TRANSNATIONAL
LEADER COOPERATION PROJECT

# OUR COMMON FUTURE

A transnational cooperation of LAGs from Austria, Luxembourg, Portugal, Bulgaria with associated LAGs from Sweden, Finland, Italy, France, Spain, Croatia, Estonia, Latvia and Romania – for our common future

Lead partner: LEADER-forum Austria

## THE NEW LEADER ADDED VALUE

Final Report, August 2025

The European Agricultural Fund for Rural Development: Europe investing in rural areas

*The project set out—building on more than 30 years of successful LEADER/CLLD as a participatory approach to urban and regional development—to develop fresh future perspectives and to explain why the LEADER approach, as a citizen-centred policy tool, is especially relevant now. How can we reach people—particularly in rural areas—more effectively again and increase acceptance of the need for change? For Local Action Groups (LAGs), it will become even more important to build new skills for intermediary management at key social interfaces. These include, for example, the public–private interface and the strategy–practice interface, both of which require competent innovation management.*

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# THE NEW LEADER ADDED VALUE & NEW TASKS FOR LOCAL ACTION GROUPS

Executive Summary

LEADER in previous “official” labels

*“Liaison between actions to develop the rural economy” (LEADER) or “Community-Led Local Development” (CLLD) or “Development driven by regional people.”*

LEADER in different communications

*“A people-centred policy tool” (for politics & administration) and “Development of the rural economy and society” (for businesses) and “Joint regional development with municipalities and residents” (for local authorities).*

# 1 WHAT LEADER IS

**LEADER is the EU’s most important community-based policy instrument** in rural areas. It translates EU missions and national goals into action at regional level and is a method for developing regional strengths from within. As an organisation, LEADER has a unique European network of around 3,000 Local Action Groups (LAGs) that cooperate transnationally and nationally as local development agencies.

The LEADER approach is understood as **actor-centred regional development** (initiated by municipalities, businesses and civil society) and as **neo-endogenous development** (an intelligent combination of internal strengths and external opportunities across three action levels): a) **endogenous strengths within the region** are further developed, e.g. regional products, personal ties, circular economy and resilience. At the same time b) **there is an agreement between the region and the national administration** on the use of a public regional budget to select and support relevant projects. The budget must be evidence-based and impact-oriented. In addition, c) **cooperation between regions** is required to open a “window to the outside”, boosting regional innovation capacity. In this light, the pairs “endogenous/exogenous” and “top-down/bottom-up” are no longer strict opposites but complementary (see also multi-level governance).

**Key aspects of LEADER’s added value** are proximity to people and a **place-based approach**: **development with the regional population**. LEADER encourages people to get involved and is therefore **democratically participatory**. It also conveys a **European perspective** at regional level. This mode of regional development stands out through timeliness and agility: the ability to act and react quickly to new challenges and to increase acceptance of change among residents. Finally, an **innovation focus** is a core added-value aspect.

LAGs are mostly found in rural areas, but also in coastal regions and cities as neighbourhood or district management offices. They act as funding advice centres, networking hubs and innovation agencies in their “rural”, “coastal” and “urban” territories.

**LEADER’s Unique Service Proposition (USP):**

## 1.1 LEADER AS A DEMOCRACY LAB

- USP: Proximity to people & participation | Trend/need: (re)building connections
- While many EU programmes feel “technocratic”, LEADER offers direct involvement of residents and participation in regional development.
- LAGs are the interface between a “distant” EU and the “nearby” village square.
- Participatory co-design does not divide society into winners and losers; it is a deliberative process aiming for consensus.

## 1.2 LEADER AS AN INNOVATION ENGINE IN RURAL AREAS

- USP: **Social (and transformative) innovation** | Trend/need: Solutions in times of triple challenge (economic, ecological, social)
- LEADER is not classic business support but an “innovation lab” (trialling) and “innovation agency” (brokering) for new solutions in rural areas – especially amid accelerating change.

- It supports social innovation (from ideation and piloting to diffusion) by working with people affected by problems and those ready for renewal.
- Future themes: transformation (climate adaptation, digitalisation, resilience).

### 1.3 LEADER AS AN INTERMEDIARY

- USP: **Interface competence & strong connectivity** | Trend/need: Interface management
- LAGs are not only funding bodies; above all they are networkers and bridge-builders between public administration, municipalities, private sector and civil society.
- This intermediary role is unique in the EU context: no other structure links local, regional, national and European levels as closely – "managing the in-between" as clear added value.

### 1.4 LEADER AS THE REALISATION OF EUROPEAN CITIZEN PROXIMITY

- USP: **Making the EU visible locally** | Trend/need: Eurobarometer scores in rural areas
- LEADER provides ways to communicate and implement European objectives in villages and small towns.
- In regions with a high share of EU-sceptical groups, LEADER can offer a positive counter-narrative: the EU is at work in our daily lives.
- Multiplier effects arise through LAG boards bringing together mayors, entrepreneurs and volunteers from associations and civil society.

### 1.5 LEADER AS A TRANSNATIONAL, EU-WIDE NETWORK

- USP: **Transnational projects enable EU-wide collaboration without territorial limits** | Trend/need: European cooperation and joint action – right now!
- Cooperation projects act as a "window to the outside", strengthening regional innovation capacity.
- European and intercultural collaboration create added-value experiences.

### 1.6 LEADER AS A TRANSFORMATION PARTNER FOR MUNICIPALITIES (AND AGRICULTURE)

- USP: Pragmatic solutions to major challenges | Trend/need: The current municipal situation
- Municipalities are overloaded and cannot run complex EU projects "on the side".
- Agriculture faces new topics such as diversification, smart farming and ecological innovation. LEADER drives the development of future-proof business models.
- LAGs act as local competence centres for development and delivery.

# 2 WHY WE ACT (LEADER-ACTIONS)

LEADER has a dual mandate: it contributes to the regional economy and it is a special form of regional development with residents to improve living and environmental conditions. Why does this "people-centred" mandate need special attention?

Background: The multiple crises have produced what can be described as a "**regional development trap**". At the same time, the deep and accelerating changes across society have created uncertainty and widened fault lines. The trap highlights how regions differ in dealing with change and helps explain the rise in EU scepticism, accompanied by doubts about democracy and system criticism. Causes cited include **cultural and identity factors** on the one hand, and **economic disparities** on the other. A region is in a development trap if it "cannot sustain its economic dynamics in terms of income, productivity and employment".

Today's situation underscores the **absolute necessity of place-based development** and of strengthening cohesion policy. Acceptance by residents is the key success factor for transformation-oriented regional development. As a tried-and-tested, people-centred policy tool, LEADER plays a central role. Supporting innovation and investing in education, training and projects that offer democratic experience can counter the development trap.

# 3 WHAT WE IMPROVE REGIONALLY (LEADER REGIONS)

LEADER primarily improves **environmental and living conditions on the ground** and thus represents the regional tier of action within a multi-level system of public and private interventions for the socio-economic development of rural areas. It is also the right delivery structure for higher-level EU objectives.

Of the **five EU missions**, three are especially relevant in a LEADER context: healthy soils, climate adaptation and climate-neutral cities. There are many overlaps with LEADER fields of action. To increase strategic relevance, coordination between the "**Mission Action Groups**" (a governance set-up in ministries and scientific institutions) and the LEADER "**Local Action Groups**" is advisable. In principle this would form a theory–strategy–practice interface, translating specialist scientific language into actionable, practice-oriented everyday language. A recent study finds strong synergies between the EU missions and regional policy: "This potential has so far only been used to a limited extent due to the lack of anchoring in EU regional policy and restrictive framework conditions. Missions can be a lever to make cohesion policy more impact-oriented and focused." (Keynote Münch, 2025).

The specific objectives of the new EU fund for economic, social and territorial cohesion (European Commission, 2025) are likewise important here – including prosperity, security, social issues, quality of life and democracy, with their sub-themes.

The "**Long-term Vision for the EU's Rural Areas**" (LTVRA), launched in 2021, also plays a role as a forum for future perspectives and an EU-wide Commission initiative. However, there is again no concrete delivery tier to realise the ten shared goals. LEADER shows thematic alignment with almost all the Rural Pact's objectives and provides an established diffusion network.

**For national level (federal and regional governments), LEADER offers the following solutions at regional level:**

## 3.1 LEADER WITH A NEW "DOUBLE STRATEGY": INNOVATION & PRAGMATISM

- USP: **Future-proof yet realistic** | Trend/need: Pragmatism as a medium-term solution
- A combination of **practice-oriented projects for municipalities** with options for standardisation (local services, essential services, digitalisation, community life, town-centre development),
- and **innovative projects for businesses and civil society** (social innovations, climate adaptation, agriculture needing diversification, new participation formats).
- The double strategy delivers **everyday solutions and transformation impulses**.
- LEADER is the only European policy instrument that links democracy, community proximity and innovation in rural areas.

## 3.2 ASPECTS OF A REGIONAL INNOVATION STRATEGY

- USP: **Clear definition of innovation with a method set**; fostering an **innovation ecosystem** | Trend/need: A new LEADER innovation orientation (technological & social)
- Each LEADER region needs room for **region-specific design** – only then can regional innovation processes be nurtured. The aim is to expand/secure regional freedom to innovate and to strengthen LAG innovation orientation and skills.
- The **four Ts of economic development** are key levers: **Technology, Talent, Tolerance and Territorial specificities**. Technology means comprehensive digitalisation for smart rural solutions. Talent refers to residents' skills that must be discovered. Tolerance means scope to invent and trial new solutions. Territorial specificities are the building blocks of the regional innovation strategy.
- Application fields include: a) **Rural competitiveness** – diversification in agriculture, circular economy & bioeconomy, skills development and career choice competence; b) **Town-centre development**, Smart Villages & digitalisation – re-use, simulations, digital infrastructures; c) **Cooperation not competition** – regional clusters (crafts, culture, tourism incl. tourism innovation, social business) that strengthen resilience; d) **Ecological modernisation** with process-innovation and climate adaptation.

### 3.3 NEW THEMATIC CONTRIBUTIONS TO PRIORITIES ON SECURITY & DEFENCE (LOCAL RESILIENCE)

- USP: **Security and resilience in daily life and democratic resilience** in rural areas | Trend/need: New security needs (cf. "prepping") due to new risk scenarios
- LEADER cannot address "**security**" in the general sense, but it can strengthen social and infrastructural resilience: a) Security of supply – projects on local services, energy autonomy, water availability; b) Crisis preparedness – stronger local networks (civil protection, neighbourly help); c) Social balance – inclusion, preventing polarisation; social stability as a security factor.
- "**Defence**" as social cohesion can also be anchored locally – as democratic and civic safeguarding: a) Democracy resilience – strengthening participation and citizen involvement to build trust in institutions; b) Civil society's organisational capacity – projects that counter polarisation and build positive identity ("places that matter"); c) Digital defence – skills to counter disinformation, stronger media literacy.
- In this way **EU priorities** are rooted locally. LEADER translates big EU themes into **concrete projects on the ground** – where acceptance and impact are decisive.

# 4 HOW WE DO WORK TOGETHER (LEADER GROUPS)

LAGs have excellent practical know-how in funding advice and network management. For Role 3 – innovation agency – many will need new capacities and skills. These special services are the core of the new added value and LEADER's unique selling point in regional development.

- USP: Network node with **interface competence**; **high acceptance** through place-based development; **agility** – flexible, quick to act, tailored solutions | Trend/need: New competencies for LAGs
- LAGs work as **intermediary organisations** and perform three roles: funding advice centre; multi-level network hub; innovation agency.
- **Classic interface management** includes: the **public–private partnership** interface (PPP) which requires strong local roots to mediate among municipalities, businesses and civil society; the **theory–strategy–practice interface** (sometimes a Community of Practice), translating research into actionable results; and **multi-level governance**, acting as the network node for horizontal and vertical links (intra-regional, administrative–political, transnational).
- **Special interface management (gaps, lags, traps & links):** here the focus is on developing projects and (re-) establishing links to reduce social fault lines (gaps), to better understand technological innovation (lags) and to involve under-represented groups (traps). A regional development trap can arise from non-participation, e.g. among young people or those with little educational attainment. The aim is to design "experience projects" with strong experiential quality – suited to abstract topics such as democracy, the EU or climate impacts.
- **Innovation management**: this interface work requires specific competencies derived from innovation processes. The LEADER toolbox thus consists of techniques to steer the phases of social innovation: ideation, piloting and diffusion by multi-actor groups.

# AP1: INNOVATIVE LEADER-AP-PROACHES IN THE EU

Report section by Stefan Kah, GB
edited by Wolfgang Berger (executive summary)

# 1 INTRODUCTION & CONTEXT

## 1.1 TARGETS

Innovation remains one of the most exciting, pioneering and challenging aspects of the LEADER approach. In the early 1990s, the invention of LEADER's participatory method itself was the key innovation within a redefined rural development. Kah: "Promoting new and innovative solutions for local problems or seizing opportunities was from the outset a core part of LEADER. Innovation concerns what is done – supported activities, products or services – but above all how things are done." These features echo definitions of social innovation.

## 1.2 EVOLUTION

There were 217 LAGs in the LEADER I pilot phase (1991–1993). Today the number has more than decupled – well over 3,000 including ca. 250 urban LAGs and ca. 350 coastal/fisheries LAGs. The greatest expansion came in 2007–2013 with mainstreaming: LEADER became a core axis in rural development programmes with a 5% minimum allocation from the EAFRD. Many Member States tried to roll it out across as much territory as possible, in some cases almost wall-to-wall across rural areas – coinciding with EU enlargement and the first coastal LAGs.

In 2014–2020, other funds (ERDF, ESF, EMFF) could finance LEADER-like CLLD. Urban LAGs emerged. In principle four funds could be used (EAFRD, ERDF, ESF, EMFAF). This territorial and thematic expansion gave LEADER a political dimension as an instrument of participatory democracy and regional cohesion policy.

