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**Mainstreaming the 2007-13 Leader programme:  
a comparative analysis of Austria and Ireland**

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## Introduction

The nature of rural regions is wide ranging, which has been addressed by a diversity of regional policy interventions. With Agenda 2000 and the emergence of the Rural Development policy, programme experience and policy debate was separated from Structural Funds practice to which it was linked previously more closely. This separation was completed with mainstreaming of the Leader programme as an integral part of the rural development policy of the European Union (EU) into Pillar 2 of the Common Agricultural Policy (CAP). This reform intended to apply Leader principles to a wider set of interventions and to address more directly territorial development aspects in the Rural Development Programmes (RDPs) of the Member States and regions. Especially, in the light of globalization, climate change and social developments the CAP obviously required a reform concerning a shift towards a stronger spatial approach. This should reflect the demand for a stronger focus on rural development measures within CAP which would raise action for a viable rural economy, environmental targeting and reflect more appropriately the new societal demands (Dax 2005 p.2).

The Leader programme itself is one of the Community Initiatives (established in 1991) with a specific focus on rural innovation and the task to improve the quality of life at local level through a bottom-up approach. Since its beginning it focused particularly on enhancing “linkages” and participatory approaches, and raised significant interest by policy and local actors. As it became the most famous tool of local development action it spread to almost all regions of the EU and was copied by similar programme approaches beyond as well (OECD 2006). Its main achievement was in the pro-active perspective towards nurturing potentials and addressing innovation through place-based strategies. This mirrors the understanding that innovation is not an aspatial activity, but intrinsically linked to the territory (Polenske 2007).

In the current programme period Leader was shifted to another level being integrated as a priority instrument to the RDPs. Nevertheless it was conceived that the Leader approach in this new context contributes to *“the territorial coherence and synergies (...to) be reinforced for the broader rural economy and population [...]”* (Courades 2009). This highlights the close reference to territorial cohesion and calls for coherence with Regional Policy programmes.

With the Leader instrument the rural communities in the EU have interesting policy tools for designing their own future at hand. It allows reacting appropriately to the diversity of development needs of different types of rural regions. Through mainstreaming Leader got a quite different administrative framework and changed significantly from previous periods. It has to be analysed how these changes affect its innovative character and the constituent features of the “Leader-approach”.

This paper refers to case studies on assessing the impacts of RDP within the FP7 project RuDI<sup>1</sup>, providing a comparative analysis of Leader implementation under the current RDP in two European countries – Austria and Ireland. The paper begins with the description of the strong priority, history and linkages of the Leader programmes in both EU member states and setting out the reasons for mainstreaming this programme, before providing an assessment of how Leader has been affected by this process and how the Leader-related aspects of both countries’ RDPs are being delivered. This includes the status and interpretation of the operating rules, the impacts of mainstreaming on Leader

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<sup>1</sup> The paper is based on two case studies carried out within the EU-Project „Assessing the Impact of Rural Development Policies, including Leader” (RUDI), Fp7 (no. 213034), as part of a comprehensive analysis of the RDPs of all the EU-27.

and the wider impacts of the economic downturn on LAGs ability to deliver in practice. The comparative analysis is based primarily on interview and case study work with a number of Local Action Groups (LAGs) in Austria and Ireland.

## **Leader programmes in Austria and Ireland**

Local development activities and Leader programming have a long tradition in Austria and Ireland. In Ireland Leader became available in 1992 within its 1<sup>st</sup> period (1991-1993), and 17 Leader groups were selected which mainly comprised a piloting scheme. Nevertheless, it was the beginning of the bottom-up approach to rural development, based on the implementation of business plans and decisions on funding at the local level (DCRGA 2010). In Austria also local development initiatives are available since long time, having been established at first in 1979 through a national programme of endogenous regional development (FER, 1979-1999; Gerhardtter and Gruber 2001).

Following the accession to EU in 1995 Austria engaged in the Leader II period with 31 LAGs, which were located in rural regions across the whole country. Similarly, in Ireland the programme has been extended to all rural areas and was delivered by 34 Groups. Within this 2<sup>nd</sup> Leader phase the development of the acquisition of skills and improvements regarding animation and capacity building levels were in the centre of the strategy priorities to ensure delivery of the business plan for the rural area (DCRGA 2010).

