



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

**POLISH
PRESIDENCY**
2025-2026



Łagów, 11 September 2025

Subject: legislative proposals of the European Commission related to the Multiannual Financial Framework for 2028-2034 and their impact on the further functioning of the LEADER-CLLD approach

Dear Vice-Presidents Mînzatu and Fitto,
Dear Commissioners Hansen, Serafin and Kadis,

In connection with the ongoing legislative work in the European Commission on the Multiannual Financial Framework for 2028–2034, ELARD, the European LEADER Association for Rural Development, has analysed, in terms of their impact on the further functioning of Local Action Groups (LAGs), the drafts of the following legal acts:

1. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028–2034 – hereinafter “the Fund Regulation”;
2. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the conditions for the implementation of the Union support to the Common Agricultural Policy for the period from 2028 to 2034 – hereinafter “the CAP Regulation”;
3. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Fund for Regional Development including for European Territorial Cooperation (Interreg) and the Cohesion Fund as part of the Fund – hereinafter “the ERDF and Cohesion Fund Regulation”.
4. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Social Fund as part of the National and Regional Partnership Plan set out in Regulation (EU) establishing conditions for the implementation of the Union support to quality employment, skills and social inclusion for the period from 2028 to 2034
5. Proposal for REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the conditions for the implementation of the Union support to Common Fisheries Policy, to the European Ocean Pact and of the Union’s maritime and aquaculture policy as part of the National and Regional Partnership Fund set out in Regulation (EU) for the period from 2028 to 2034

More than 90% of rural residents are not farmers. Yet, as currently drafted, the Commission’s proposals risk confining LEADER to serving only the farming population, marginalising municipalities, NGOs, SMEs, and local inhabitants. This runs counter to the very DNA of LEADER-CLLD, which is built on broad local partnerships and the active participation of diverse rural actors.

Against this backdrop, we highlight the following specific issues in the draft regulations.

I. Definition of beneficiaries under the CAP

The LEADER-CLLD approach is implemented on the ground by Local Action Groups (LAGs). However, the definitions in the proposed regulations would in practice prevent this from continuing.

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Article 4(3) of the Fund Regulation defines a “beneficiary” as a legal or natural person, or an organisational unit without legal personality, responsible for initiating or implementing an operation under the Plan. Yet point (c) specifies that beneficiaries under the CAP must be “farmers”, defined as:

- (i) *a natural or legal person whose holding is situated in the Union and **whose principal activity is agricultural activity** in accordance with the criteria defined by the Member States in line with this Regulation; or*
- (ii) *natural person or small legal person, whose **principal activity is not agriculture, but who is engaged in at least a minimum level of agricultural activity**, as defined by Member States.*

Article 4(22) of the Regulation establishing the Fund additionally provides that Member States may, in their Plans, establish a definition of “*agricultural activity*”, which constitutes a component of the above definition of “*farmer*”. However, as follows from that provision, the definition of “*agricultural activity*” must focus on the production of agricultural products or on maintaining agricultural land, understood as land used for agricultural activity.

Such a construction of the definition of beneficiary under the CAP has very serious implications for LAGs. It means that, in principle, **only farmers as defined above will be able to be beneficiaries of local strategies if these strategies would be financed from CAP resources only.**

Although this approach appears consistent with the Regulation’s intention of targeting resources more precisely and avoiding overlaps, it would nevertheless amount to a revolution in the logic of implementing local development strategies. If this definition of beneficiary is maintained, implementation of strategies financed solely from CAP resources will be very difficult, if not impossible. Moreover, such a limitation would make LAG membership attractive only for farmers, undermining the very essence of LAGs as partnerships of diverse local stakeholders, ie. municipalities, NGOs, businesses, and inhabitants.

Request: Amend Article 4 of the Fund Regulation to add a clause specifying that in the case of LEADER/CLLD, beneficiaries may be natural and legal persons residing or established in the local development strategy area, as under current practice.