LEADER is again mandatory in 2021–2027 in rural development within the CAP with a 5% EAFRD minimum. Urban and coastal LAGs remain an optional national choice – funded by ERDF and EMFAF respectively. Selection procedures for defining LEADER/CLLD areas are nationally regulated; the choice of bottom-up regions is framed by top-down rules. In most Member States, the territories are formed on the basis of municipal council resolutions.

## 1.3 PERCEPTIONS & CHANGE

In recent years LEADER/CLLD has become the central development concept for rural Europe by supporting local actors' innovations, which essentially aligns with social innovation, often dubbed "reform from below".

After 34 years of implementation and mainstreaming, some ask whether innovation/now transformation is still credible. Should broad coverage remain the priority, or should competitive selection of regions be considered? Questions about added value have become more frequent, as LAGs do entail extra costs. The European Court of Auditors (2022) criticised that LEADER funds are often seen as structural regional aid rather than innovation promotion. A DG AGRI evaluation (2023) reached a better verdict: LEADER interventions were more cost-efficient than many others and a good example of multi-level governance. Despite positives, LEADER's future is not guaranteed and must stay relevant by adapting to changing conditions.

In 2018, Paul Soto (former head of the ENRD Contact Point) identified three problems (10):

a) Administrative burden: rapidly increasing bureaucratic requirements are putting the decentralised funding model at risk.
b) Insufficient capacities: these are often visible not only at local level but also at intermediary levels (networks at national and EU level).
c) Growing external influence: a system originally driven by local people and municipalities is increasingly being taken over by public bodies (e.g. local and regional authorities), political parties and specific interest groups.

Since there is a danger that LAG managers and members shift from being actors to becoming administrators, Paul Soto proposed three possible solutions:

a) Democratisation of local finance: allocate a share for CLLD across all EU funds that goes beyond the 5% from the EAFRD, and shift from ex-post controls to results-oriented financing.
b) Capacity- and trust-building: needed horizontally at local level and vertically across the tiers of the multi-level governance system.
c) Clarification of participation rules for creative public–private partnerships: the approach should foster civil society engagement.

## 1.4 THE THREE LAG ROLES

The Austrian LEADER-forum identifies three LAG roles: a) funding advice centre; b) network hub (regional, national, transnational); c) non-profit/social-innovation enterprise (responsible for strategically important projects). All three are facets of a classic intermediary. Two questions arise: do teams have the required skills (e.g. for Role 3), and are staffing levels sufficient?

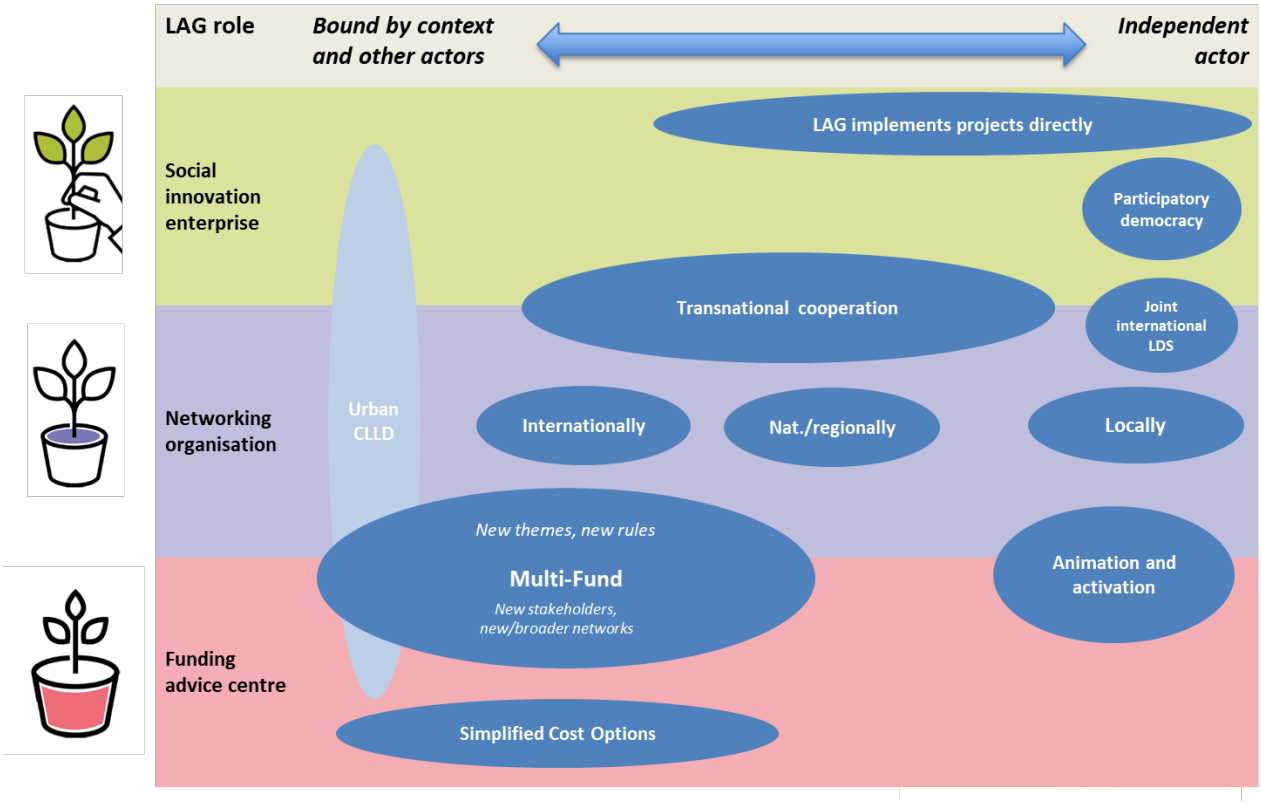
# 2 LEADER AND INNOVATION

## 2.1 STRONGER FOCUS ON INNOVATION

Innovation is a cross-cutting priority in rural development policy and must be reflected in LAG strategies. Regulation 2022/1475 introduced an innovation indicator: “number of operations that are innovative in the local context”, with definitions delegated to national or regional authorities or the LAG. Examples include: a) Innovation vouchers (LAG Keskipiste, FI) supporting projects by youth, municipalities and SMEs; b) Smart LEADER (LAG Tagus, ES) – building innovation ecosystems with an active LAG innovation-management role; c) Social innovation (LAG Pohjoisin Lappi, FI) – improving job-matching and social services at municipal level.

Eight features of LEADER innovation were identified, including a) shared understanding, b) trust-building, c) acceptance of local diversity, d) recognition of added value, e) local innovation culture led by LAGs, f) adequate resources, g) role clarity and h) capacity-building/learning from audits and networks.

## 2.2 IDENTIFYING APPROACHES IN RELATION TO THE LAG ROLES



The graphic above illustrates the link between a LAG's freedom to act—shown through the three roles, with Role 3 assumed to demand the greatest, i.e. entrepreneurial, freedom—and the types of innovation at local level. To be clear: innovative approaches can be pursued in any of the three roles. In Role 1, for example, new administrative processes may use simplified cost options (e.g. draft budgets). In some Member States there is also the possibility of multi-fund financing for LEADER/CLLD. In Role 2, the focus may be on operating within a multi-level governance system—networking can be organised regionally as well as nationally or transnationally. Even so, Role 3 is the most complex, as it promotes social innovation in regional or urban contexts in a broader sense and contributes to forms of participatory democracy.

## 2.3 EXAMPLES OF INNOVATIVE APPROACHES

### 2.3.1 simplified cost options

There are three types: a) standard scales of unit costs or reference costs, b) lump sums, such as the total cost of organising an event, c) flat-rate amounts, for example for staff costs. In any case, simplified cost options (SCOs) focus on documenting the results achieved and/or the target indicators. In the case of funding for LAG management, these options have already been widely used.

### 2.3.2 Multi-fund CLLD

Multi-fund financing was introduced in the 2014–2020 programme period as an optional national choice (abbreviation: MFCLLD) – allowing thematic and financial combinations of four EU funds (EAFRD, ERDF, ESF, EMFF). The vast majority of LAGs (around 80%) are still financed via the EAFRD. In 15 of the 27 (formerly 28) Member States, this combination option has so far been available to fund LEADER-type measures. In some Member States (e.g. Austria), MFCLLD was limited to a few federal provinces, or the final decision was delegated to the level of regional governments. In some cases where MFCLLD was used, a lead-fund model was established to simplify administration (Austria/Tyrol); in others, LAGs had to work with the differing rulebooks of the various funds.

### 2.3.3 Animation & Activation

In their role as a funding advice centre, LAGs make it easier for applicants or interest groups to access EU funding. In their role as a networking hub, LAGs are also expected to involve under-represented groups in decision-making and co-design processes. Examples: LAGs in Romania/Transylvania and France/Réunion have proactively offered training to build the EU project-management skills of local stakeholder groups.

### 2.3.4 Networking

Networking can foster innovation — and it can be organised at regional, national or transnational level. Some network hubs are run by the European Commission (e.g. the CAP Network for rural LAGs and FAMENET for coastal LAGs). Other networks have been founded by the LAGs themselves as advocacy bodies (e.g. ELARD) or serve as meeting platforms (LINC).

### 2.3.5 Transnational Cooperation (TNC)

This specific form of cooperation offers particular opportunities to promote social innovation at various levels. In the 2014–2020 programme period, 240 TNCs were reported across Europe. Ireland tops the list in quantitative terms, followed by the Nordic and Baltic states.

### 2.3.6 Joint international development goals

Shared international local development goals (of the LAGs) can be a useful instrument for LAGs in border regions. Europe's first transnational LEADER region consists of LAG Miselerland (Luxembourg) and LAG Moselfranken (Germany), which developed a joint transnational development strategy.

### 2.3.7 Participatory democracy

Four levels of participation are often cited: information, consultation, collaboration, and empowerment, distinguishing between communication mode, public influence, and activities. Ideally, LEADER should cover all four dimensions, but it often limits itself to information and consultation.

Example of participatory democracy: In Scotland, the CLLD LAG for the Outer Hebrides launched a small grants scheme in 2023 with awards up to

€2,800. A significant overall budget was available for projects delivering social value and promoting inclusion, equality and diversity. The LAG merely checked applications for eligibility, and all eligible projects were then put to a public vote.

### 2.3.8 Umbrella projects

The umbrella-project concept is not new and was already implemented in the 2014–2020 programme period. In an umbrella project, the LAG acts as the beneficiary. The individual sponsors of sub-projects then submit their applications to the LAG. Umbrella projects can be useful for a LAG in developing into a social-innovation enterprise.

### 2.3.9 Urban CLLD

Urban CLLD LAGs differ from rural LAGs in three respects: a) territory, b) funding, and c) themes.

a) As a form of dedicated neighbourhood management, activities cover either a single municipality, or specific city districts or neighbourhoods. They are usually in smaller cities—though there are exceptions such as Lisbon or Timișoara.
b) Urban LAGs are funded exclusively through cohesion policy (from the ERDF or ESF).
c) Thematically, urban LAGs are bound only by the basic requirements of the ERDF and ESF but enjoy considerable freedom in implementation.

In the 2014–2020 programme period, there were 221 urban LAGs across seven Member States.

# 3 KEY MESSAGES & CONCLUSIONS

## 3.1 FRAMEWORK CONDITIONS

| Dysfunctional system | Well-designed system |
|---|---|
| Integration of LAG management into existing public administration structures (e.g. district offices) | Independent LAG management in the form of an association etc. |
| Public sector dominance in LAG (despite 49% rule) | Strong role of non-public stakeholders |
| Political interference | Political support, but LAG can act independently |
| LAG managers as rural administrators | LAG managers as rural activists |
| LAG management staff is employed short term on a project basis | LAG management staff is employed long-term, allowing to build capacities |
| Top-down definition of LAG territory, based on administrative instead of functional criteria | Bottom-up definition of LAG territory |
| The LAG operates in an isolated manner | The LAG engages in international exchange via both formal and bottom-up opportunities |
| Administrative burden for LAG staff does not allow for any additional activities | LAG staff has sufficient capacity to make use of training and KE events |

The above summarises framework conditions that can either support or hinder LAG work. Just as efficiency does not capture LEADER's added value, neither does effectiveness. Achieving milestones and targets—especially quantitative ones—is not a defining feature of LEADER, particularly when compared with established funding mechanisms. LEADER budgets are small, projects are numerous, and the impacts are likely too long term to be sufficiently visible and measurable within EU programming periods.

## 3.2 A VISION FOR FUTURE IMPLEMENTATION

A vision for future implementation: extend CLLD, bridge the urban–rural divide, 10% of each fund for LEADER/CLLD (as advocated by the Committee of the Regions), no automatic 25% cap on LAG management (especially where Role 3 is delivered), diversify staff capacities, add SCO models, expand participatory democracy formats.

## 3.3 PERSONAL VIEW

Personal view: For now only the CAP guarantees a rural development framework like LEADER with a 5% EAFRD share; taking LEADER out would subject it to Member States' discretion.

# AP2: EXPERIENCES OF LAGS OUTSIDE THE EU

Report section by Petri Rinne, FI
edited by Wolfgang Berger (executive summary)

**Scope & sources.** Surveys with LAGs in the **Western Balkans** (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia), the **Caucasus** (Georgia), **Latin America** (Bolivia, Mexico, Colombia), **Africa** (Mozambique), and **Northern Europe** (Scotland, Sweden; former LEADER areas without EU funding).

## 1 RESEARCH FRAMEWORK

**Key questions:**

- Funding sources and **timeframes**;
- relevance for the **bottom-up/LEADER** approach; **who initiated** (grassroots vs. funder);
- **external expertise** and providers;
- **international cooperation**;
- prior **bottom-up policy** experience;
- **territorial scope**;
- number/structure of **LAGs**; adherence to **LEADER principles**;
- **results**, **risks**, **opportunities**;
- how **sustainability** was ensured post-pilot;
- **innovations**.