In the next period, the Leader+ programme in Ireland has been supported by the Area Based Rural Development Initiative with 3 additional National bodies (a sub-measure of the Regional Operational Programmes) (DCRGA 2010). One of the main objectives of that period was the stronger participation of social groups, like women, young people, migrants and others that had not been integrated into the Leader process sufficiently in the previous phases (Shucksmith et al. 2005, p. 183).

In the current programme period (2007-2013), both in Austria as well as in Ireland the implementation of Leader seeks to cover all the rural areas. Thus, in Austria the number of LAGs has grown from 56 to 86 compared to last period (2000-2006), and in Ireland they increased from 35 to 38, resulting in LAGs covering all the territory except towns and cities in both countries.

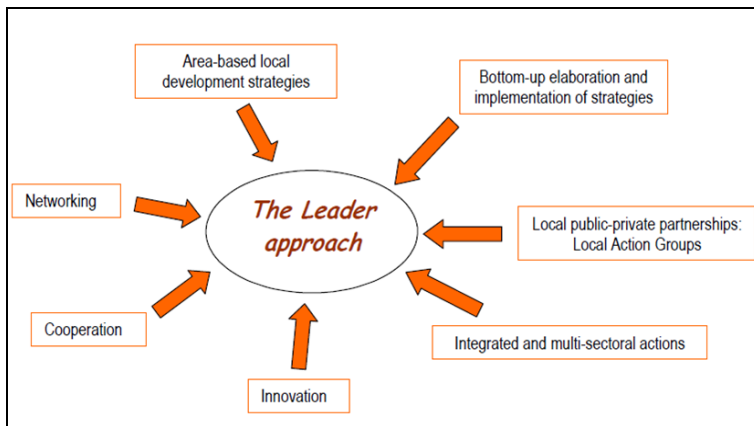
However, since Leader is mainstreamed, extensive changes occurred in terms of the application of the programme. The most visible is its integration into the RDP as axis 4 and consequently the Leader measures have to be implemented by the same procedures and fulfil requirements as for the other RDP measures. Nevertheless, there is a difference between the RDP structure of Austria and Ireland. Thus, in Ireland all axis 3 measures are implemented through axis 4, the Leader axis (Maye et al. 2010, p. 17). The programme allocates 10% of the RDP budget to the measures of axis 3 (which signifies at the same time the Leader measures), which is the minimum threshold to be applied for axis 3. In Austria the allocation is done, as in most European countries, for the 4 axes, with a minimum of 5% for the Leader axis.

Based on the allocation of EU funding per axes the financial support for the Leader programme was increased. This rise in the Leader budget is very similar for both countries and the new level is about three times higher than the support available in 2000-2006. In Ireland, the funding for the delivery of Leader-type activities amounts to € 425.4 m., while it was just round €150 m. in the previous Leader period (DCRGA 2010). In Austria the current indicative budget is €423.5 m. of public funds against

€178.8 m. in the previous period (BMLFUW 2007, pp.489ff.). This considerable financial increase should realize a corresponding impact in the outcome and policy performance for rural areas of Austria and Ireland.

The long time experience in rural initiatives of both countries underpins a series of success factors for the implementation of Leader projects. For instance, addressing the regional dimension has been taken up in Austria through the introduction and establishment of regional brands such as the “cheese-routeBregenzerwald” which contributes to strengthen the regional value added (Shucksmith et al. 2005, pp.177f.). In the frame of agricultural policy at the national level Leader is perceived as the main innovative scheme, which provides the most significant links between agricultural and non-agricultural actors (Strahl and Dax 2010, p.3). This multi-sectoral approach is one of the strengths of Leader. The overall potential of Leader is summarized in its seven key features, reflecting the main concept behind the original Leader approach and responsible aspects for the Leader success.

