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

PROPOSED AMENDMENTS

In July 2025, the EU Commission published its proposed regulations for the 2028-2035 Multi-annual Financial Framework. After carefully analysing the documents, ELARD has come up with several suggested amendments. Indeed, as currently drafted, the Commission's proposals risk confining LEADER to serving only the farming population, marginalising municipalities, NGOs, SMEs, and local inhabitants. Yet, more than 90% of rural residents are not farmers. 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 and propose the following solutions in the draft regulations.

No.	European Commission's proposal	ELARD's proposal (changes in bold)	Explanation
In the **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"**			
1.	**Art 4 (3)(c)** in the context of the CAP, a farmer who is: (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.	**Art 4 (3)(c)** *in the context of the CAP a farmer who is:* *(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;* ***In the case of LEADER, as referred to in Article 77 of Regulation (EU) 202X/XXXX [CAP Regulation] beneficiary means any natural or legal person established in the Union and carrying out activities in rural areas aimed at fostering the development of those areas.***	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.

2.		**Art. 35 (5a)** 5a. The financial allocation to LEADER as referred to in paragraph 1, point (l) shall be at least 5% of the Union contribution set out by the Member State in the NRP Plan for the financing of the CAP.	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. 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.
3	**Art. 10 (2)** 2.The financial envelope shall be allocated as follows: (a) EUR 782 879 000 000 shall be allocated to the NRP Plans referred to in Title III in accordance with Annex I [Allocation key], of which: (I) At least EUR 217 798 000 000 for less developed regions by establishing minimum amounts per Member State based on the methodology set out in Annex II; (II) At least EUR 295 700 000 000 for CAP interventions referred to in Article 35(1) [types of support], paragraph 1, points (a) to (k) and (r) and paragraph 10 and for interventions listed in article 35 paragraph 11; (III) At least EUR 34 215 510 000 as follows: EUR 11 975 428 500 as set out in Article 4 of Regulation (EU) 202X/XXX [establishing the Union support for asylum, migration and integration for the period from 2028 to 2034], EUR 15 396 750 000 as set out in Article 4 of Regulation (EU) 202X/XXX [Establishing the Union support for the Schengen area, for European integrated border management and for the common policy on visas for the period from 2028 to 2034] and EUR 6 843 331 500 as set out in Article 4 of Regulation (EU) 202X/XXX [establishing the Union support for internal security for the	**Art. 10 (2)** 2.The financial envelope shall be allocated as follows: (a) EUR 782 879 000 000 shall be allocated to the NRP Plans referred to in Title III in accordance with Annex I [Allocation key], of which: (I) At least EUR 217 798 000 000 for less developed regions by establishing minimum amounts per Member State based on the methodology set out in Annex II; **(II) At least EUR 234 863 700 000 for the development of rural areas and communities based on the methodology set out in Annex XX** (III) At least EUR 295 700 000 000 for CAP interventions referred to in Article 35(1) [types of support], paragraph 1, points (a) to (k) and (r) and paragraph 10 and for interventions listed in article 35 paragraph 11; (IV) At least EUR 34 215 510 000 as follows: EUR 11 975 428 500 as set out in Article 4 of Regulation (EU) 202X/XXX [establishing the Union support for asylum, migration and integration for the period from 2028 to 2034], EUR 15 396 750 000 as set out in Article 4 of Regulation (EU) 202X/XXX [Establishing the Union support for the Schengen area, for European integrated border management and for the common policy on visas for the period from 2028 to 2034] and EUR 6 843 331 500	The European Commission's "Vision for Agriculture and Food" sets out a clear ambition: to ensure that rural areas across the EU are vibrant, prosperous, and resilient, contributing to food security, environmental sustainability, and social cohesion. Achieving this vision requires more than policy statements—it demands a robust financial commitment within the Multiannual Financial Framework (MFF). Without a dedicated minimum allocation for LEADER-CLLD in the EU budget, there is a significant risk that resources will be diverted away from community-led approaches that have proven essential for rural development, social inclusion, and multi-level governance. The consolidation of instruments into a single Fund, as proposed for 2028–2034, further increases this risk, potentially marginalizing LEADER-CLLD in Member States' National and Regional Partnership (NRP) Plans. The "Vision for Agriculture and Food" emphasizes that rural areas must be empowered to innovate, diversify, and build local capacity. This can only be achieved if local action groups (LAGs) and rural communities have predictable and sufficient funding to implement integrated development strategies. Guaranteeing a minimum percentage of the EU budget for LEADER-CLLD is