## 2 KEY FINDINGS BY REGION

### North Macedonia

LEADER is seen as the most effective approach for cooperation among local actors; innovations in animation/awareness; LAGs should be fostered as centres of social innovation.

### Latin America

There is vigorous bottom-up momentum beyond EU funds: freshness, innovation, passion. Europe often acts reactively; it should be more proactive and diversify funding and business models.

### Georgia

The LEADER family & cooperation funding are crucial to spread good practice and gain public and governmental support.

### Serbia

LEADER activates local capacities and complements missing ones from outside; timing matters: start activation only when the system is ready - otherwise loss of interest and trust may follow.

### Montenegro

Weak framework: low visibility, undefined support instruments and legal basis (NGO status), insufficient recognition of local strategies/LAG needs, understaffed administrations, uninformed media, low representation of rural development in public calls, missing municipal support measures and infrastructure.

### Mozambique

Accessibility is pivotal (including for people who are illiterate); digitalisation & bureaucracy can deter access - future LEADER should be low-threshold, avoiding a participation gap.

### Scotland

Post-Brexit: CLLD nationally, annual budgets hinder strategy; resource shrinkage, government focus on agricultural payments; the LEADER ethos should be preserved and bottom-up partnership developed further.

### Sweden

Competitive phase 2014–2020 excluded some LAGs; return in 2021–2027 promised; the LEADER method proves transferable (e.g., in municipal administration) and remains useful.

### Cross-cutting lessons

- Bottom-up works, but needs stable frameworks, reliable funding and capacities in administrations and networks.

- Innovation & access depend on low barriers, animation, capacity-building and co-operation (inter-territorial/transnational).
- Sustainability succeeds where local ownership meets clear rules, resources and political backing.

# 3 RECOMMENDATIONS FOR OUR COMMON FUTURE

- Secure a minimum allocation: Protect the EU share for LEADER via a minimum rule (currently 5% of CAP rural development funds), or implementation and the future of many rural areas are at risk.
- Strengthen capacities: Equip managing/payment authorities and national rural networks adequately; reinforce LAGs in their role as innovation intermediaries.
- Strike a balance: Rebalance innovation vs. bureaucracy; cut barriers and make procedures accessible to non-project specialists.
- Prioritise core features: Safeguard Bottom-up mechanisms, public–private partnerships, innovation, and inter-territorial/transnational cooperation (including urban–rural linkages).
- Communicate better: Clearly promote the LEADER method and its benefits.

# AP3: LONG-TERM FINANCING AND POLICY FRAMEWORKS

**LEADER: Where it came from and what it still offers**

Report section by Robert Lukesch, AT
edited by Wolfgang Berger (executive summary)

# 1 THE BACKGROUND TO LEADER

## 1.1 GLOBAL POLITICAL AND ECONOMIC CHANGES

### 1.1.1 When the bipolar world order collapsed

In 1989, the fall of the Berlin Wall triggered sweeping political change across Europe, culminating in 1991 with the dissolution of the Warsaw Pact and the Soviet Union (USSR). Many now-sovereign nation states turned towards Western alliances (NATO, the EU) and to market economies. This independence was sealed for the former Soviet republics (including Ukraine) in the 1994 Budapest Memorandum.

### 1.1.2 The neoliberal turn

In the literature, the two oil price shocks of 1973 and 1979 (the Yom Kippur War between Israel, Egypt and Syria, and the Islamic Revolution in Iran) are often cited as key moments that sparked debate on the need for endogenous development. Economic policy in the Western industrialised nations increasingly reflected a neoliberal turn (influenced, among others, by the Austrian economist Friedrich August von Hayek and the American economist Milton Friedman), led politically by Ronald Reagan (USA) and Margaret Thatcher (UK).

### 1.1.3 Globalisation under the neoliberal banner

Since 1973, the United Kingdom had been a member of the European Economic Community (EEC)—the forerunner of the EU—and Margaret Thatcher served as Prime Minister from 1979 to 1990. Her policy was marked by fiscal austerity and deregulation. Her counterpart in North America was Ronald Reagan, US President from 1981 to 1989. Many other countries also moved away from the Keynesian principles of economic policy and the welfare state that had characterised the 1970s.

### 1.1.4 The counter-current that sees the world as finite

The 1970s also amplified voices critical of unlimited economic growth. The Club of Rome's 1972 report The Limits to Growth was a landmark study on the future of the world economy. Another milestone was the 1987 Brundtland Report, Our Common Future, which defined sustainable development as: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". These aims led to the 1992 UN Conference on Environment and Development in Rio de Janeiro, which adopted the guidelines for sustainable development (Agenda 21).

### 1.1.5 German reunification and British sceptics

Despite initial scepticism in the UK, German reunification took place in 1990. The far-reaching upheavals between 1989 and 1991 also prompted a reassessment of the European Economic Community (EEC), founded in 1957. A political union seemed better suited to addressing the growing influence of multinational corporations and tackling social and territorial inequalities. With the Maastricht Treaty in 1993, the EEC became the European Union.

### 1.1.6 A breeze of European optimism

The European Union evolved into a globally unique supranational entity, born from the experiences of totalitarianism and dictatorship in the first half of the 20th century. At the same time, excessive confidence in European integration was tempered by the Yugoslav Wars (1991–2001).

## 1.2 THE EUROPEAN UNION IN THE MAKING

### 1.2.1 The origins of agricultural and structural policy

In 1951, the European Coal and Steel Community was founded by the three Benelux states, France, Germany and Italy (Treaties of Rome)—six years after the end of the Second World War. In 1958, this led to the EEC. In 1962, the EEC created the European Agricultural Guidance and Guarantee Fund (EAGGF), transferring agricultural competences for the first time to a supranational institution. The European Social Fund (ESF) had already been founded in 1958 and is thus the EU's oldest policy instrument. In 1973, with the accession of the UK, Ireland and Denmark, the European Regional Development Fund (ERDF) was established to support economic transition in these countries.

### 1.2.2 Building the European institutions

The European Commission came into being in 1967, when the European Coal and Steel Community, the EEC and the European Atomic Energy Community were merged. The 1970s and 1980s were marked by high unemployment, particularly in traditional industrial areas and rural regions. Growing regional disparities could not be sufficiently addressed. This period also saw the EEC's southern enlargement with Greece (1981), Spain (1986) and Portugal (1986)—notably, all three had been under dictatorships in the 1970s. The Single Market and the monetary union were created with the Maastricht Treaty, the "Treaty on European Union", in 1993. Since then, the EU's three political institutions have been the European Parliament, the Council (of Ministers) and the European Commission. After the Eastern enlargement, the Treaty of Lisbon (2009) replaced Maastricht. By 2020 the EU had 28 Member States; following the UK's exit there are 27.

### 1.2.3 The institutionalisation of cohesion policy

The creation of the ERDF in 1973 marked a new policy field. Early cohesion policy focused on restructuring declining mining and industrial areas. Traditional rural regions underwent "passive adaptation" as a consequence of urbanisation and fell further behind. Market mechanisms favoured "central" economic regions and urban areas. Views gradually shifted towards a new definition of a region as a Complex Adaptive System (CAS): regions—with their social, cultural and economic specificities—came to be seen as new economic and identity-forming units with endogenous potential. Funding rules were adapted on the basis of new governance principles. After the EEC's southern enlargement, regional disparities had grown enormous; in 1988 the "economic and social cohesion policy" followed, allocating 30% of the overall EU budget to the Structural Funds (Cohesion Fund, ESF, ERDF; later EAFRD and EMFF).

### 1.2.4 Objectives of the Common Agricultural Policy (CAP)

Early CAP objectives aimed to secure the food supply for a growing population in a rapidly urbanising Europe—its key instrument was the EAGGF, with measures to restructure, modernise and support agricultural prices (the Mansholt Plan). This promoted large-scale, quasi-industrial production methods. These goals were soon achieved but led to overproduction by the late 1970s—cue "butter mountains" and "milk lakes". New opportunities also emerged: farms in small-scale areas had better chances of survival if they diversified beyond primary production—within agriculture (processing and value-adding) and beyond (crafts, tourism).

### 1.2.5 The shift in the CAP to area-based payments

With various free-trade rules, direct price subsidies became untenable, so policy shifted to income support for farmers based on the land they managed and livestock numbers—early schemes for mountain farmers appeared. The urban–rural divide widened. Environmental damage was increasingly recognised as an unwanted side-effect of intensification, and in 1992 an initial agri-environmental payment scheme was introduced to support organic farming (under Agriculture Commissioner Ray MacSharry). Modernising agriculture remained a focus (Objective 5a), but structurally weak rural areas were deemed especially worthy of support (Objective 5b). Under Austria's first EU Commissioner, Franz Fischler, the "Agenda 2000" reform created a comprehensive **second pillar** for rural development, integrated into the CAP; the **first pillar** remained direct payments. From 2007, the **European Agricultural Fund for Rural Development (EAFRD)** financed Pillar II for the first time.

### 1.2.6 The European Commission under Jacques Delors

A key figure in LEADER's broader development was Commission President Jacques Delors (FR), in office from 1985 to 1995, whose particular concern was the EU's territorial cohesion. He was also one of the main architects of the Maastricht Treaty (followed by Amsterdam, Nice, Lisbon) and of the Single Market. Delors recognised that economic integration should go hand in hand with a common European social policy. In this context, the 1988 paper *The Future of Rural Society* was pivotal; it laid the groundwork for initiating the LEADER approach—launching Community measures for rural populations with targeted use of Structural Funds. Ray MacSharry (IE) was Agriculture Commissioner at the time. Both Delors and MacSharry believed in the **innovative capacity of local communities** as the only way to cope with massive structural change. Incidentally, French dominated technical debates then—hence the French acronym **LEADER**.

### 1.2.7 Bureaucracy takes hold

After the resignation of the Santer Commission in 1999 following corruption allegations against Research Commissioner Édith Cresson, rules on the use of public funds were tightened. Since around 2000, **excessive red tape and administrative procedures** have been a persistent criticism—especially of cohesion and agricultural policy. Repeated attempts at simplification have seemingly produced **greater complexity**. Many programmes financed by Structural Funds suffer from **over-bureaucratisation**, defined as "an excess of norms, guidelines and procedures that accumulate at national, regional and local levels and hinder the intended policy objectives those regulations are meant to achieve".

## 1.3 THE PARADIGM SHIFT TOWARDS ENDOGENOUS AND PLACE-BASED APPROACHES

The early idea of self-governing communities was not primarily territorial; people and their capabilities were central—and the crisis of traditional industries with mass redundancies accelerated this shift. Self-reliance and endogenous resources drew on regional history while also enabling a forward-looking vision. Endogenous resources included people—their cultural heritage and skills—the networks of craft and businesses, and the particularities of nature and environment. The focus, still today, is on **community-based and participatory** approaches. Bottom-up development has in recent years become a core element of regional development in democratic societies. Since the 2000s, **neo-endogenous development** has been discussed—promoting a **multi-level governance model** that not only highlights endogenous resources but also describes interdependencies with public institutions and other regions.

### 1.3.1 Local development as an emancipatory concept

New approaches in the centre–periphery debate were rooted in an emancipatory worldview emphasising freedom of expression, independence, respect and solidarity. Praise came from unexpected quarters: economic liberals saw increased local responsibility as consistent with entrepreneurial action—cf. **new public management**. That said, NGOs can never replace the provision of core infrastructure and services. Local communities unfold their creative potential within supportive ecosystems of personal relationships and enterprises. Three schools of thought intersected here: partial devolution of state responsibilities to the local level; decentralisation to promote subsidiarity and respond to a more complex world; and an autonomy agenda as a **decoupling strategy**.

### 1.3.2 Mainstreaming: the shift towards place-based approaches in policy

In the rethink of cohesion policy, the **Barca Report (2009)** is central. Fabrizio Barca, working with the OECD Territorial Development Policy Committee and commissioned by the European Commission, proposed an "agenda for a reformed cohesion policy". His core message: growing inequalities undermine social cohesion and fuel an "authoritarian dynamic". The report triggered reforms of the five **European Structural and Investment Funds (ESIF)**. Currently, cohesion goals are again moving into the background—security, external border control and defence dominate. There is also a discernible **trend towards re-nationalisation** in decision-making on strategically important EU issues.

# 2 LEADER OVER TIME

## 2.1 THE EMERGENCE OF LEADER

### 2.1.1 Backstory

Under Commission President Jacques Delors, the European Commission created enough leeway to test experimental funding programmes in the Member States. Delors himself had grown up in a rural area and recognised the new challenges. These programmes were therefore innovation-oriented local employment initiatives, supported by expert groups (e.g. AEIDL). They also aimed to bring Europe closer to its citizens and to encourage interaction at local level. In this context, debates later grew around **place-based approaches** and **resilient regions**.

### 2.1.2 DG V (Employment), the incubator of LEADER in the EC

The new local development approaches—ultimately leading to LEADER—originated above all in Directorate-General V for Employment. These included action-research programmes, local employment initiatives and training development approaches.

### 2.1.3 The OECD as a crucial advisory source

The OECD Directorate for Education, Employment and Social Affairs worked closely on these topics with the European Commission's directorates-general.

### 2.1.4 Early focus of LEADER's forerunners: local jobs, education and training

These employment initiatives were the first participatory local development approaches. The aim was to keep people in their home areas and involve those affected in creating new jobs—including support for employee takeovers of firms. Early development initiatives based on education also began.

### 2.1.5 Towards integrated territorial development

It soon became clear that a narrow focus on jobs, education and training would not provide enough leverage to regenerate disadvantaged areas. Low-threshold funding was needed to kick-start innovation-oriented processes. At the time of Spain's and Portugal's EEC accession (1986), the **Integrated Mediterranean Programmes (IMPs)** were launched for Mediterranean regions, training **development agents**—specialists in integrated management of Structural Funds.

