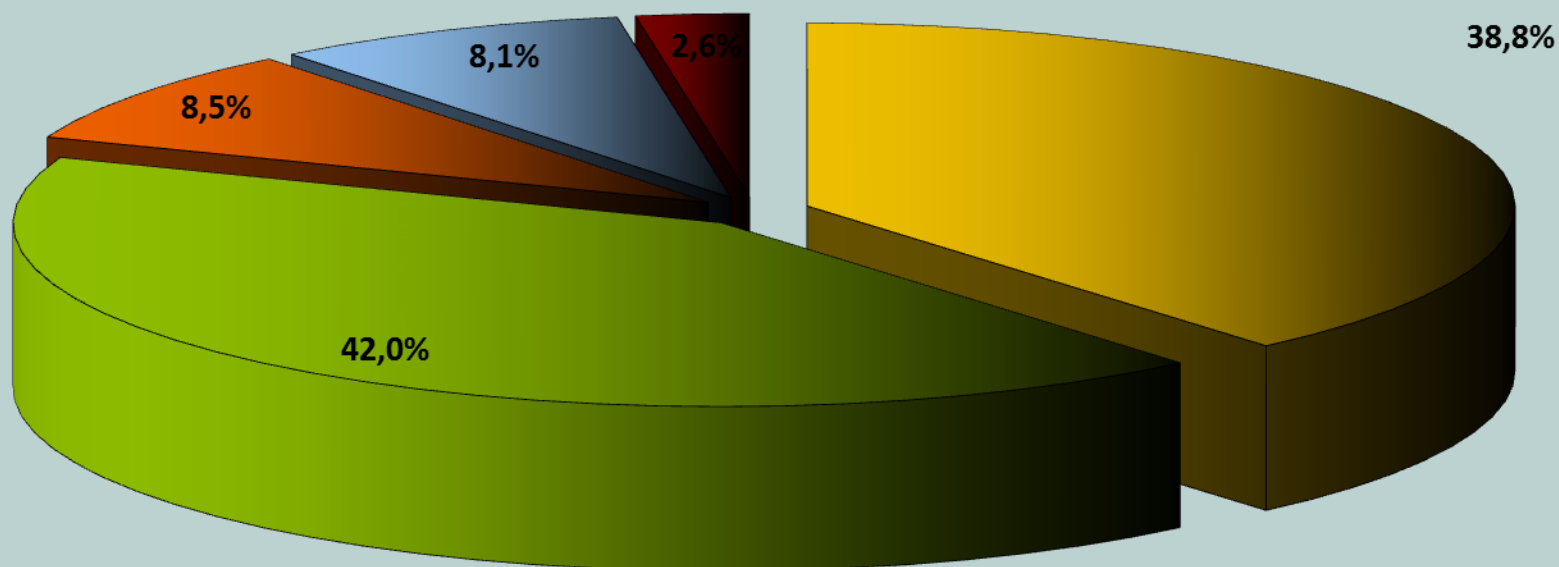
194
87,3
37,2
1.346
7,2



The selected
LAGs in Italy:
194



RDPs: resources distribution - Italy



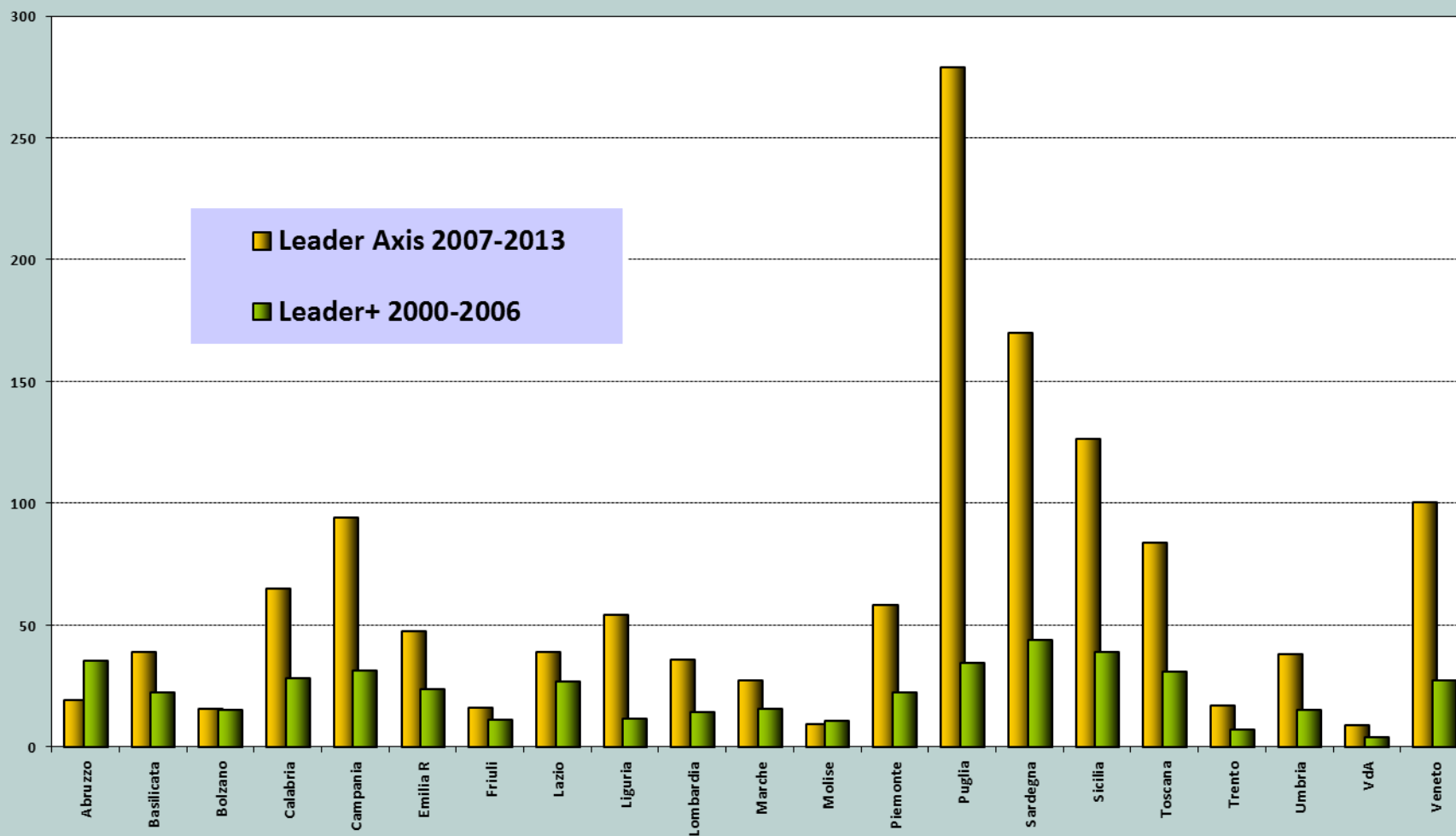
■ Axis 1

■ Axis 2

■ Axis 3

■ Axis 4

■ Technical Assistance



The effects on the territory

- **The implementation of local partnerships** has produced positive effects, above all regarding the creation of community actions which were not feasible via the traditional planning approach.
- **The increased effects of innovation** have been demonstrated in the offer of new products/ services and in the search for new markets and clients.
- **The exchange of information and comparison with other areas**, both European and non-European, have been seen principally as strong stimuli for innovation and as elements able to reduce the isolation of the territories and improve local skills.



Through the implementation of local territorial development strategy operated by LAGs, the LEADER project:

- has covered potential action areas neglected by other programs (quality of the local products, cultural heritage and local identity, services for the rural population);
- has created Development Agencies in several areas which have since become autonomous;
- has created a professional community of experts with experience in planning and project management etc.
- has created/ reinforced the reputation of the territories where GALs operate.