	period from 2028-2034] for the objectives set out in Article 3 of those Regulations.	as set out in Article 4 of Regulation (EU) 202X/XXX [establishing the Union support for internal security for the period from 2028-2034] for the objectives set out in Article 3 of those Regulations.	therefore not just a technical detail—it is a prerequisite for delivering on the EU's vision of prosperous rural territories. In summary, to ensure that rural areas can fully contribute to the EU's long-term objectives and remain attractive places to live and work, the MFF must guarantee an appropriate level of funding for LEADER-CLLD. This will enable rural communities to drive their own development, foster innovation, and build resilience in line with the strategic priorities outlined in the "Vision for Agriculture and Food".
4	**Art. 22 (2) (h) (i)** promoting the use of cooperation interventions as referred to in Article 74 [cooperation interventions], including integrated territorial investment in cities, urban, rural and coastal areas, community-led local development, or other territorial tools including just transition and smart specialisation strategies, as well as LEADER as referred to in Article 77 [LEADER]	**Art. 22 (2) (h) (i)** promoting the use of cooperation interventions as referred to in Article 74 [cooperation interventions], including integrated territorial investment in cities, urban, rural and coastal areas, community-led local development, or other territorial tools including just transition and smart specialisation strategies~~, as well as LEADER as referred to in Article 77 [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. ***This explanation refers to point no. 6***

5.	**Art. 76 (3)** 3. When preparing and implementing community-led local development, the following tasks shall be carried out exclusively by the local action groups: (a) preparing the local development strategy; (b) building the capacity of local actors to develop and implement operations; (c) drawing up a non-discriminatory and transparent selection procedure and criteria, which avoids conflicts of interest and ensures that no single interest group controls selection decisions. (d) selecting operations; (e) monitoring progress towards the achievement of objectives and evaluating the implementation of the strategy; (f) communicating of the local development strategy and the role of Union in its support.	**Art. 76 (3)** 3. When preparing and implementing community-led local development, the following tasks shall be carried out exclusively by the local action groups: (a) preparing the local development strategy; (b) building the capacity of local actors to develop and implement operations; (c) drawing up a non-discriminatory and transparent selection procedure and criteria, which avoids conflicts of interest and ensures that no single interest group controls selection decisions. (d) **preparing and publishing calls for proposals**, selecting operations **and fixing the amount of support and presenting the proposals to the body responsible for final verification of eligibility before approval**; (e) monitoring progress towards the achievement of objectives and evaluating the implementation of the strategy; (f) communicating of the local development strategy and the role of Union in its suport.	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.

6.	**Art. 77** *Support under LEADER* 1. Support provided through LEADER referred to in Article 18 of Regulation (EU) 202X/XXXX [CAP Regulation] shall comply with the following requirements: (a) the use of simplified cost options shall be mandatory for the costs of operation of the LEADER local action groups; (b) support for projects carried out in accordance with the LEADER local development strategies not exceeding EUR 20 000 shall be provided in the form of lump sums and may be differentiated in accordance with objective and non-discriminatory criteria; (c) support to rural business start-ups for non-agricultural activities in rural areas may be provided in the form of lump sums up to maximum EUR 100 000 and may be differentiated in accordance with objective and non-discriminatory criteria; (d) the use of simplified cost options shall be encouraged for projects implemented under the LEADER local development strategies. 2. The support provided under this Article may cover the costs of the preparation of the local development strategies or the costs of operations implemented or a combination of both. Member States shall ensure that the costs of operations comply with the requirements laid down for the relevant types of interventions laid down in this Regulation.	**Art. 77** *Support under **community-led local development*** 1. Support provided through **community-led local development** shall comply with the following requirements: (a) the use of simplified cost options shall be mandatory for the costs of operation of the **LEADER/CLLD** local action groups; b) support for projects carried out in accordance with the LEADER local development strategies not exceeding EUR 20 000 shall be provided in the form of lump sums and may be differentiated in accordance with objective and non-discriminatory criteria; (c) support to **rural** business start-ups for non-agricultural activities **in rural areas** may be provided in the form of lump sums up to maximum EUR 100 000 and may be differentiated in accordance with objective and non-discriminatory criteria; (d) the use of simplified cost options shall be encouraged for projects implemented under the **LEADER/CLLD** local development strategies. 2. The support provided under this Article may cover the costs of the preparation of the local development strategies or the costs of operations implemented or a combination of both. Member States shall ensure that the costs of operations comply with the requirements laid down for the relevant types of interventions laid down in this Regulation	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.

<table>
<tr><th colspan="4">In the 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”</th></tr>
<tr><td>7.</td><td>Art.18
1. Member States shall provide support for LEADER to prepare and implement LEADER local development strategies under the conditions laid down in Article 76 of Regulation (EU) […] [NRP] and as further specified in their NRP Plans.
2. Member States shall support LEADER at least in rural areas with specific disadvantages defined by the Member States in the NPR Plans.
3. Member States shall provide support through LEADER for projects implemented by local action groups involving startups, value added capacity in transformation, diversification of farm activities, including agrotourism, direct sale of agricultural products and innovation.
4. Support provided from LEADER shall be focused on rural development fields with added value for farmers and forest holders, such as social, environmental, digital and economic transformation of rural areas, improvement of well-being of rural citizens, strengthening social capital.</td><td>Art.18 (3) and (4)
1. ‘LEADER’ means community-led local development referred to in Article 76 of Regulation (EU) […] [NRP].
2. Member States shall provide support for LEADER, to prepare and implement local development strategies under the conditions laid down in Regulation (EU) […] [NRP] and as further specified in their NRP Plans.
3. Member States shall provide support through LEADER for projects implemented under local development strategies, including startups and the development of local businesses, value added capacity in transformation, diversification of farm activities, including agrotourism, direct sale of agricultural products and innovation, as well as investments in local infrastructure and services aimed at improving the quality of life in rural areas.
4. Support provided from LEADER shall be focused on rural development fields with added value for farmers, forest holders and other rural citizens, such as social, environmental, digital and economic transformation of rural areas, improvement of quality of life, strengthening social capital, cultural and youth initiatives.</td><td>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.