### 2.1.6 Networks as accelerators of sparking ideas

The **LEDA** programme (an action-research programme) and its expert-network were also a precursor to LEADER: territory-based approaches, local strategies and partnerships were its hallmarks.

### 2.1.7 The time was ripe for LEADER

The first steps grew out of funded employment initiatives—local development approaches financed by the ESF and initiated by DG V (Employment) under John Morley. Michel Laine later joined the team and is regarded as the actual originator of LEADER.

### 2.1.8 LEADER is born: from Community Initiative to method

According to his own account, Michel Laine (a theology graduate who had long worked for the US company Gillette), together with Sandro Gaudenzi (both then at DG V), designed **LEADER I (1991–1993)** as a Community Initiative, along with the guidelines for **LEADER II (1994–1999)**. Community Initiatives were special EU funding programmes to address specific challenges and foster innovation. They included **LEADER, EQUAL, URBAN** and **INTERREG**.

### 2.1.9 From the ELISE network to the LEADER I Coordination Unit

The agency and expert group **AEIDL** (Association Européenne pour l'innovation dans le développement local), which had already managed the **ELISE** information-exchange network for local employment initiatives, was tasked with running the **LEADER I Coordination Unit** in Brussels—a bridge between regions and the European Commission. **LEADER I** (*Liaison entre actions de développement de l'économie rurale*) linked, for the first time, **217 pilot regions** in Objective-5b areas and in selected rural areas of Objective-1 countries.

### 2.1.10 LEADER I: a radical institutional innovation

In 1991, LEADER represented a radical institutional innovation. Through the Coordination Unit, the European Commission communicated **directly** with selected regions, without Member State intermediation. **Yves Champetier** led this coordination and the first exchange meeting of representatives from Europe's "forgotten areas" in Brussels in 1992.

### 2.1.11 LEADER II and the European LEADER Observatory

Laine also drafted the regulation for **LEADER II**. This time, however, the Member States insisted on being involved: LEADER had to be embedded in regional or national operational programmes, with administrative bodies attached. The LEADER II Community Initiative sat within the **multi-fund** framework of the 1994–1999 Structural Funds period. A key clause—still valid today—stated that the **regional diversity of institutional, economic and social actors** must be reflected in the strategy and local partnership, with **no single group dominating**. National network units were set up in the 15 Member States to transfer know-how between LAGs. The Brussels Coordination Unit became the **LEADER Observatory**, led by **Yves Champetier** and **Gilda Farrell**.

### 2.1.12 Cracking the code: the LEADER method

Innovation scorecards were already used in the evaluation of LEADER I. From the ex-post evaluation of the first 217 regions, the **seven LEADER principles**—still in place today—were derived. At the first **Cork Conference** (IE) on rural development in 1996—attended by Agriculture Commissioner **Franz Fischler**—this new way of working for place-based, endogenous development was highlighted in the **Cork Declaration**. Fischler explicitly backed the approach, calling LEADER a **"laboratory for rural innovation"**—and later anchored LEADER as a Community Initiative in DG VI (Agriculture).

### 2.1.13 800 LEADER representatives speak (after Yves Champetier)

During LEADER II, many representatives voiced concern—at the second major LEADER meeting in Brussels in 1997—about the **heavy administrative burden** arising from national or regional authorities' involvement. There were delays selecting LAGs, complex financing, and more. The event, with over 1,200 participants, also hosted cooperation talks that launched around **100 cooperation projects**, soon known as **Transnational Cooperation (TNC)**.

### 2.1.14 LEADER as an engine of innovation

At the time, **Gilda Farrell** of the LEADER II Observatory led the **Innovation Working Group** (members included Robert Lukesch, Elena Saraceno, Paul Soto). Analysing the LEADER I "innovation scorecards", the group produced the seminal 1997 dossier **"Innovation and Rural Development"**, with practical guidance for each phase of the innovation process. From all this experience, the **LEADER method** emerged.

### 2.1.15 LEADER as an emancipatory approach

LEADER also unleashed a strong **emancipatory dynamic**—rural voices were heard more clearly. Priorities were no longer interpreted by planners, politicians or business leaders but arose directly from people's own challenges, who—true to the idea of **social innovation**—began shaping improvements for their regions themselves. With this initiative and shared responsibility for their living environments came a **democratic dimension**: LEADER strengthens forms of **local democratic experience**. As Franz Fischler said at the **second Cork Conference (2016)**: "Our bottom-up approach is not only important for mobilising rural people to think about their own future. It is also a means to implement the values of democracy." Looking back, **Michel Laine** and **Yves Champetier** saw these conditions as central to LEADER's establishment: the Commission's **innovation-friendly stance** under Delors, **committed officials** in the DGs, and **creative networkers and practitioners**.

### 2.1.16 A small but significant redefinition of the LEADER principles

In the transition from LEADER II to **LEADER+**, the Commission adjusted the seven principles. The core principle of **local governance with decentralised management and financing** disappeared; **co-operation** and **networking** were split

instead. The total remained seven principles. The motives—perhaps power-political—are now hard to trace. Originally, the aim had been to **delegate responsibility as far as possible to local actors**. The seven current principles are: **bottom-up approach, area-based approach, local partnership, integrated multi-sector strategy, innovation, networking, territorial co-operation**.

## 2.2 MAINSTREAMING LEADER

### 2.2.1 LEADER+: a bumpy transition

**LEADER+ (2000–2006)** began with considerable delay—LEADER's future initially looked uncertain. It was ultimately decided to integrate LEADER as **Axis 4** into the newly planned **European Agricultural Fund for Rural Development (EAFRD)** with a **minimum 5% allocation**.

### 2.2.2 Institutionalising LEADER as CLLD

Embedding LEADER in rural development programmes in **2007–2013** (EU Regulation No. 1303/2013) secured financing but also added bureaucracy and, in some Member States, **greater influence of administrative bodies**. From **2014–2020**, the LEADER method—under the title **CLLD (Community-Led Local Development)**—was, in principle, available across **all ESIF** as a cohesion instrument with potential **multi-fund** financing. This was championed by economist **Dirk Ahner**, who effectively carried LEADER from **DG AGRI** into **DG REGIO** and helped spread it in the **Western Balkans**. Unfortunately, the multi-fund potential of LEADER/CLLD was **underused** (only in 15 Member States). The approach simply requires that each fund has the flexibility to finance what local people deem necessary; without **common rules across funds**, however, **administrative complexity multiplies**.

### 2.2.3 The rural network grows, LEADER staffing shrinks

In 2014, the LEADER Observatory became the **Contact Point** of the **European Network for Rural Development (ENRD)**. Staffing, however, remained the same—even though it now supported implementation of the **entire CAP Pillar II**. Working groups consistently aimed to **simplify procedures** and make LEADER **more effective on the ground**. Since 2022, the **CAP Network** has three standing sub-groups, one being **"LEADER and Territorial Development"**. An organisational triangle is visible: **LAGs**, **managing authorities** at EU and national level, and **network units/contact point** in Brussels (publicly commissioned). By contrast, **ELARD** (the European LEADER Association for Rural Development) is an **independent advocacy network** representing LAGs across Member States.

### 2.2.4 LEADER spreads

Since **2007**, CLLD—as the LEADER approach—can also be applied in **coastal areas**, financed by the **European Maritime and Fisheries Fund (EMFF)**, leading to around **350 Fisheries/Coastal LAGs**, supported by **FARNET** (DG MARE). Through pre-accession programmes, LEADER spread to the **Western Balkans, Moldova, Türkiye** and the **Caucasus** (Armenia, Georgia). Some LAGs also exist on other continents (e.g., French overseas territories). Links were forged with **Latin America and Africa**. Since **2014**, CLLD can be financed in **urban areas** via ESIF (mainly ESF and ERDF). Around **250 urban LAGs** have since been created—well-known examples include **Lisbon (PT)** and **Timișoara (RO)**. However, there is still **no dedicated network** to coordinate joint actions and knowledge transfer, nor an **exchange format** for all LAGs—now estimated at **over 3,000** (rural, coastal and urban).

### 2.2.5 The LEADER community - spanning institutional and civil-society networks

The community now comprises countless LEADER actors—**intermediaries and practice-oriented experts**—and accompanying expert groups and network units that continuously explore new topics such as **Smart Villages** or **transformative innovation**.

### 2.2.6 Synthesis: six phases of LEADER implementation at a glance

**LEADER I (1991–1993)** – a Community Initiative financed directly by the **EAGGF**. A certain level of **social capital** was a precondition for a region to form.

**LEADER II (1994–1999)** – a Community Initiative implemented within **national or regional operational programmes**. It covered **Objective 1** and

rural **Objective-5b** areas (lagging regions). Financing was **multi-fund** across **EAGGF, ERDF, ESF**, with EAGGF the main source. **Administrative effort increased**; network units expanded to include **national and regional officials**.

**LEADER+ (2000–2006)** – a Community Initiative financed solely by the **EAGGF**. Aimed to focus local strategies and improve **measurability of results**. The number of LAGs steadily grew and LEADER areas expanded. Many Member States sought **near wall-to-wall coverage** in rural areas. Funding, however, did **not** grow proportionally—**innovation capacity suffered**, and a dilution of original aims and activities was observed. This **lack of sharpness** and **weak impact measurement** were criticised in the **European Court of Auditors' Special Report (2010)**.

**LEADER (2007–2013)** – anchored as **Axis 4** and a cross-cutting measure in the **EAFRD**. "LEADER mainstreaming" refers to this thematic expansion; LEADER became institutionalised and part of the **CAP**.

**LEADER/CLLD (2014–2020/22)** – established as a **cohesion instrument**; in EAFRD it appeared as **Measure 19** with a **minimum 5% share**. In the other funds, the LEADER approach was termed **CLLD**—community-led local development.

**LEADER (2021/23–2027)** – continues to be financed from the **EAFRD** within the **CAP Strategic Plan**. The **European Court of Auditors' Special Report (2022)** noted improvements but still criticised **insufficient measurement** of the so-called **LEADER added value**. CLLD continues to be financeable from **ESF, ERDF and EMFAF**.

# 3 LEADER AT A CROSSROAD

## 3.1 RECENT DEVELOPMENTS IN EUROPEAN AGRICULTURAL AND RURAL POLICY

### 3.1.1 Ambitious goals, implementation delegated

Recently there has been a renewed trend towards **re-nationalisation** and **re-sectoralisation** of EU policies. The **EAFRD** has been taken back out of the ESIF family and re-integrated into the **CAP**, and the CAP's two pillars have been merged into a single framework. Implementation is to take place through **national CAP Strategic Plans**, which are expected to contribute to the **10 shared goals** of the **Long-Term Vision for Rural Areas (LTVRA)**. Although **LEADER** can point to impressive successes despite modest funding, it is **not explicitly mentioned** in this context (Rural Pact).

The long-term vision aligns with **seven priorities**—prosperity; defence and security; social justice; environmental protection and quality of life; democracy promotion; fostering global partnerships; joint action—set by the European Commission under **Ursula von der Leyen**. The aims of the **Green Deal** have moved somewhat into the background given the major shifts in security and defence policy since 2022.

There is increasing talk of a Commission plan to **merge all current funds into a single overall budget fund**, tying implementation and disbursement to **single national plans**, with compliance with European principles (e.g. **rule of law**) as a condition. Cohesion objectives would in effect be **re-nationalised**, potentially at the expense of **common European action** and the role of regions, and could **sharpen unwanted competition** between municipalities.

Unsurprisingly, the **European Committee of the Regions (CoR)** has spoken out clearly **against** such plans, arguing they would **undermine place-based approaches**—pushing structural policy measures to the fore while sidelining **non-agricultural rural development**. Critics also warn that widening **social inequalities** could fuel support for **national-populist movements** (the so-called "revenge of the places that don't matter"). These trends run counter to ideas of **creative regions** (cf. Richard Florida's **three Ts** of economic development). Hence the need for a **fundamental renewal** of the **LEADER approach** and a **new regional policy** adapted to current realities.

### 3.1.2 The journey continues

Across all Member States, implementing **LEADER/CLLD** has become **more bureaucratic and complex**, while **LAGs**, with their limited staffing, face greater challenges. As a result, LAGs are forced to **concentrate on administrative tasks** at the expense of **innovation**, which clearly contradicts LEADER's core purpose. Compared with far

more institutionalised interest groups, the **LEADER advocacy community** appears **less formalised**—yet it remains the **only viable route** in the current competition for attention.

## 3.2 A NEW CHAPTER: HOW CAN LESSONS FROM THE PAST SHAPE FUTURE PERSPECTIVES

### 3.2.1 Growing diversity, rising complexity

The **variety of LEADER realities** across Europe ranges from large infrastructure investments to innovative flagship projects and **"soft project engineering"**. This huge diversity makes it harder to form clear, shared perspectives. In many countries, **Euroscepticism** in rural areas remains stubbornly high **despite funding and publicity efforts**—one should also recall the **causes and consequences of Brexit**.

### 3.2.2 Territorial inequalities - an underrated problem

As noted, **territorial inequalities** are a key driver of support for **populist movements** (the "revenge of disadvantaged areas"). Cultural factors also play a part—**xenophobia**, fear of losing traditional values, and a sense of **insecurity, powerlessness and disorientation** in times of sweeping change driven by globalisation. Consequently, **democratic order** in Member States can no longer be taken as unshakeable.

### 3.2.3 Linking global challenges with place-based approaches

Cohesion policy appears to have **lost influence**. Even so, key strategy papers continue to stress the importance of **place-based, tailored and community-led approaches** such as **LEADER**—see **LTVRA (2021)**, **Digital Compass 2030 (2021)**, **Territorial Agenda 2030 (2020)**, **Green Deal (2019)**, among others. In the LEADER context, **social and technological innovation** can be **combined**, as in the **Smart Villages** approach. **LAGs** should retain **strategic steering power** over content and **not** become mere **administrators of top-down grants**.