Finally, the Leader in Italy has allowed the achievement of important results, which consist in:

- a progressive distribution of the Leader method in all the Italian rural areas (in the current programming phase 2007-2013, it involves about 87% of the Italian territory with more than 30% of the Italian population);
- the realization from 1990 to 2006 of development actions in the rural territories for a global amount of 1.045 millions of euro;
- the programming, for the period 2007-13, of investments for the realization of local development strategies of 1.346 millions of euro, managed by 190 Local Action Groups.

THE EVALUATION OF THE EUROPEAN UNION STATES THAT LEADER HAS STIMULATED, PROMOTED AND SUSTAINED:

- The creation of responsible local partnerships capable of mediating between public and private entities;
- The construction of capabilities in the territory within and around the local partnerships;
- The creation of added value in the local resources of identity, landscape, products and services;
- The adaption and diversification of agriculture, frequently in combination with rural tourism;
- A good triangulation process between the creation of income, employment and, in many cases, the promotion of opportunities for young people and women;
- An extraordinary local mobilisation, the attainment of a wide range of benefits and the support of small and experimental initiatives

HOWEVER, NOBODY
KNOWS.....

- How much does the LEADER method cost?
- What secondary effects has this learning produced?
- What is the overall impact of Leader?

Past lessons and actual critique in the subject of:

1. **Autonomy** (decentralisation and decision-making power)
2. **Governance** (partnership e the bottom-up approach)
3. **Innovation** (the workshop function of Leader)
4. **Delays**
5. **Administrative and financial management of the programme**
6. **Capacity building**

Autonomy

The capacity to bring added value is directly proportional to the degree of decision-making and functional autonomy conferred.

However the European Court of Auditors has revealed that:

- *Some LAGs have financed projects without taking efficiency into account.*
- *The procedures adopted were not always transparent.*
- *Conflicts of interest were sometimes present in the decision-making process.*

Governance

LEADER has undoubtedly been a catalyst for the creation process of good governance

However the European Court of Auditors has revealed that:

- *Some LAGs conceded the majority of the aid to the same organisations of which they were made up;*
- *The potential for added value of the partnerships was not obtained in the LAGs where the decision-making process was dominated by the local authorities*

Innovation: LEADER workshops

Various evidence shows how LEADER has been the principle **element** of territorial development policy in Europe in our years

However the Court of European Funds has revealed that:

- Few LAGs have been in a position to demonstrate innovative elements or interaction between various sectors in their respective strategies or projects*

Delays: the time factor

Long periods for the selection of the GAL and the PSL

Average time: 711 days (Leader+ average = 435):

- ***Preparation and approval of RDP*** (pre-evaluation, Programme drafting, European Commission – Region negotiations): total duration 17 months;
- ***LDP Preparation*** (publication announcements for the selection of LAGs and LDPs, LDP drafting): duration 9 months;
- ***Selection of LDPs and LAGs***: duration 18 months

Critical questions of a general nature

Poor attention regarding the specificity of Leader: *the intention was to transfer the Leader approach to the RDPs – the opposite effect was achieved!*

- ⇒ Excessive rigidity of the regulatory framework, unsuitable to catch the elements of originality and innovation of Leader
- ⇒ Application of labourious control procedures, with excessive transaction costs for small scale initiatives
- ⇒ Attribution of responsibility to the LAG without an effective corresponding autonomy in decision-making
- ⇒ Re-sizing of added value of the animation actions, without the provision of sufficient resources
- ⇒ Unconvincing interpretation and application of the “de minimis” rule

Administrative and financial management of the programme

Programming and procedural unevenness

Difficulty in sharing methodology and procedures between the various regional participants

Procedural complexity

Regulations poorly suited to the Leader method, characterised by the presence of small scale projects and intangible activities

Multiplicity of subjects: complexity of governance

LAG – MAs – OP: in comparison with other Axes, it is more complex. Problems connected to the delegates (OP) and to the representatives of other Axes (MA)

Unprepared

Poor knowledge of the method and of the role entrusted to Leader in the field of the programming for Rural Development.