Additional explanation is in point no. 3</td></tr>
<tr><th colspan="4">In the 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</th></tr>
<tr><td>8.</td><td>Art. 3 (1)</td><td>Art. 3 (1)</td><td>Recital 9 of the proposed ERDF and Cohesion Fund Regulation stresses that it is considered necessary to</td></tr>
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	1. Member States shall take into account in their NRP Plan the specific needs of fisheries, aquaculture and coastal communities and in particular of small-scale coastal fishing in line with Article 22 (2)(i) of [the NRP regulation].	1. Member States shall take into account in their NRP Plan the specific needs of fisheries, aquaculture and coastal communities_and, in particular of small-scale coastal fishing in line with Article 22 (2)(i) of [the NRP regulation], **as well as the specific development needs of areas dependent on fisheries and the local communities living in those areas, providing support for community-led local development referred to in Article 76 of [the NRP Regulation].**	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

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<tr><td></td><td></td><td></td><td>application, with rural, coastal and peripheral regions most at risk of exclusion.</td></tr>
<tr><td colspan="4">In the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCI 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 suppor t to quality employment, skills and social inclusion for the period from 2028 to 2034</td></tr>
<tr><td>9.</td><td>Art. 7
Partnership
Member States shall ensure meaningful participation of the social partners and civil society organisations in the delivery of support for quality employment, education and skills and social inclusion policies in accordance with Article 6 of Regulation XX [NRP Plan].</td><td>Art. 7
Partnership
Member States shall ensure meaningful participation of the social partners and civil society organisations in the delivery of support for quality employment, education and skills and social inclusion policies in accordance with Article 6 of Regulation XX [NRP Plan]. In order to achieve that, Member States shall, in particular, provide support for community-led local development referred to in Article 76 of [the NRP Regulation].</td><td>As above</td></tr>
<tr><td colspan="4">In the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Fund for Regional Developme nt including for European Territorial Cooperation (Interreg) and the Cohesion Fund as part of the Fund – hereinafter “the ERDF and Cohesion Fund Regulation</td></tr>
<tr><td>10.</td><td>Art. 5
Sustainable urban development
As part of their territorial development, Member States shall support integrated urban development strategies which focus on sustainable development and tackle environmental, energy and climate challenges, in particular the fair transition towards a clean and climate-neutral and resilient economy by 2050, paying special attention to housing, poverty, cultural heritage and to harnessing the potential of digital technologies for innovation purposes and energy efficiency, to supporting the development of functional urban areas, as well as supporting urban-rural linkages.</td><td>Art. 5
Sustainable urban and rural development
As part of their territorial development, Member States shall support integrated urban development strategies, as well as local development strategy which focus on sustainable development and tackle environmental, energy and climate challenges, in particular the fair transition towards a clean and climate-neutral and resilient economy by 2050, paying special attention to housing, poverty, cultural heritage and to harnessing the potential of digital technologies for innovation purposes and energy efficiency, to supporting the development of functional urban and rural areas, as well as supporting urban-rural linkages.</td><td>As above</td></tr>
<tr><td colspan="4">In the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities_ ANNEX 1</td></tr>
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11.	**Intervention fields and indicators** # 335 - Community-led local development/LEADER and other integrated territorial tools CCM: 0% CCA: 40% ENV: 0% SOC: 0%	**Intervention fields and indicators** # 335 - Community-led local development/LEADER and other integrated territorial tools CCM: 0% CCA: 40% ENV: 0% **SOC: 40%**	• Intervention Field 335 explicitly includes social-oriented output and result indicators: employment creation, enterprise creation, training, community involvement, and coverage of rural populations. • LEADER/CLLD consistently delivers measurable social outcomes in rural areas, including inclusion of vulnerable groups, access to services, community cohesion, and local capacity-building. These effects are systematic and structural, not incidental. • Classifying IF 335 as 0% social creates a regulatory inconsistency: similar indicators in other intervention fields (e.g. social inclusion, employment support) are weighted at 40% or 100%. • Increasing the SOC weighting ensures accurate expenditure tracking of the social contribution of territorial development actions, especially in areas with demographic decline, ageing, youth outmigration and lack of essential services. • A revised SOC weighting would help national Managing Authorities integrate LEADER/CLLD into their social expenditure strategies, encouraging socially-oriented rural development and ensuring performance alignment with EU political priorities. • This adjustment strengthens coherence with EU commitments under the European Pillar of Social Rights, the Long-Term Vision for Rural Areas, and the Rural Pact, and better reflects the real contribution of LEADER to social inclusion in rural territories.