### 3.2.4 Maintain what works - and dare to try new things

Going forward, we should again **distinguish experimental from non-experimental programmes**—particularly in transformation-driven regional development. LEADER has evolved from an **experimental initiative** into an **institutionalised, non-experimental programme**. Space for **experimentation** should nevertheless **remain**—**umbrella projects** led by LAGs are one option.

### 3.2.5 Lessons to reflect on

**Paul Soto** (Contact Point) summarised his LEADER experience in **three criticisms**: a shift **away from decentralised financing** while **tightening bureaucratic control**; **insufficient capacities**, especially locally; and **capture** by public authorities and specific interest groups. His **three proposals**: **democratise local finance** by reserving resources from all relevant funds; **build capacities** in line with LAG roles; and set **new participation rules** to include under-represented groups in **creative public-private and civil-society partnerships**, thereby **strengthening local responsibility**.

### 3.2.6 Scattered thoughts on future governance

Four scenarios are possible:

a) **Business as usual:** LEADER within the **EAFRD**, CLLD from the other funds.
b) **Enhanced CLLD:** reserve **5–10%** of each relevant fund for the LEADER/CLLD approach.
c) **One optional CLLD fund:** a **single fund for local development**, accessible to all LAG types (rural, coastal, urban), financed from **EAFRD/ESI**.
d) **One mandatory CLLD fund:** a **single fund** financing **all** LAG types and their delivery.

### 3.2.7 Laughing into the wind

LAGs should continue to **establish their role** in rural areas as **multi-fund-savvy, multifunctional local development agencies**, despite headwinds. As before, they should **support non-experimental projects** through networking, training and upskilling—while also **promoting technological and organisational innovation**. In other words: keep delivering the **three LAG roles**—**project**

**support/funding advice**, **network hub**, and **innovation-oriented non-profit enterprise**. More ambitiously, LAGs could evolve into **transformation agencies**, able to **distinguish real from imaginary opportunities**—and reflect on these with a touch of **irony**.

### 3.2.8 Summary: key proposals of this paper

LEADER and LAGs should, in the political arena, a) **consistently advocate and evidence** the value of **place-based, endogenous development** across rural, coastal and urban Europe; and b) aim to be a **laboratory for constructive societal change**.

To open the dialogue and position LEADER in relation to the **Multiannual Financial Framework (MFF) 2028–2034**, a **European congress** on LEADER's shared future should be organised **between autumn 2025 and spring 2026**.

# AP4: NEW COMMUNICATION APPROACHES

Report by Anette Peiter, LU

Different target-group scenarios were discussed: **administration/politics**, **LAG management teams**, and **project applicants**. The language used to present the LEADER approach was tailored accordingly for each audience.

In addition, several graphic solutions were proposed - a selection is attached.

# LEADER bewegt

Hinter jeder LEADER-Region steht eine Lokale Aktionsgruppe (LAG): engagierte Menschen aus Gemeinden, öffentlichen Organisationen und Vereinen. *Sie entwickeln mit der Bevölkerung eine Strategie, die ihre Region voranbringt.*

Ein **LEADER-Büro** unterstützt die LAG bei ihrer Arbeit: Das Personal dort berät Projektträger, begleitet sie bei der Umsetzung ihrer Ideen und bringt Menschen mit ähnlichen Zielen zusammen.

Der **LAG-Vorstand** entscheidet auf regionaler Ebene, welche Projekte finanziell unterstützt werden. Die endgültige Genehmigung erfolgt durch das Landwirtschaftsministerium.

**So entsteht wahre Beteiligung – mit spürbaren Ergebnissen**

- neue Partnerschaften
- kreative Synergien
- lebendige Dörfer
- starke Kultur
- neue Jobs
- Perspektiven für ländliche Gemeinden



# Was die LEADER-Büros leisten

## Förderberatung

Von der ersten Idee bis zum Antrag: die LEADER-Büros begleiten und beraten Projektträger individuell und praxisnah.

## Netzwerkarbeit

Die LEADER-Büros bringen Menschen aus unterschiedlichen Bereichen zusammen, fördern den Austausch und schaffen neue Verbindungen in der Region.

## Innovationsplattform

LEADER ist ein Labor für neue Ansätze: Ideen werden entwickelt, getestet und zur nachhaltigen Umsetzung gebracht.



# LEADER in Europa

Gute Ideen kennen keine Grenzen. LEADER-Projekte inspirieren andere Regionen – in Luxemburg und weit darüber hinaus. Europaweit gibt es über 2.000 LEADER-Regionen. Kooperationen über Landesgrenzen hinweg sind willkommen und ausdrücklich gewünscht.

# Was LEADER fördert

LEADER unterstützt Projekte, die das Leben in ländlichen Regionen nachhaltig verbessern. Die finanzielle Förderung deckt dabei unterschiedliche Projektphasen ab – von der ersten Idee bis zur Umsetzung.

## Projekte in der LEADER-Region

Projekte, die zur lokalen Entwicklungsstrategie passen.

Fördersatz **71%**

## Kooperation

- Vorbereitungsprojekte
  Damit gute Ideen einen gelungenen Start haben.

Fördersatz **100%**

- Kooperationsprojekte
  Wenn Regionen gemeinsame Wege gehen

Interregional **74%**
Transnational **80%**

## LAG-Management

Für die Koordination, Begleitung und Netzwerkarbeit der LEADER-Regionen

Fördersatz **68%**



# Gesamtbudget LEADER Luxemburg 2023-2029

Finanzierung durch die EU (ELER - Europäischer Landwirtschaftsfonds für die Entwicklung des ländlichen Raumes), das Landwirtschaftsministerium, die Gemeinden und private Projektträger.

**17,4** Millionen Euro

## Checkliste für den Förderantrag

- Das Projekt wird in einer LEADER-Region umgesetzt
- Es passt zur lokalen Entwicklungsstrategie und setzt deren Ziele um
- Das Projekt ist innovativ
- Die Umsetzung erfolgt in Partnerschaft – regional, interregional oder transnational
- Die Finanzierung betrifft sogenannte Software-Projekte
- Die Projektwirkung reicht über den Förderzeitraum hinaus
- Die Idee ist auf andere Regionen übertragbar
- Der LAG-Vorstand gibt grünes Licht
- Bei Kooperationen : mindestens zwei LAGs sind beteiligt

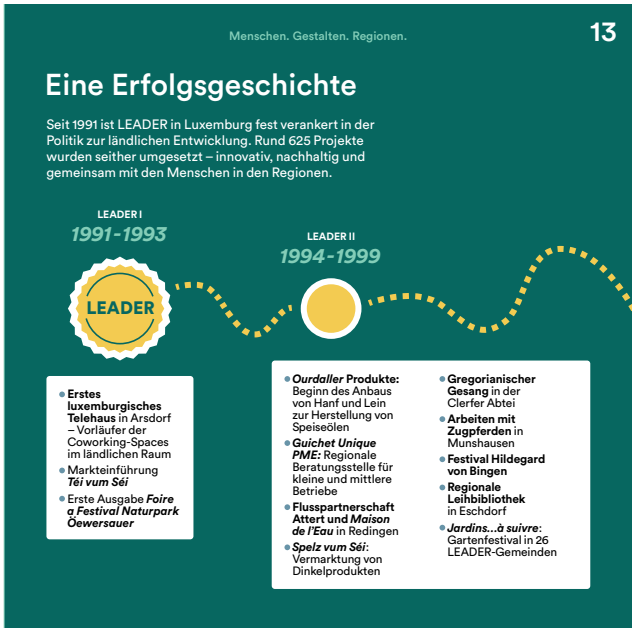
# Was ist ein *Software*-Projekt?

Kein Bau, keine Infrastruktur – dafür viel Potenzial.
*Software*-Projekte setzen auf:

Konzepte und Strategien

Sensibilisierung und Bildung

Vernetzung und Austausch




LEADER CLLD Change

LEADER CLLD ACTION

# LEADER

Development led by local communities

# LEADER

Entwicklung durch die regionale Bevölkerung

# AP5: SHARED EUROPEAN THEMES

Results of the European questionnaire analysis
by Magda Porta, PT
edited by Wolfgang Berger (executive summary)

# 1 THE MAIN FINDINGS

## 1.1 OVERVIEW OF THE LAST PROGRAMMING PERIOD (2014–2020)

The results are based on a questionnaire of 81 questions sent to all LAGs—**444 LAGs** across the EU responded, a rate of about **17%**. The findings show concerns about the **resources available** to meet rural challenges. **Administrative and regulatory hurdles**, **lack of funding** and **external economic factors** are seen as the biggest obstacles. On financial resources, the data indicate that LAGs make **fairly diverse use of funding sources beyond the EAFRD** to support their development strategies. This **diversification** is essential to meet the **specific needs of rural areas**. Overall, the survey paints a **positive picture** of LAG effectiveness in delivering rural development goals. This requires **continued efforts** to strengthen **coherence between local, regional and national strategies**. Better alignment is crucial to address challenges such as administrative/regulatory barriers, funding gaps and the need for stronger political support.

Strengthening the **technical skills and knowledge base** of LAGs is likewise essential to overcome these barriers and ensure successful strategy delivery. By drawing on **national, regional and EU funds**, LAGs can **boost their capacity** to implement effective **Local Development Strategies (LDS)**. The widespread use of funds such as the **ESF** and **ERDF** underlines their importance for supporting the **economic and social pillars** of rural development. Even so, this would be **easier and more efficient** through **multi-fund approaches**, sparing LAGs repeated competitive selection rounds for support to develop their areas. By focusing on **local capacity and ownership**, **innovation**, **long-term financing**, and **targeted support and capability-building**, LAGs can lay the groundwork for **sustained project success**. Taken together, these steps increase the **sustainability** of current initiatives and **strengthen rural communities' ability** to drive their own development in future.

## 1.2 REFLECTIONS ON SHARED EUROPEAN THEMES FOR LEADER/CLLD

Aligning the **LEADER approach** and **LAG interventions** with the **LTVRA (Long-Term Vision for the EU's Rural Areas)** is essential to ensure local development efforts contribute effectively to wider EU goals. Although LAGs broadly recognise the LTVRA's importance and support its aims, **only a small share are familiar with it**, so **better understanding** of its objectives and requirements is needed. While many favour aligning local development with the LTVRA, a significant minority are **uncertain or neutral**, showing only **moderate confidence** in their ability to contribute to the goals. LAGs also believe **more effort is needed** to ensure the LTVRA's objectives are **well integrated** into local strategies.

By actively involving rural communities in **defining and delivering** rural development goals, LAGs reaffirm their commitment to **participatory democracy**. This inclusive process ensures strategies are **context-sensitive** and harness **local innovation** to tackle rural challenges. By placing communities at the centre of rural regeneration, the LEADER approach emphasises **decentralised governance**, **participation** and **social cohesion**, in line with the LTVRA's broader vision. LAG presence in rural areas is therefore an **indispensable asset** and should be seen as **added value** for achieving this vision. **Economic diversification** emerges as a **central priority** for future programming—moving beyond traditional activities and seizing new opportunities to meet rising expectations for rural development and **territorial/social cohesion**.

On **social resilience**, many LAGs report difficulties in engaging **disadvantaged groups** and fostering **social cohesion**. **Social innovation** can address issues such as **out-migration**, **ageing** and **poverty** by promoting inclusive practices and strategies—building **more resilient and fairer rural societies**. Regarding their **roles**, LAGs position themselves to play a **central part** in implementing the LTVRA. **Collaboration with stakeholders** and **advising local communities** are seen as key roles, signalling an understanding of both **co-operation** and **support through local**

**partnerships**. Many LAGs express **strong interest** in additional **training and support** to better integrate LTVRA goals into their activities—showing a **proactive stance** in aligning local initiatives with overarching European aims while maintaining **territorial specificities**. To fully address the identified themes, LAGs need **enhanced training and capacity-building**—especially skills to **regenerate their areas and communities** in line with the LTVRA.

These initiatives should also improve LAGs' understanding of **current challenges** while **stabilising management**. LAGs stress the value of **transnational cooperation**; networking and partnerships **between Member States** should therefore be strengthened. Using **LAGs and LAG networks as intermediaries** can help **bridge the gap** between EU/national policy and **local needs**, ensuring local development programmes fit the **challenges and opportunities** of rural areas.

The obstacles identified **underline the need** for **stronger political support** and **financial resources** to improve LTVRA delivery at local level. These issues have long been known to LAGs, other rural actors and even public administrations—yet **little progress** has been made. This confirms the perception that **regulatory and administrative hurdles** continue to hinder effective and efficient rural development efforts.

A key takeaway of the report highlights the need for **policy alignment and strategic flexibility**, reaffirming LAGs' longstanding call for **stronger alignment of regional/national strategies with local priorities and needs**. The LEADER approach faces **ongoing challenges** and a lack of **adequate policy coordination**, risking consistency and stability in rural development support. Integrating EU rural development goals—including the intervention themes above—requires **national policies and flexible frameworks** that allow LAGs to **adapt** their LDS to local needs and expectations.

EU policy should **enable this flexibility**, helping LAGs respond to changing economic and social conditions. Greater **representation at EU and national level** is needed so LAGs can **shape policy** and align their work with LTVRA goals. Difficulties arise from **multi-layered funding processes** spanning several political and bureaucratic levels before reaching the local tier. **Fragmentation of funding sources and decision structures** further complicates securing finance to implement LDS. The **decline** in Member States using **multi-funding** in 2023–2027 **limits** LAGs' ability to mobilise a **broad resource mix**. Closer **linking of funds** and **direct access** to **ERDF**, **ESF** and other EU funds alongside the **EAFRD** would let LAGs support initiatives with **economic, social and environmental** aims more effectively. Another issue is that **bureaucratic procedures** disproportionately affect **smaller projects**. LAGs should have a **stronger role in allocating funds** to specific initiatives within their intervention fields. To meet these challenges, **streamline administration**, **improve coordination** among decision-makers, and promote **policies that prioritise and facilitate rural development financing**.

