

European Leader Association for Rural Development Brussels, www.elard.eu





PRESS RELEASE

LEADER recognised, but not guaranteed: ELARD reacts to new EU budget proposal

Rural communities must not be left behind as EU shifts to a more flexible, nationalised funding structure

Brussels, 17 July 2025 - The European Commission has unveiled its proposal for the structure of the next Multiannual Financial Framework (MFF) 2028–2034, setting the stage for a critical shift in how European funds will be organised and delivered. While full details on funding allocations and legal instruments will only be released in the autumn, the architecture presented yesterday sends strong and mixed signals for the future of rural development.

The new proposal significantly simplifies the EU budget structure, consolidating seven current headings into three main categories:

- 1. Support to Member States via National and Regional Partnership Plans (NRPs), where the CAP, Cohesion Policy, and programmes like LEADER will be bundled
- 2. Support to Beneficiaries and Businesses through a Competitiveness heading
- 3. Support to Partners through the Global Europe heading.

A fourth heading remains for EU administration.

A moment of recognition for LEADER

While the budget was presented in three simultaneous presentations, one by Ursula Von der Leyn, one by Piotr Serafin to the BUDGET committee, and one by Christopher Hansen to the AGRI committee, focused on the CAP and what it means for the future of rural development and farming, Cssr Hansen reassured, by quoting LEADER directly:

"I know rural development is an issue close to your heart. It may not be in the title of the regulation but its content is there. All the measures that are well known are there and even being reinforced. LEADER will continue to benefit from an integrated approach even more, allowing MS to pull resources and to be more impactful there as well."

At ELARD, we welcome this recognition. It shows that the tireless efforts of our network and partners have borne fruit: LEADER is not only surviving but being valued. This is no small feat in a climate where many programmes risk being cut or diluted. For once, we feel heard – and even a little proud.



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But let's not rest on our laurels: LEADER might be recognised and included in the next framework, but it might be up to Member States to decide whether to use it or not!!

Indeed, there is no ring-fenced budget for LEADER-CLLD in the current structure – neither in the official announcements nor in the leaked legislative drafts, that we had a chance to read. This is alarming. Without mandatory earmarking, Member States could choose not to implement LEADER at all. Even with positive mentions, rural development risks disappearing into a vast, undifferentiated pool of national priorities.

Moreover, the European Parliament has not yet approved this architecture. MEPs across the political spectrum have expressed serious concerns about the lack of transparency, insufficient consultation, and the erosion of distinct legal identities for major EU funds. There is a real risk that this structure could reduce parliamentary oversight and democratic accountability. And, as we all know it, a new budget *cannot* be approved without the Parliament's consent - nor, for that matter, without the unanimous agreement of all 27 Member States.

What we know from leaked documents

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Unofficial drafts suggest the creation of a new umbrella fund to fund the National and Regional Partnership Plans: the "European Economic, Territorial, Social, Rural and Maritime Sustainable Prosperity and Security Fund". Quite a mouthful, but one with big implications.

This new fund would unify CAP, Cohesion, Social, Fisheries, and other policies into a single National and Regional Partnership Plan per Member State. LEADER and CLLD are explicitly mentioned and recognised in the legal text, and core principles like multilevel governance, partnership, and local action groups are reaffirmed.

This could be a very powerful framework: with one plan per country, and one European rulebook it would be more integrated, more flexible, more strategic, and so, so much simpler compared to what we have now. But only if Member States actually choose to implement it.

Indeed, from the leaked legislation, Member States seem to be able to choose how to provide support to areas choosing from a toolbox which includes integrated territorial and urban development, CLLD including LEADER, smart-village strategies, projects of the EIP-AGRI operational groups, etc.

The stakes couldn't be higher. What if a Member State simply chooses not to use LEADER? What if the minimum CAP ring-fencing becomes the ceiling instead of the floor? What happens to the visibility and impact of rural development in such a vague, all-encompassing fund?

We urge our members, partners, and rural stakeholders to stay alert and involved. The signals are promising – but the battle for a strong rural voice in the EU budget is far from over. The clock starts now for two years of negotiations. Between now and the final legal proposals, we must keep pushing for guarantees, for ring-fenced funding, and for a genuine commitment to rural territories.

We will be sharing our updated advocacy strategy soon. For now, let's be clear: LEADER is on the map – but it's up to us at national level to keep it there.

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Links

- Commission Press release, *An ambitious budget for a stronger Europe: 2028-2034*, European Commission, 16 July 2025, <u>available here</u>
- Dedicated website of the next MFF (European Commission, 2025), available here
- Europe's Budget Factsheet for a resilient, competitive and sustainable EU agriculture (European Commission, July 2025), <u>available here</u>
- Summary of ELARD's position and asks for LEADER in the next MFF, available here

The LEADER approach

LEADER (Liaison Between Actions for the Development of the Rural Economy) is a European rural development programme. Created in 1991 as a complement to the first pillar of the CAP in order to support the transformation and diversification of rural areas, it now is a cross-cutting axis of its second pillar. The LEADER programme, with a minimum budget of 5% from the EAFRD in every Member State supports innovative projects that are part of a local strategy for the development of rural areas, developed and supported by a Local Action Group (LAG). These groups bring together public actors (ex. elected representatives of local authorities) and private actors (ex. companies, cooperatives, or associations). It allows local actors to define priorities and actions at their level (bottom-up approach), rather than having ready-made measures imposed on them.

ELARD

ELARD is a European association that represents nearly 2,600 Local Action Groups (LAGs) from 30 countries, including countries in the European Union's neighbourhood, which have adopted and implement the LEADER methodology for local development by local actors.

We are actively working to make the LEADER approach better known among European decision-makers and to showcase it as the solution it can become to the many challenges rural areas face. We support actorled local development and represent the interests of LAGs to national governments and European institutions.

Since 1 January 2025, ELARD has been chaired by the Polish network of Local Action Groups, Polska Sieć LGD.

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