II. Scope of LEADER-CLLD under the CAP

Beyond the issue of beneficiaries, the scope of LEADER as framed in the proposed CAP Regulation is significantly narrower than in the current period. While the Fund Regulation (Arts. 75 & 76) preserves the LEADER-CLLD method and defines the exclusive tasks of LAGs, Article 18 of the CAP Regulation reduces the focus to agricultural objectives:

- Paragraph 4 of Article 18 focuses on “added value for farmers and forest holders”.
- There is no reference to broader territorial development, local service provision, social innovation, youth engagement, cultural life, or inclusion.
- There is no mention of the multi-sectoral and participatory approach that defines LEADER as a method rather than just a funding tool.





These omissions stand in sharp contrast to the more holistic vision of LEADER found in the text of the Fund Regulation and how we know LEADER now. The concern here is that LEADER is drifting away from its origins as a tool for integrated local development, and becoming a delivery mechanism for agricultural policy objectives. If LEADER is redefined too narrowly, it loses its transformational potential. The rich diversity of LAG activities beyond agri-business and their value to rural vitality risks being erased.

Request: Broaden Article 18 CAP Regulation to explicitly recognise LEADER-CLLD as a bottom-up, cross-sectoral, community-driven approach not merely as an agricultural instrument, which supports improving quality of life, basic services, local infrastructure, and social and cultural projects.

III. Rural and coastal areas within cohesion, social and maritime policy

Recital 9 of the proposed ERDF and Cohesion Fund Regulation stresses that it is considered necessary to support integrated territorial development in order to better address the economic, environmental, climate, demographic and social challenges affecting urban areas, including functional urban areas, while taking into account the need to support links between urban and rural areas. However, the beginning of this recital refers only to the “promotion of sustainable **urban development**”, thereby completely ignoring the development of rural areas.

This recital is related to Article 5 of the ERDF and Cohesion Fund Regulation, which provides for the need for Member States to support integrated urban development strategies. Those strategies focus on sustainable development and addressing environmental, energy and climate challenges, in particular a just transition towards a clean, climate-neutral and resilient economy by 2050, with attention to housing, poverty, cultural heritage and digital innovation. Yet the provision does not guarantee support for remote rural areas, where urban–rural links are negligible. This raises deep concerns that ERDF and Cohesion resources will be directed mainly to urban agglomerations and peri-urban municipalities (“city bedrooms”), aggravating depopulation in more remote rural territories.

The same problem appears in the other sectoral regulations. The proposed ESF Regulation contains provisions on the participation of civil society in employment, skills and social inclusion policies, but makes no reference to CLLD or to community-led approaches. Likewise, the proposed Regulation on the Common Fisheries Policy and maritime policy is silent on participatory territorial tools, even though coastal and fisheries-dependent communities face the same structural challenges as rural areas. In all three cases, the implementation of CLLD or equivalent instruments is left entirely to Member State discretion. This risks a fragmented and unequal territorial application, with rural, coastal and peripheral regions most at risk of exclusion.

Request: Amend Article 5 of the Cohesion Fund Regulation and corresponding provisions of the ESF and Maritime Regulations to include a binding obligation for Member States to apply CLLD in rural, coastal and disadvantaged areas, modelled on Article 18 of the CAP Regulation.

IV. Ring-fencing resources for LEADER-CLLD

In the current period, Article 92 of Regulation (EU) 2021/2115 guarantees that a minimum of 5% of the EAFRD is allocated to LEADER. In the proposed package for 2028–2034, no equivalent ring-fencing is foreseen, and the consolidation of instruments into a single Fund increases the risk of resources being redirected away from community-led approaches.





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Without a dedicated allocation, LEADER-CLLD could be marginalised in Member States' NRP Plans, despite its proven added value for rural development, social inclusion and multi-level governance.

Request: Reintroduce a minimum allocation for LEADER-CLLD in the CAP regulation, and establish a protected share of resources for community-led approaches within the Fund Regulation, to guarantee their presence across all Member States.

V. Financing rules under article 77

Article 77 of the Fund Regulation introduces mandatory simplified cost options (SCOs) and lump sums for small projects, but it is unclear whether these apply only to LEADER (CAP) or also to multi-fund CLLD. Without clarification, multi-fund LAGs would face dual rulebooks.

Request: Ensure that financing simplifications (SCOs, lump sums) apply consistently across all CLLD instruments, not only under CAP.

VI. Relationship between CLLD and LEADER

The provisions of Articles 74, 76 and 77 of the Fund Regulation are structured in such a way that it is difficult to understand precisely how the Commission wants to regulate the functioning of the LAG in the next period.