Changes in the duties of the LAG

The duties are very varied between the different RDP. This often limits functional autonomy.

The method is often “surrendered” to the needs of the RDP

- *Procedure*: the files (and procedures) of the RDP Measures are adopted
- *Measures*: many regions only allowed the application of the measures of other Axes (often only Axis 3) limiting the realisation of innovative and experimental interventions, typical of Leader
- *Selection Criteria*: in many RDP the LAGs are obliged to apply the criteria adopted by the MA

Cooperation: coordination between MS and MA

- Different implementation procedures of the measure (timescales, selection and project financing)
- Differences in the programming of measure 421 (admission of expenses, budget limitations, administrative documentation requested)

Capacity building

As declared by an Italian Leader manager, it has been the most important phenomenon of territorial animation after the rural clinics

However the European Court Auditors Funds has revealed that:

- The Commission has still not demonstrated the effectiveness or the efficiency of the spend, not in added value obtained following the leader approach nor in which measures the notable risks have been clarified nor in the effective costs of implementation
- The Commission and the member states have not adopted suitable measures to stimulate added value and contain costs and risks

The Cooperation measure

- During the period 2007-2013, the EAFRD will support transnational and inter-territorial projects between LAGs under the Rural Development programmes (*articles 63 b and 65 of Regulation (EC) N°1698/2005*).
- The cooperation measure is one of the three LEADER Axis measure.
- Cooperation encourages and supports a LAG to undertake a joint action with another LEADER group or with group taking a similar approach, in another region, member State or even third country.
- Although cooperation is not always easy, it can often be most effective way of achieving results on innovation and capacity building.

The Inter-territorial cooperation

- within a Member State, it concerns at least one area selected under Leader Axis.
- the partnership may also be open to local public private partnerships according to Article 62 1.(b of the Regulation (EC) n°1698/2005 or other rural groups organised along the lines of Leader and recognised by the Member State.

Art. 62 1. (b: “...a group already qualified for the Leader II or Leader+ initiatives, or according to the Leader approach, or be a new group representing partners from the various locally based socioeconomic sectors in the territory concerned...”

The trans-national cooperation

1. **within the Union:** it covers at least two LAGs located in two Member States among which at least one is selected under the Leader Axis.
2. **with areas in third countries:** it concerns at least one area selected under Leader axis.

Like inter-territorial cooperation it will be possible to extend this cooperation to groups selected according to Article 62 1.b of the Regulation (EC) n°1698/2005.

The expenditure involved relating to the Leader area becomes eligible (e.g. participation by the Leader local action group in partnership meetings, local application in its area of the joint project). In other words, expenditure "relating to" the Leader area does not mean necessarily "in the area". Expenditure in the area in the non-member country and not related to the Leader area is not eligible.

The objectives of the cooperation

- It is an instrument available to groups to reinforce their local intervention;
- It can contribute to the resolution of problems and/or better evaluate the strenghts of the territory;
- The exchanges of knowledge and know-how, the sharing of resources, the research of a critical mass that allows access to new markets can make a large contribution to the relaunch the economy of the territories.