Figure 1: The seven original principles of Leader



Source: EC 2006, p.8

## The rationale for mainstreaming Leader

Leader was an approach to working with and to building the capacity of local inhabitants and groups within their rural communities. This includes beyond supporting “hard” economic interventions also activities to enhance social processes, which can be considered as major driving forces to rural development (Shucksmith et al. 2005, p.194).

In terms of its outreach to local groups and the application Leader has come of age. Whereas it was seen as an experimental “pilot” scheme under Leader I (in the first period), Leader II in the following period epitomized the “laboratory” aspect, making use of the momentum to engage and spread innovative, inexperienced pathways, but mainly limited to disadvantaged rural areas. During the period 2000-2006 it was extended to a wide range of rural regions and Leader+ is said to have reached the maturity stage. This refers to the fact that the whole rural territory is seen as target area from then on, and networks have taken up a central role, including transnational cooperation. Under the current mainstream application the Leader axis is no longer a separate programme, but has to take up methodological tasks of integration in the RDPs (Courades 2009). Under such a perspective Leader could be seen to require increased professionalization with an enhanced financial support.

Although Leader was known as an innovative decentralised initiative, which generates many successful projects at local level, further improvements and shortcomings become visible for current implementation processes. Thus, for instance Leader has not reached all potential actors and interest groups of the rural society up to now. Disadvantaged groups (rural women, young people or migrants) have hardly participated in the previous periods. Also the full potential of the role of farmers and the linkages to other economic actors was addressed to a limited degree in most LAGs (*van der Ploeg 2003, p. 1-2*). Furthermore, it has to be acknowledged that the financial support for Leader as Community Initiative was very small, compared to CAP and Structural Funds budget, implying a limited (quantitative) impact on rural development. Nevertheless, it was the first EU-wide attempt to convert the rather sector-orientated agricultural policy of RDPs pillar II into a genuinely multi-sectoral territorial approach. In conclusion, the Leader method with its 7 key features could be regarded as *“a buzzword for a mode of governance practiced in regional, national and multilateral development programmes”* (ÖIR 2004, p. 2-3).

Many times Leader was equated with a laboratory in which new ideas and strategies are searched and developed, providing a multitude of good/bad examples of rural development under different regional contexts. Very often the richness of the experience could hardly be used and transferred to other regions. Partly the awareness for this “learning deficit” was at the start of the mainstreaming debate. It was felt that all the time Leader has generated new solutions, designs, ideas etc. but a more general application and transfer of good practices in the context of the diversity of European rural regions was almost impossible (*van der Ploeg 2003, p.3*).

Based on the above mentioned limitations, but also the integrative character and the advanced stage of development, DG Agri favoured the decision for mainstreaming the Leader programme, hoping to extend its effectiveness and success to larger parts of RDPs. In this context the EC commissioned a study to analyse the potential benefits of including the Leader approach or adopt some of its basic principles as guiding elements for future rural development measures. The conclusion was that the Leader method is applicable to the whole spectrum of rural development measures, despite considerable varieties of Leader measures by RD measures and Member States (ÖIR 2004). The reform should enlarge the operating field of LAG activities by extending instruments to all measures of axes 1-3 according to local needs and strategy.

### ***Emerging concerns from mainstreaming***

Mainstreaming is far from being a simple administrative change. Administrative problems arise due to programming rules and new regulation specificities that limit, in particular, the eligibility of non-agricultural activities. Furthermore, the principle of annuality of the budget is not appropriate for project-oriented funding. In some Member States political and institutional barriers could emerge, especially where decentralized management and financing through local actors is not backed up. But also problems regarding administrative obstacles related to routines of a sectoral perspective as well as large-scale payment operations occur. Moreover, the creation of local social capital which is fundamental for these activities to establish strategic and operational capacities, and to design and implement local development strategies, needs time (ÖIR 2004, p.88f.).