## 1.3 RECOMMENDATIONS FOR THE FUTURE DELIVERY OF LEADER/CLLD

### 1.3.1 Implementing the LTVRA

To implement the LTVRA and genuinely drive rural revitalisation, it is essential to **strengthen communication and dissemination** of its goals among LAGs and ensure they are **fully engaged, equipped and motivated** to align their strategies with the broader European vision.

### 1.3.2 Key areas for intervention

LAGs play a **vital role** in building **local capacity** and ensuring rural communities are **actively involved** in development. The policy framework should give LAGs the **tools and resources** to work with and **empower** local partnerships. This means **flexible support** to strengthen **participatory governance** and involve communities in decision-making. While certain topics are traditional LAG fields, others—such as **digital connectivity**, **transport** and **infrastructure**—typically fall to other institutional actors and fit larger funding frames. These **large-scale interventions** require broader coordination and finance beyond LAG scope, underlining the need for **collaboration** with other stakeholders for comprehensive rural development.

### 1.3.3 Training and knowledge exchange

Set up **capacity-building programmes** for LAGs under the LTVRA to align activities with EU rural development goals. Priority support areas include **access to funding**, deepening understanding of the **LEADER approach**, and **strengthening networks and partnerships**. Support for **planning and delivery** of rural goals—plus **monitoring and evaluation**—is crucial for effective implementation and continuous improvement. Training should also cover **sustainable practices**, **economic development**, **tourism promotion**, **innovation**, **digital transformation** and **civic engagement**. **Transnational cooperation and networking** are essential to share **good practice**, tackle **shared challenges** and build **complementarities**. LAGs place high value on working with other LAGs and stakeholders to reinforce the LEADER approach and use **co-operation** as a flexible tool for rural goals. Opportunities for **transnational co-operation** on core rural issues should be **expanded**, as should **EU and national platforms** to systematise results, facilitate **knowledge exchange** and embed **good practice**. Such collaboration also **improves fund governance**, helping LAGs enhance capabilities and apply insights from other regions.

### 1.3.4 Promoting multi-fund approaches in the Member States

Using **multi-fund approaches** taps a broader range of finance, increasing the **reach and impact** of rural initiatives. A deeper look at **fragmentation of European rural funding** is needed. While the **EAFRD** has usually played the largest role, its focus on rural infrastructure, services and broader local development has **narrowed** in recent years. EU authorities should **encourage and support multi-fund models** in territorial instruments, since funds beyond EAFRD can offer **valuable opportunities** for rural areas. Provide **technical assistance**, **advice** and **capacity-building** so managing authorities understand and implement **multi-fund CLLD** effectively. Because areas such as **social inclusion** and **quality of life** often fall **outside EAFRD's primary focus**, LAGs struggle to address them adequately—**multi-funding** can open **additional sources** to support a broader project mix.

### 1.3.5 Ensuring flexibility in programme and regulatory frameworks

**Regulatory and administrative hurdles** significantly hamper LAGs in meeting local needs and delivering effective LDS—pointing to the need for a **coherent, adaptable** approach to territorial support. The European Commission should urge Member States to adopt **flexible programme and regulatory frameworks** that allow LAGs to **adapt** their LDS to local needs and new opportunities, **minimise excessive bureaucracy** and **maintain accountability**. The LAG role in **fostering innovation** and **capacity for rural transition** should be **strengthened**. Innovation should be seen as a **core component** of LAG work, with a supportive framework encouraging LAGs to take a **more proactive role** in integrating innovation—through **innovative practice**, **inclusive decision-making** and **creative problem-solving**—into LDS. This should be **reflected in delivery mechanisms**. A **stronger policy dialogue** between the Commission and national authorities is needed to promote **more adaptable rules** and **simpler procedures** that support **more innovative projects** under LEADER and local initiatives. National authorities' roles should be **re-oriented** to foreground **cohesion** and **territorial development**. The main findings break no new ground; rather, they **restate long-standing challenges** to realising the full potential of LEADER and LAGs for **regenerative, sustainable rural development** across Europe.

These challenges have long been **known and acknowledged**—by LAGs, public administrations and other key rural actors—yet **little tangible progress** has been made. Now more than ever, these needs require **strong commitment** from the responsible authorities, led by the European Commission, which steers the LTVRA. It is **time to act**, to unlock the full potential of the **LEADER approach**, **LAGs** and the **CLLD instrument** for **regenerative, sustainable and inclusive** rural development. LEADER and LAGs are **best placed** to drive sustainable, transformative rural development across the EU. LAGs need **clear institutional recognition**, plus **more resources and autonomy**, to amplify their territorial impact. Their function goes **well beyond project delivery**: they are **crucial to territorial cohesion** and to developing **local networks**. The findings confirm the need for a **multi-layered approach**—one that **strengthens LEADER delivery and core LAG tasks** while addressing the main challenges identified.

By promoting **community empowerment**, **innovation**, **transnational cooperation and knowledge exchange**, **adequate financing**, **flexible regulations** and **efficient administration**, LAGs can **maximise their impact** in achieving **LTVRA goals** and regenerating rural areas—**effectively, sustainably and for the long term**. This ensures that LEADER remains a **catalyst** for regenerative and sustainable development and **inclusive growth** in rural areas. To achieve this, the LEADER approach must be **reinforced**, and LAGs' **legitimacy and expertise properly recognised and supported**. To make **LEADER and LDS results** more visible, **monitoring and evaluation systems** must be **better designed and supported**. LAGs need **user-friendly tools** to **track progress**, assess **outputs and outcomes**, and enable **continuous improvement**. Effective monitoring and evaluation require **robust data collection and analysis**. Training in these fields will ensure LAGs can **communicate their impact clearly and convincingly** to stakeholders and decision-makers.

# AP6: THE NEW LEADER ADDED VALUE

Conclusions from the transnational cooperation project “Our Common Future”

Edited by Wolfgang Berger drawing on reports by Robert Lukesch (AT), Stefan Kah (GB), Magda Porta (PT), Petri Rinne (FI), Anette Peiter (LU)

*The project set out—building on more than 30 years of successful LEADER/CLLD as a participatory approach to urban and regional development—to develop new future perspectives and to explain why the LEADER approach, as a citizen-centred policy tool, is especially relevant now. How can we reach people—particularly in rural areas—more effectively again and increase acceptance of the need for change? For Local Action Groups (LAGs), it will become even more important to build new skills for intermediary management at key social interfaces. These include, for example, the public–private interface and the strategy–practice interface, both of which require competent innovation management.*

- Work Package 1 Innovative LEADER approaches in the EU (Stefan Kah, GB)
- Work Package 2 Experiences of LAGs outside the EU (Petri Rinne, FI)
- Work Package 3 Long-term financing and policy frameworks (Robert Lukesch, AT)
- Work Package 4 New communication approaches (Anette Peiter, LU)
- Work Package 5 Shared European themes (Magda Porta, PT)
- Work Package 6 The new LEADER added value (Wolfgang Berger, AT)

# 1 LEADER: HISTORY AND THE PRESENT

## 1.1 BACKGROUND TO THE EMERGENCE OF LEADER

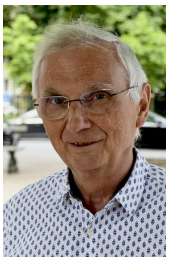
LEADER took shape during Jacques Delors’ second term as Commission President (FR), a period that was pivotal for re-orienting cohesion policy, regional policy and the Common Agricultural Policy. Delors and his Agriculture Commissioner, Ray MacSharry (IE), were convinced of the innovative capacity of local communities: in their view, only cooperation among different parts of society (a **community approach**) could master the massive structural change of the time. A landmark in this context was the Commission paper **“The Future of Rural Society”** (EC, 1988), which highlighted the need to **diversify rural economies** and to adopt a **place-based innovation orientation** in order to respond better to social challenges. The paper took up the idea of **self-governing communities**—networks of municipalities and farms as well as craft and business enterprises—tasked with developing tailored future perspectives based on their **endogenous resources**. The approach drew on positive experience with small-area employment and education initiatives in the Mediterranean and in the old industrial regions of the UK and Ireland, where participatory, local development approaches had been tried. It soon became clear, however, that too narrow a focus on employment and education would not provide the **leverage** needed to reorient disadvantaged areas.

## 1.2 THE SHIFT FROM LEADER TO CLLD

As set out in more detail by **Robert Lukesch (2024)**, LEADER’s prehistory lay in **new labour-market and employment initiatives** (funded via the European Social Fund) that arose across many European regions in the 1970s and 1980s in response to major challenges for the economy and jobs after the decline of traditional mining and industrial areas. Old industrial regions and rural areas underwent **“passive adaptation”** amid accelerating out-migration and urbanisation, falling markedly behind in economic development. In this phase of industrial change, experts began to view regions as **complex adaptive systems**—not something that could be steered solely through

top-down, traditional planning. **Bottom-up development** therefore became a key concept in regional policy. For the first time, **co-operation between municipalities, the private sector and civil society** was recognised as a success criterion. LEADER was thus conceived as an **emancipatory approach** to local development and to profiling regional strengths, starting directly from people's living and working realities and placing them at the centre as **actors**.

In **1991**, LEADER - *"Liaison between actions to develop the rural economy"* - was designed by **Michel Laine (FR)**, a Commission official who had served in several Directorates-General. The **first definition and implementing regulation** came from him. Excerpt: *"The objective of the initiative is to find innovative solutions which will serve as a model for all rural areas and ensure maximum integration between sectoral measures. (…) This will enable the groups to act as intermediaries in exchanges by linking up to a series of transmission and database networks (…)."* (Official Journal of the European Communities, 1991). The emphasis, then, was on **developing and diversifying the rural economy**. From the outset, **technological and social innovation** and the **intermediary role** of local development groups were embedded in the programme design.


Michel Laine

From **1991 to 1993 (LEADER I)**, the first **217 pilot regions** formed across Europe and were selected for funding by a Europe-level jury. In **LEADER II (1994–1999)**, the **seven LEADER principles** were fixed on the basis of the first regions' experience. At the **1996 Cork Conference** on rural development, Austrian Commissioner **Franz Fischler** described LEADER for the first time as a **"laboratory for innovation in rural areas"**. In 1997, the **LEADER Observatory** in Brussels published the seminal paper **"Innovation and Rural Development"** with contributions by **Robert Lukesch** (cf. European Observatory LEADER, 1997).

Financing evolved as follows: from **1994**, rural LAGs were funded through **Structural Fund programmes**; from **2000** via the agricultural fund **LEADER+**; and from **2007** via the newly established **European Agricultural Fund for Rural Development (EAFRD)**. From **2014**, the LEADER approach expanded significantly - in the number of territories and in **funding options**. It was also framed as **Community-Led Local Development (CLLD)**, underlining the importance of **people's participation**. New **coastal** and **urban** action groups received funding from the Structural Funds - the **European Social Fund (ESF)**, **European Regional Development Fund (ERDF)** and **European Maritime and Fisheries Fund (EMFF)**. Today there are roughly **3,000** action groups across all Member States.

**Excursus on publicly steered regional development.**

The **Treaty on the Functioning of the European Union** requires Member States to act "in accordance with the principle of an open market economy with free competition", implying efficient use of resources. This open market economy is governed by the **fundamental freedoms** (free movement of goods, capital, services, etc.) and by **state-aid rules**. Nevertheless, public funds are used in regional development to support selected initiatives - is this a contradiction? **No**: such support generally **mitigates inequalities and disadvantages** in market participation and competitiveness. The aim is to **redress disparities** (e.g. in disadvantaged areas) or to create **favourable framework conditions -** for example, as an economic policy impulse to increase innovation or start-ups, or to better fulfil social tasks. In principle, decisions on allocating public funds lie with **regional and administrative policy** at EU and national level (cf. Berger, 2025, p. 117).

In the case of **LEADER**, the use of public funds is **more differentiated**: it is **not only** about project grants but, fundamentally, about **motivating shared responsibility** for the region among municipalities, businesses and civil society. This distinctive approach is somewhat clumsily termed **"neo-endogenous"**.

LEADER represents **neo-endogenous, actor-centred regional development** (cf. Ray, 2006), based on **three levels**:

a) **Intra-territorial level** with traditional features such as: regionalising production, place-based strategic action, fostering social capital, forming local partnerships.

b) **Administrative–political level** with features such as: political processes that **transfer competencies to the region**, a **European-ised outlook** at regional level, and evaluation of measures.
c) **Inter-territorial level** with features such as: promoting inter-territorial and **transnational cooperation**, and acting within a **European network of regions**.

It is above all **new forms of collaboration** between the regional and administrative–political levels, plus **inter-territorial cooperation**, that give "neo-endogenous" its meaning. The prefix **"neo"** does **not** weaken Bottom-up; rather, it situates the region within an **interlocked multi-level system -** regional, national and European - so that "top-down" and "Bottom-up" no longer appear as strict opposites.

## 1.3 THE MOST INNOVATIVE LEADER APPROACHES IN THE EU

Here - covered in detail in **Stefan Kah's** section (cf. Kah, 2024) - a broad overview of LEADER innovations across the EU is given. He groups innovations into categories such as **organisation**, **administration** and **process**. For him, however, the **best innovation** in the LEADER context is the **development, piloting and diffusion of the LEADER approach itself -** over **34 years**. The early years correspond to **ideation**: experience with labour-market initiatives inspired new ways to develop perspectives **with** groups affected by problems - this amounted to a **reform of participation**. From the experience and trials of the **first 217 pilot regions**, the **LEADER method** and the **working mode of LAGs** were derived - this was a **reform of regional innovation processes**. From **2007**, LEADER territories expanded strongly in all Member States. As organisation, method and funding, LEADER thus represents - by definition - a classic **social innovation (SI) process**, a **"reform from below"**: heterogeneous groups of affected people come together and launch processes to improve their environment and living conditions.