The objectives of the cooperation (2)

It is possible to divide the various motivations of the functions into three complementary objectives:

- ***To evaluate the analogies*** – several cooperation projects were undertaken by LAG that boast a common strong point, on which basis they intend to develop common actions (a geographical characteristic, a cultural patrimony, a specific production, an technical innovation etc);
- ***To evaluate complementary elements*** – in this case cooperation tend to involve territories that boast different strong points, that can however be evaluated in a complementary way (geographical advantages, complementary nature, complementary know-how, division of work between the partners on the basis of respective specialisations etc);

The objectives of cooperation (3)

- ***Critical mass research*** – rural territories often have a limited capital of resources that prevents them individually from resolving various problems or maximising their potential. By combining their strengths, these areas can overcome such limitations and achieve results that would otherwise have been impossible (to create economies of scale, propose joint offers of products, support the costs for the introduction of a new technology or a new procedure, “to unite with a common purpose” to attain more favourable legislation for the product to evaluate.

The qualitative effects of the cooperation (1)

With particular regard to innovation and openness towards the outside world:

- ***Openness and reciprocal cultural enrichment*** – cooperation, the real and true antidote to localisation, to the “parochial spirit”, allows the GAL to uncover the importance of their diversity, creating meanwhile references and a common language that can promote the implementation of a new form of solidarity;
- ***Birth of a culture of cooperation*** – several territories have adopted at all levels (local, regional, national and transnational) a clear strategy centred on cooperation and partnership;

The qualitative effects of cooperation (2)

- ***Diffusion to the outside of the LAG*** of the advantages of cooperation via other operators in their territory (businesses, associations etc) supplying them with technical assistance (searches for partners, access to financing schemes etc) taking care not to participate directly in the realisation of the project.
- ***Learning based on experience*** – the LEADER cooperation is also an experience that allows for the avoidance of numerous difficulties in the field of respective future projects and pushes the LAG to enrich the strategy of development elaborated at a local level (to verify the definition of the territory, to appeal to new methods of animation, to revisit the board of the partnership, to improve access to innovation, to identify new links between sectors, to consolidate the decentralisation of the decision-making process, to incentivise the population to “appropriate” ways relative to network organisation etc).



What it must consist of.....

Elaboration and implementation of a common action: there must be a concrete communal project that aims to reach the critical mass necessary because it is feasible and regards the creation of duties, the transfer of experience in local development (es. publications), information seminars that bring around the adoption of common methodology and common methods of work or the elaboration of an activity of joint and coordinated development.

The need for cooperation emerges

The need for cooperation can emerge:

- From the results of the territorial diagnosis;
- Following an animation activity;
- From a structured meeting (seminar, conference, meeting etc.);
- On request from a group of local operators, from a business or an association

The role of the NATIONAL RURAL NETWORK

The MiPAAF has carried out a strategic role in favoring a correct application of the method and an efficient and effective management of the programmed activities and of the realized actions. Especially, since 1990 until today, the MiPAAF has carried out the following activities:

- coordination of the institutions and of the regional bodies for drawing up and programming the Leader in Italy in different programming phases;
- support provided to the regional administration regarding the relation with the EC;
- support provided to the Regional Administrations in the activity of guiding and coordinating the phases of drawing up, programming and implementation of Leader II, Leader + and Axis IV of the Rural Development Programmes 2007-2013;
- monitoring and evaluation activities for the implementation of Leader II, Leader + and Axis IV of the Rural Development Programmes 2007-2013;
- support for the acquisition, updating and improving of the management competences of the actors involved in the implementation of Local Development Plans;
- animation Unit of the European Observatory Leader II, of the European Network Leader+; of the European Rural Network 2007-2013.

For further informations:

- Visit our website: www.reterurale.it
- Rete Nazionale per lo sviluppo rurale, *L'anomalia della PAC: eterogeneità e dinamiche del LEADER in Italia (2009)*
- Rete Rurale Nazionale 2007-2013, *Dossier La valutazione dell'approccio LEADER nei programmi di sviluppo rurale 2007-2013: un contributo metodologico (2010)*



Thanks for your attention

Raffaella Di Napoli: dinapoli@inea.it

Catia Zumpano: zumpano@inea.it

Barbara Zanetti: zanetti@inea.it

Giuseppe Gargano: gargano@inea.it