Three types of interventions were highlighted as preconditions for mainstreaming in the debate preceding it (ÖIR 2004, p.91):

- *in programme design: removing the administrative, structural and capacity related barriers to mainstreaming the Leader method at Community level and to take into account the vast differences between rural areas in the EU-27;*
- *in programme implementation: offering strong incentives for mainstreaming the Leader method in national rural development programmes;*
- *in programme support: setting up a European networking device (to support transnational networking).*

The administration schemes of the RDP and the application of the LEADER programme are mostly delegated to different and often distant segments of the national institutional structures. This implies that in practice the two were highly disconnected. Mainstreaming was seen as a method to overcome this distance and achieve greater integration of “rural” activities (van der Ploeg 2003, p.3). However, it was unclear how this modification would affect *formal democratic procedures and a generalized LAG approach and how it could be prevent that existing lobbies and interest groups take over the functioning of LAGs?* These deliberations reflect the quite different conceptions concerning Leader mainstreaming and the resulting debate on it.

### **Leader implementation: Austria versus Ireland**

In Austria, the implementation of the Leader measures takes place in the selected 86 Leader regions by LAGs, which cover almost the whole territory, in detail 92% and accommodate almost 4.3 m. people. The responsible authority for Leader measures as an integral component of the RDP 2007-2013 is the Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW). The national RDP as the framework has made available all RDP measures (of axes 1 to 3) to be applied by LAGs within the Leader scheme. Beyond the coordination role at the national level, the provinces (Länder) have the core task of administrating the implementation and constitute service institutions as well. Their responsibility is to assess the content of Leader project applications, decide to approval and to execute Leader funds to the applicants.

The implementation procedures are however different in the Austrian provinces. Some Leader managers are attached and some are also regional managers themselves and operate also with other programmes such as INTERREG, RCP (Regional Competitiveness Programme financed by ERDF) and national regional support programmes, for instance in the Tyrol in the western part of Austria. The Leader management is in charge of the project administration and implementation, support and assistance and it is the contact point for the rural applicants and linkage to the provincial level. Furthermore, the LAGs are responsible for data collection, monitoring and self-evaluation tasks and have to create the local development strategy for their regions for the duration of the whole programming period.

The Austrian RDP is oriented at fulfilling the minimum funding level of 5% for the Leader axis. The paying agency is the Agrarmarkt Austria (AMA), which transfers annually the Leader budget to the provincial funding service points, which allocate the money to the project applicants of their LAGs (Strahl and Dax 2010, p. 7ff.).

There are some similarities concerning the Leader implementation in Ireland as the area-wide covering (100% of rural areas) or the development of regional strategies as well as administration tasks

(data gathering, project applications etc.). Moreover, the LAGs support and accompany the project implementation: They are the main contact points for the applicants as well as the DCGRA. But there are also important differences. In Ireland a split in policy delivery at the macro-level exists, with the Department of Agriculture, Fisheries and Food (DAFF) acting as the Managing Authority and with responsibility for axes 1 and 2; while the Department of Community, Rural and Gaeltacht Affairs (DCGRA) is responsible for axis 3 and 4, but reports back to DAFF. The DCGRA oversees the content assessment of potential Leader projects, allocates the Leader funds to the ILDCs and approves projects or not (Maye et al. 2010, p.5).

Moreover, individual LAGs no longer exist since this programme period. Instead there are so-called “Integrated Local Development Companies” (ILDCs), on the basis of a ‘cohesed’ governance structure, which combines LAGs and Local Development Social Inclusions Programmes (LSDIP). These two programmes had quite different genesis. Thus, the Leader programme has been managed by the Agriculture Department, with a focus on developing relatively remote rural regions; whereas, the LSDIP is a nationally funded programme that is oriented towards groups of excluded people in urban areas. The “cohesion process” has taken place in two main phases, whereby the first phase started in the early to mid-1990s and the second one between 2006 and 2009. The main aim of cohesion was to improve the operating efficiency of programme delivery in terms of administrative costs, whereby it is also intended to deliver synergies across programmes in order to enhance the diversity of projects for improving and developing rural areas (Maye et al. 2010, p.3 and 8).

The following table summarizes similarities and differences concerning the application structures of Leader between the two European countries and should provide a comparative overview on some aspects of application.