Viewed as an organisation, three European **LAG types** stand out: **rural**, **coastal** and **urban -** funded either by a **single fund** (LEADER–EAFRD) or **multi-fund** (MF-CLLD). Drawing on rural LAG experience, concepts for the first coastal LAGs (EMFF-funded) were developed from **2007 -** naturally shaped by structural change in marine and freshwater fisheries. In **2014**, with the introduction of **multi-fund CLLD**, the first **urban LAGs** (ESF/ERDF-funded) applied the LEADER method to neighbourhood/district management. Well-known urban LAGs formed in **Lisbon (PT)** and **Timișoara (RO)**. With strategic adjustments, **LEADER can be firmly embedded in urban areas**. Today there are about **2,500 rural LAGs**, around **350 coastal LAGs** and roughly **250 urban LAGs** across the EU.

The **LEADER-forum Austria** defined **three LAG roles** (cf. LEADER-forum, 2020), now central to debates on LEADER's future fitness and core mandate:

**Role 1 – Funding advisory centre:** supporting applicants - people and organisations - in funding issues and project management (a **mandatory task**).

**Role 2 – Network unit:** a regional office as a **network node** that brings groups together at regional and national level and in **transnational cooperation**; identifying and connecting **key actors** is a critical competence.

**Role 3 – Social entrepreneur / innovation agency:** the LAG acts as a **non-profit/innovation-oriented enterprise**, taking **strategic projects** into its own hands - responsible both financially and in content, i.e. **entrepreneurial**.

LEADER's **true regional-development mandate** becomes visible especially through **Roles 2 and 3**. LAG-owned projects are **strategically important** and should be pursued particularly where **no other regional organisation** can take the lead, or where **equivalent innovation goals** are not otherwise being pursued - ideally with a **lighthouse** effect. In short: **LEADER = fostering innovation through co-operation**.

That said, **Role 3** requires **sufficient capacity** and **special competencies** in **innovation/transition management**, plus a **legal personality** (e.g. association or limited company; co-operatives are rare), as project responsibility can only be handled in this way. Other organisational set-ups would make LAG-led projects or **umbrella projects** far harder, reducing the LAG to a funding advice office and a project selection committee - undermining LEADER's core development mandate.

Recent criticism by the **European Court of Auditors (ECA, 2022)** touches precisely here: LEADER monies are often viewed as **structural regional aid** rather than as an **innovation instrument**. The networking and intermediary services of LAGs were given little weight, so assessments of **LEADER's added value** (understood as the value of LAG work in itself, beyond the sum of project grants) were **ambiguous** and **not easily measurable**. **Paul Soto**, former head of the LEADER Contact Point in Brussels, identified **three particular challenges** hindering an innovation focus: **excessive administrative burden**, **insufficient capacities** (e.g. funding or staffing), and **growing external influence** (e.g. political or administrative). Yet the push for innovation also has a pragmatic basis: LEADER can never be a **broad structural fund** when set against available public resources. The **leverage effect** of **regional flagship projects and initiatives**, however, is considerable - and shows how much can be achieved with **modest budgets** and **high commitment**.

In essence, LEADER innovations are often **social innovations (SI)** and relate to their **formation phases**: LEADER supports building a **multi-actor group** (a structural precondition of SI) and **funds the functional process phases - ideation**, **piloting** and **diffusion** of new products, practices or services. The difference from technological innovation lies in the **early, active involvement of affected people**, who are members of the multi-actor group from the start and, later, as users, **increase acceptance** of the novelty. The **context of origin** also differs: the **shared problem definition and scoping** at the start of the innovation process is a **group achievement**.

Kah also describes the link between a LAG's **freedom to act** (shown by the three roles) and the **types of innovation** at regional level. In **Role 1**, administrative innovations dominate - **simplified cost options**, **draft budgets** or possible **multi-funding**. In the **network role**, the LAG's strategic work is mainly **regional** or also **European** in outlook - how far are European perspectives considered at regional level? This in turn gives rise to **transnational cooperation projects (TNCs) -** the result of networking and a **greater degree of freedom**. The autonomous **(social and economic) action** required in **Role 3** particularly drives **LEADER's added value**: **new forms of participation**, **European co-operation** and **innovation orientation** are tried and delivered.

## 1.4 LOCAL ACTION GROUPS AS INTERMEDIARY ORGANISATIONS

The **quality - and thus success - of collaboration** among actors from different parts of society depends on the **capacities and competencies** of **intermediary organisations/actors** such as LAGs, responsible for the **"management of the in between"**. In the literature, these roles are also called **bridging agents** or **change agents**. In essence, it is **interface management** (cf. Berger, 2025, pp. 122 ff.), which can arise in, for example:

**a) The public–private interface.** The LAG as a group of representatives from public administration, business and civil society with its many voluntary associations and initiatives - a **public–private partnership**. Given its importance for regional development, this constellation is also termed the **"trinity of change agency"**, as promoting innovative and organisational entrepreneurship and **regional leadership** are central aims; or

**b) The theory–strategy–practice interface.** The LAG as a group of practitioners, researchers and other experts with experiential knowledge (also a **community of practice** where participation is voluntary) - here the focus is on **translating scientific findings into applied knowledge**; or

**c) The network-levels interface** (cf. **multi-level governance**). The LAG as a group of politicians, citizens and people directly affected by specific problems, maintaining network relations at **regional, national and European level**.

While the **functions** of intermediaries in co-operative regional development are not new, the **competencies required** have changed markedly with social change and now need to be **redefined**. Building **capacity and competencies** in intermediary organisations - such as LAGs - is **urgently needed** for a functioning free democratic order with strong civil participation. This is about **improving civil society's organisational capability** (committed individuals, voluntary associations and initiatives, etc.). Without this specialist mediation between social spheres in an increasingly complex world, **major mutual misunderstandings** persist - clearly reducing a region's **willingness to participate** and **ability to develop** (cf. the social effects of the COVID - 19 pandemic). For **young people** in particular, it is vital to see - and be shown - that there are **arenas for shaping society**, with **tasks they can tackle** within their **agency**.

## 1.5 DERIVING THE URGENT NEED FOR INTERMEDIARIS

We currently face the **triple challenge** of accelerating **economic, ecological and social** change. The sociologist **Zygmunt Bauman** offers an unconventional way to view this transformation (cf. Bauman, 2012): we are in an **"interregnum" -** familiar structures are dissolving while the new is not yet in sight, triggering a collective sense of **uncertainty**. This, in turn, produces **institutional disparity -** a redistribution of formerly public-sector tasks to the private and business spheres. Herein also lies an opportunity: **involving affected groups** can **reduce fears of the future** and **increase acceptance** of change - at least at the **regional level** within a **multi-level** system (cf. "multi-level governance").

The need to support intermediary organisations can be derived from **three observable phenomena**:

**a) The social gap** (social and sectoral): a divide between groups in society - structural disadvantage and unequal access to resources (e.g. the **gender pay gap**, cf. European Commission, 2022), or between occupational fields - a gap sometimes **widened by technological change**. Such drift leads, over time, to **social instability**.

**b) Cultural lag** (cultural and temporal): society's **delayed understanding** of changes and their consequences brought about by **technical/technological innovation -** a mismatch between technological and cultural development. This can cause **maladaptation** and **social problems**, as certain groups are not yet able to handle new technologies or their impacts (e.g. **AI applications**) adequately. The term originates with **William Ogburn** (1923).

**c) The regional development trap** (cultural and economic): the development gap between **prospering and disadvantaged areas**. It breeds **dissatisfaction** with politics and social order, increasingly expressed in support for **system-/democracy- and EU-sceptical** forces - the response of people from **"places that don't matter"** (European Commission, 2023, p. 13). Causes are both **cultural/identity-related** (e.g. basic rejection of change) and **economic** (marked regional disparities in jobs, income or population trends).

A departure from **EU cohesion policy goals** would therefore be all the more worrying, as it would endanger the internal and territorial cohesion of a **"Europe of regions"** (cf. European Commission, 2023). Socio-economic and ecological development needs face **growing scepticism** about development and change - a classic **dilemma**. All three problem areas can be addressed and improved by **regional-level intermediaries**. Through targeted strategic initiatives, they help **reduce social, temporal and cultural disparities**, for example via **awareness-raising**, **training** and **participation** activities aimed at transformation.

In short: after years of crises, we face **far-reaching change**, with clear **fault lines** in society. In rural Europe especially, there are **communication deficits** in conveying EU aims - as the causes and consequences of **Brexit** show. **Social cohesion** appears to have weakened. To bridge these gaps, we need **competent intermediary organisations and actors** who can (re-)establish **"links between actions" -** the very meaning of **LEADER**. LAGs are particularly well suited to this intermediary role, especially in rural areas. They have the **tested methods** to work **with local people** to improve social, economic and environmental living conditions - LEADER's **USP**, understood as a **unique service proposition**. LAGs as **network nodes** hold enormous potential as **intermediaries and multipliers**, but they **need support** to **build capacity and competencies**.

## 1.6 THE DILEMMAS OF REGIONAL DEVELOPMENT

Austria's **Conference on Spatial Planning (ÖROK)** has repeatedly listed dilemmas on the regional action level as quasi **system-immanent** (cf. ÖROK, 2020, pp. 29 f.), for example: **co-operation vs competition**, **autonomy vs control**, **entrepreneurial action vs administrative orientation**, **efficient structures vs democratic legitimacy**, **functional area vs identity area**, and so on. Managing the regional tier therefore often means working with **seemingly irreconcilable tensions**:

"This requires sufficient human resources with high qualifications and experience. Time, organisational and supportive resources should therefore be provided for all actors at the regional level: space and time for reflection, intervision, staff development, training and further education, as well as organisational development." (ibid.)

A systemic look at these dilemmas reveals a spectrum of **competing interests**. Particular attention should be paid to how **contradictory framework conditions** may **hamper** regional development capacity. In the **LEADER** context, the **CAP period 2023–2027** shows a structural dilemma: **with unchanged staffing** (on average **two people per LAG**) and **sharply rising administrative workload**, how can the **original development mandate** still be fulfilled - the very mandate that legitimises the LEADER-specific structure and working mode of LAGs, network units and managing authorities? In brief: **administration-orientation vs innovation-orientation**. More precisely: the **administration-oriented mandate** asks the region to work **self-organised, resource-efficient and decision-transparent** with public funds - this is the **delegation of responsibility** inherent in neo-endogenous development. The region's **self-development mandate**, however, is the **core purpose** of the regional alliance. How can both mandates - **public fund responsibility** and **innovation orientation**—be delivered, to the required standard, with **limited staff**? This central question **demands an open debate**. The goal is to **strengthen the legitimacy** of the self-development mandate. We should also ask **how to reduce** administrative burden—or at least make it a **predictable, steady** effort. This would shift the balance towards a new contrast: **general (near wall-to-wall) regional development vs focused innovation orientation -** the latter operated more like a **business model**, with sharper focus and not necessarily covering **all** areas of rural development.

Such dilemmas can lead to **isomorphisms** that **hamper development -** organisational **"sameness"** that blurs the original mission. A LAG that merely **imitates administrative functions** (e.g. acting only as a pre-screening desk) falls into an **"isomorphism trap"**. This phenomenon arises from the **search for legitimacy** in not-yet-fully-established organisations and shows up in **copying** successful institutions and cultures. The mechanisms are **coercive** (laws, regulations), **mimetic** (best-practice copying) and **normative** (majority pressures) within the regional context. **Isomorphisms are not innovation-friendly.**

In this context, it should be recognised that **every LEADER region** has **territorial specificities** (**territorial assets**). In times of scarce funds and resources - when calls for **standardisation** and **structural simplification** are understandable - it must be stressed that **territorial differences** remain **key building blocks** of innovation strategies. Times of upheaval require **more, not fewer, innovations**. A "**one size fits all**" reform would **stifle innovation**. LAGs are certainly **not** decentralised mini-replicas of higher-level administrations; rather, they should **proactively** orient themselves - drawing on **swarm intelligence -** to the **new challenges** in rural areas, **without** producing "**more of the same**" at project level.

# 2 WHAT OUR SHARED FUTURE COULD LOOK LIKE

## 2.1 THE NEW CHALLENGES AND EU PRIORITIES

For the period up to 2029, the European Commission sets out seven priorities: **prosperity & competitiveness**, **defence and security**, **social justice and solidarity**, **quality of life**, **democracy**, **global partnerships**, and **acting together for the future**. However, there is a clear shift away from previous focal points such as **cohesion** and **territorial solidarity** towards topics like **defence and security**, which entail substantial budgetary needs. Equally evident is the Commission's strategy of **recommending** joint European action but **handing decisions to Member States**, amounting to a (re-)nationalisation that could ultimately jeopardise the continuation of proven, shared initiatives. In this context, a **"Single National Plan"** with four sections is under discussion: its approval would be tied only to **rule-of-law standards**, while decisions on how funds are used would largely rest with the Member State. **Ring-fencing** for shared European actions—such as **LEADER/CLLD** (i.e. setting them down in implementing regulations with a **minimum allocation**)—is, as things stand, **not envisaged**. This could significantly **weaken those scarce EU instruments** that foster both regional and European identity.

Building on the general priorities above, a **Long-Term Vision for the EU's Rural Areas (LTVRA)** was set out in 2021: rural areas should become **stronger, more connected, more resilient and more prosperous**. To realise this vision, an **action plan** with **ten shared goals** was drawn up, with recommendations ranging from making rural areas attractive places to live to promoting places

of diversity. The five **EU Missions** under the **Horizon Europe** research programme (especially **Mission Climate** and **Mission Soil**) must also be taken into account in this context.