Article 74(1) of the Fund regulation provides that Member States may provide support for cooperation in the areas listed in that paragraph. In point b, 'CLLD, including LEADER' is indicated as one of these 'areas'. Pursuant to paragraph 2 of this Article, the cooperation referred to in paragraph 1 (i.e. CLLD and LEADER) should involve at least two actors, and the cooperation itself should contribute to the achievement of one of the specific objectives listed in Article 3 of this Regulation.

Article 74(1) of the Fund Regulation may suggest that LEADER is the type or method of implementation of CLLD (as has been the case so far, where the term LEADER has been used in the context of the CLLD instrument under the CAP). Meanwhile, the following articles may suggest that CLLD and LEADER are separate instruments (i.e. that LEADER is not the name under which CLLD operates within the CAP).

Article 76 of the Fund regulation is devoted to CLLD, while Article 77 of this Regulation applies only to LEADER – this is apparent from the titles of both articles and from the fact that Article 77(1) explicitly refers only to the LEADER instrument referred to in Article 18 of the CAP Implementation Regulation). At the same time, those two provisions are constructed in such a way that it does not necessarily follow that there is necessarily a link between them that Article 77 is a specification or continuation of what is governed by Article 76 or that Article 77 lays down specific requirements for CLLD implemented under the CAP.





It should be noted that also Article 22(2)(h)(i) of the Fund Regulation, describing the requirements for the Plan, states that it should "effectively contribute to promoting the use of the cooperative interventions referred to in Article 74, including (...) community-led local development (...) and the LEADER approach referred to in Article 77", suggesting that CLLD and LEADER are, after all, two different instruments.

The relationship between CLLD and LEADER, and more specifically between Articles 76 and 77 of the Regulation establishing the Fund, needs to be clarified at a later stage of legislative work. This is important in order to determine what requirements the EU legislator sets for the LEADER instrument: whether they are different from those relating to CLLD or, as was the case in the previous perspective, LEADER is only a term for CLLD implemented under the CAP.

Request: Clarify in the Fund Regulation that LEADER is the CAP-specific form of CLLD, ensuring consistency of rules and avoiding duplication.

VII. Competences of Local Action Groups

Article 76(3) of the Fund Regulation sets out the exclusive competences of LAGs in relation to the preparation and implementation of CLLD. These includes:

- (a) developing a local development strategy;
- (b) building the capacity of local actors to design and implement operations;
- (c) developing a non-discriminatory and transparent selection procedure and criteria that prevent conflicts of interest and ensure that no single interest group controls selection decisions;
- (d) the choice of the operation;
- (e) monitoring progress towards the objectives and assessing the implementation of the strategy;
- (f) communicating the local development strategy and the role of the Union in supporting it.

These provisions **differ from Article 33(3) of Regulation 2021/1060, which currently defines the tasks assigned exclusively to LAGs**. The proposed regulation does not mention among the future competences of the LAG "*the preparation and publication of calls for proposals*", as well as "*determining the amount of support and presenting applications to the entity responsible for the final verification of eligibility before their approval*", referred to in Article 33. **Hence, the proposed regulations deprive LAGs of important competences** that are core to their actual tasks and the overall objective of the LEADER-CLLD approach.

Request: Amend Article 76 to restore LAG competences identical to the current period, including preparation of calls and fixing support levels.

The Commission's ambition to simplify EU funding and reinforce flexibility is understood. However, without these clarifications and safeguards, the future regulatory package risks undermining the proven effectiveness of LEADER as a community-led, multi-sectoral tool.

We therefore call for amendments to ensure:

- Broad eligibility of beneficiaries under LEADER-CLLD,
- Ring-fencing for LEADER-CLLD and consistent application of simplified financing rules.
- Mandatory inclusion of LEADER-CLLD in relevant sectoral policies,
- A widened scope for LEADER-CLLD interventions (which corresponds to the current one)





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- Clear legal alignment between CLLD and LEADER,
- Full restoration of LAG competences,

We remain at your disposal for dialogue and technical contributions to the legislative process.
You will find attached a shorter note that summarises our point that might be of use for your technical teams.

Yours sincerely,

Piotr Sadlocha

President of ELARD