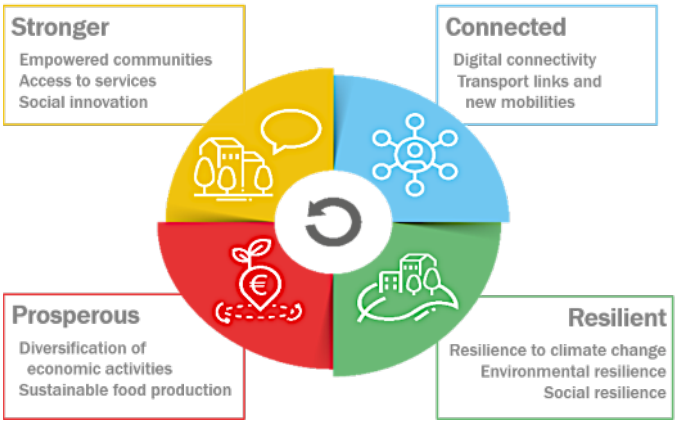



Figure 7. The key drivers for the future of rural areas up to 2040 and the four areas of action

**Magda Porta**, drawing on the final report of the transnational project *Our Common Future* (see LEADER-forum Austria, 2025) and the EU-wide survey of LAGs (see Porta, 2024), strongly recommends that **LEADER regions present themselves as the right structure to deliver the LTVRA** and therefore **anchor themselves more firmly in the "Rural Pact" platform**, which was created for this purpose. Porta calls this **strategic coherence**:

"Aligning the LEADER approach with the LTVRA priorities ensures that LAG interventions focus on the key challenges and opportunities identified at European level. This strategic alignment is essential for the simple and efficient integration of rural development into the broader policy framework, and it gives LAGs clear guidance for local implementation towards shared EU goals. It ensures that local actions are in line with the wider European agenda and thereby amplifies their impact." (translated from English)

A list of the **ten shared goals** shows that, in essence, **all of them connect with LEADER and its added value**. LEADER's contributions to the "big" challenges at EU and national level are a strong argument for **future public funding allocations** to LEADER.

But which objectives does **LEADER** particularly represent? Let's look at three in more detail:

**Goal 2 – Promoting multi-level and place-based governance:** The LAG network, with its different tiers of action, has long been one of the best examples of this.

**Goal 8 – Supporting entrepreneurial, innovation-oriented and skilled people:** LEADER seeks out and nurtures talent to counteract brain drain.

**Goal 10 – Places of diversity:** LEADER responds to local differences and supports joint action.

Reflecting on the overlap between the ten goals and LEADER also brings to mind **the four Ts of economic development** (after Florida, 2014): fostering **Technology**, **Tolerance** and **Talent**, together with **territorial specificities** ("territorial assets").

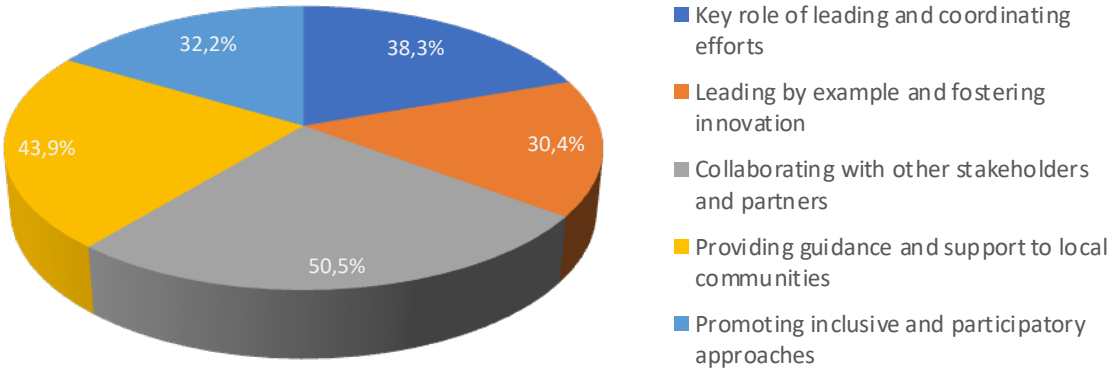



Figure 9: What role can LAGs play in delivering the LTVRA?

## 2.2 THE NEED FOR A (NATIONAL) DOUBLE STRATEGY FOR FUTURE LEADER WORK

As intermediary organisations, LAGs will need to pursue a strategy with two objectives.

**Innovation management using a multi-actor approach.** As outlined above, an innovation focus has been central to LEADER from the outset and is embedded in the method that grew from it: according to former Agriculture Commissioner Franz Fischler, LEADER was always conceived as a **laboratory for innovation in rural areas**. Today, the innovation focus is being complemented by transformation goals. - "**transformative innovation**" is the new watchword. The task now is to further develop innovation methods for LAGs and to build intermediary capacities. In this context, **interface management** also means linking different cluster networks - bringing together specialists working on technological innovation with practice- and application-oriented experts in order to **raise acceptance of new solutions**.

**Network management for municipalities and (agri-)businesses.** Since LEADER II, municipalities have formed the basis of LEADER territories. In Austria, for example, almost all rural municipalities have opted to join one of the 83 LEADER regions. At present, however, municipalities face major challenges - especially financial and strategic ones. An initial analysis of LEADER-funded municipal projects shows the following clusters: local services & essential services, inter-municipal co-operation, town-centre development and reuse, digital skills, support for community associations, and so on. It now needs to be clarified what features an **ideal-type LEADER municipal project** should have. What is clear is that **running an EU project (such as LEADER)** cannot be managed "on the side" with the limited capacities and skills available in rural or small municipal offices. LAG management therefore plays a **key role** when it comes to applying for and drawing down EU funds for municipalities. While administrative simplification would be welcome, **EU-funded projects will still require noticeable staffing effort**. A general standardisation of project procedures can only save resources for certain project types. Town-centre development is a good thematic example: although rural municipalities share common challenges, the solutions are often **highly place-specific**.

Good LEADER municipal projects will continue to require **hands-on project development**. They may be innovative, but first and foremost they should point to **pragmatic ways** to tackle challenges at local level. In terms of how a LAG works, it is also important to note municipalities' **direct say** in local development and in allocating public funds - the LEADER regional tier is very close to the municipal tier. Many mayors also chair their LAGs.

The same applies to **agriculture and business**: what should good LEADER projects look like in future? In agriculture, the focus for years has been on **smart diversification** of farm income sources and production options. Many LEADER projects work at the **interfaces between primary production, processing and craft/industry**. There are also numerous projects that support **technological and ecological modernisation** in farming. LEADER strengthens rural areas overall and thus the **spatial and societal conditions** of agriculture - key to its success. In the business sphere, **co-operation projects between firms** should take centre stage rather than isolated one-offs. Here, too, there is plenty for intermediaries to do: translating research into practice and generating **entrepreneurial and regional benefits** through business co-operation (e.g. social business).

## 2.3 A VISION OF A TRULY CITIZEN-CENTRED EU IN RURAL AREAS—AND THE VALUE OF PLACE-BASED DEVELOPMENT

It is in **rural areas** that the EU most clearly **struggles with communication**. Yet we often hear the slogan of a "**Europe close to its citizens**"—an EU that is more understandable, accessible and embedded in everyday life, for example through exchange, transparent processes and participation opportunities such as the **European Citizens' Initiative**. Programmes like **Erasmus+** support education and youth exchange, while the European Citizens' Initiative enables people to put forward proposals directly. Strengthening democratic values and promoting equality and diversity should also be integral to a citizen-centred Europe. **LEADER regions and their LAGs**, however, have the potential to **deliver real citizen proximity** in rural areas. They provide **regional forums** for dialogue, co-decision and co-creation. The LEADER

network structure therefore carries enormous **multiplier power** for transformation goals.

In this context, it is also interesting that the **LEADER/LAG model** has become something of an "**export**": the European Commission uses it in early rapprochement steps with EU **candidate countries** to advance democratic and civil-society organisation—albeit with **limited financial support** (see Rinne, 2024). By the way: after **Brexit**, LEADER apparently **was not** nationally funded in **England**, whereas **Scotland** continued with **national** funding.

The crises of recent years have shown that even in established democracies, **new forms of participation** are needed to respond **more quickly**, in a **place-appropriate** way and with high public acceptance. In short, we must advance forms of participatory democracy. The key concept here is **place-based governance/development,** understood as an **intelligent division of responsibilities**. It enables regions and municipalities to shape their own future—defining local priorities and crafting solutions tailored to their **specific social, economic and environmental contexts**—fully in line with the LEADER approach. **Acceptance** is central. As the **regional development trap** shows, ignoring acceptance will generate further resistance and instability. **Participation and acceptance** are decisive for the success of all higher-level missions and transformation goals. The key question is how to **re-engage groups in rural areas** who currently take little part in democratic bargaining (within representative democracy)—at least at the **regional tier of action**. In future, involving regional stakeholders will be necessary **not only** in **strategy development** but also in regular reviews of implementation towards higher-level missions and goals. The regional make-up of the so-called **stakeholder groups** (after stakeholder theory) may need to be **re-assessed with adapted criteria.**

## 2.4 A NEW DEBATE ON LEADER'S ADDED VALUE

For Austria to date, LEADER's added value has pointed to the following dimensions:

**a) Democratic experience** (governance and democracy): groups affected by problems and open to renewal **develop solutions themselves** to improve their environment and living conditions. The LAG supports ideation and delivery. This is **active co-creation**, understood as a **consensus-oriented form of participatory democracy** that aims not to produce "winners" and "losers". Unlike direct democracy, it is **not** about simple **yes/no votes** but about **co-design**.

**b) A European perspective at regional level** (social capital: regional, national, European): understanding the EU's challenges in a globalised world and **developing local solutions**—facilitated by the LAG.

**c) Innovation orientation** (innovation and result quality): far-reaching change both brings and **requires** innovation at local level—LEADER is viewed as a **laboratory for rural innovation**. The regional tier generates key innovations to improve varied environmental and living situations (the special importance of **rural innovation**). Indicators of this added value have so far been **mainly qualitative**.

The debate launched by the **European Court of Auditors** about LEADER's added value rests on the insight that it is **not enough** to add up all LEADER-funded projects in a Member State to present a meaningful picture of impact. Put differently: **the whole (LEADER) is more than the sum of its parts (projects)**, because a LAG's real work **cannot be captured** by **project indicators alone**—especially not the **democratic**, **European** and **innovation-oriented** dimensions of what LAGs do.

Against this backdrop, the following should be fed into the current debate on **LEADER's added value**:

### 2.4.1 EU level.

To achieve the **ten shared goals** of the **Long-Term Vision for the EU's Rural Areas (LTVRA)**, LEADER is **ideally placed**: LAGs are **established, proven and EU-wide** organisational structures. Links between the **LEADER network** and the **Rural Pact** should be **tightened**. LEADER must be **more clearly associated** with EU objectives. LEADER also plays a **central role** in **mission-oriented regional development** with transformation goals (especially **Mission Climate** and **Mission Soil**) at the **local delivery tier**. When designing **National and Regional Partnership Plans (NRPPs)**, attention should be paid to **thematic interlinkage** between LEADER and goals

at EU and national level—to **strengthen LEADER's legitimacy**.

### 2.4.2 National level – the "strategy of new pragmatism" for intermediaries.

**LAG Roles 1 and 2** (funding advisory and networking) fit well at **intermediary interfaces**, as outlined earlier. This means working **between tiers and spheres** ("multi-level" and "place-based"): theory–practice, bureaucracy–innovation, strategy–delivery, etc. It can also mean **sectoral interfaces** that LAGs help to bridge so projects connect better—e.g. for stronger project development in **municipal administration** or the **regional economy**. In times of social fragmentation, **intermediary work at regional level is essential** to improve the capacity to negotiate and co-operate.

### 2.4.3 National level – the "strategy of renewed innovation orientation" for innovation agencies.

**Innovation support remains LEADER's core mandate.** LEADER's future fitness will be decided precisely here. Will there continue to be room for **innovation processes**, or will LEADER be reduced to **just another grant stream**? What then would LAGs stand for—organised to deliver **people's participation**, not merely to **process grants**? LEADER innovations are **clearly defined** and can be described using the **social innovation** method set. The innovation process starts with a **shared problem/needs definition** by a group that forms to improve its environment or living conditions. It continues with **ideation**, then **piloting**; if tests succeed, it moves to **diffusion**. Only then is it an **innovation**—acceptance through purchase or use is essential. In **all three phases** (invention, testing, diffusion), the LAG **supports**—through expert guidance, networking and funding. Hence the importance of **skills development** for LAGs.

Ultimately, this is a **political choice**: do we continue to believe in the **innovative capacity of regional and local communities**, or, in times of scarce resources, do we take a **structure-led path** and try to steer regional development through directives? LEADER's history clearly shows which route is more **innovative** and which **framework conditions** foster regions' innovative power. In the **NRPPs**, attention should therefore focus not only on **which themes** are listed, but also on the **methods and instruments** for achieving them. It is not just about the **what**, but the **how**—goal-oriented **innovation/transition management** that presupposes **public acceptance**. In debates on the future of regional policy, it is precisely **LEADER principles** that are seen as future-proof—often without naming LEADER explicitly. There is **no need for new approaches or structures**; rather, we should **recognise LEADER's strategic importance** for rural areas and for the regional tier of action.

In the EU's current situation, **despite all security and defence tasks**, we must not forget the importance of **internal and territorial cohesion**. It is about **people**—their commitment, convictions and ability to **shape the future of their environment and daily lives together**. There are **not many European, citizen-centred instruments** to foster this cohesion—especially in rural areas. **LEADER** is a **central instrument** for that, with **enormous potential**.

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