Table 1: Comparison of Leader application in Austria and Ireland

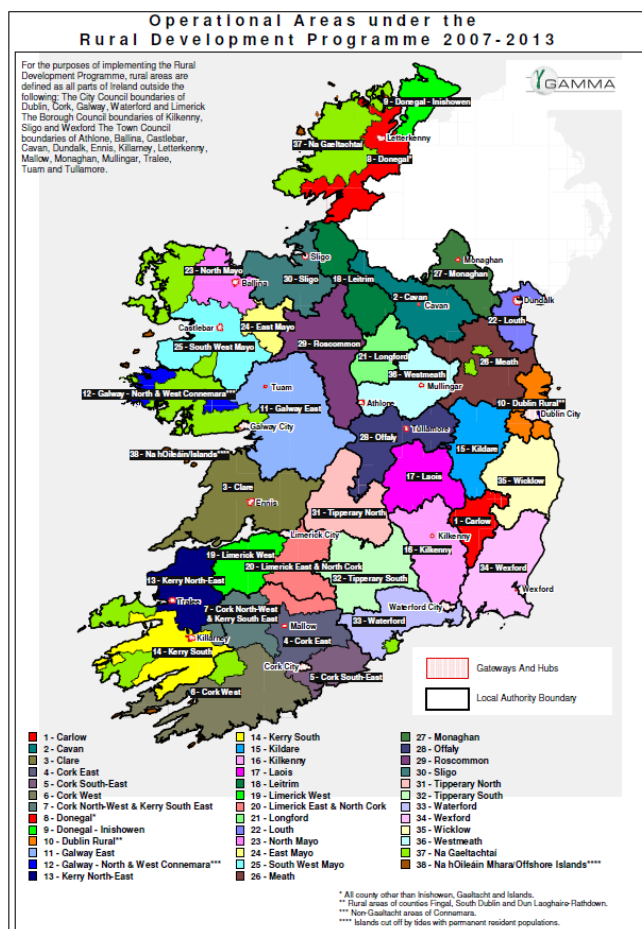
	<b>Austria</b>	<b>Ireland</b>
<b>Leader coverage</b>	general application throughout all the rural area: 86 LAGs	general application throughout all the country: 38 ILDCs
<b>Responsible body for Leader</b>	Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW) for Leader and all RDP measures (axes 1-4)	Department of Community, Rural and Gaeltacht Affairs (DCRGA): for axis 3/4: Leader processing; Department of Agriculture, Fisheries and Food (DAFF) for axes 1-2
<b>County level</b>	service institutions at provincial level (8 Länder): content assessment and project approval	no additional tier, DCRGA is the only coordination level (content assessment, funding allocation, project approval)
<b>Leader execution body at local level</b>	LAGs are different in their application: some specifically for Leader, some linked to regional manager, some also regional managers at the same time, including tasks for other funding programmes	ILDCs are a 'cohesed' governance structure combining LAGs and Local Development Partnerships (deliver various social inclusion programmes); ILDCs are responsible for administering Leader
<b>RDP structure - Leader axis</b>	axis 4, 5% of total RDP budget; as well using measures of all RDP axes (1-3)	measures of axis 3 are implemented through axis 4, , 10% of RDP budget
<b>Leader paying agency</b>	Agrarmark Austria (AMA) transfers Leader budget to provincial funding service points which convey money to LAGs and applicants	DCRGA is paying agency and processes payments rather than ILDC

Source: BABF 2010

## Changes of regulations and delivery

The changes reported here are results of analysis in two countries with a “strong” Leader experience. As mentioned above, in **Ireland** the Leader programme is now being delivered by ILDCs, which has involved an upstream process of ‘cohesion’ with the end result in merging together the delivery of a number of different programmes – but principally the Leader programme and the LDSIP. Beyond that, the delivery of Leader has been mainstreamed within the 2007-2013 programming period. These are the two key changes to the governance of Leader in Ireland compared with the previous period. In Ireland, the economic downturn that has coincided with both incidents is moreover particularly important in terms of the intense national budgetary pressures (Maye et al. 2010, p.3).

Figure 2: Ireland RDP Operational Areas, 2007-13



Source: GAMMA: (www.gamma.ie)

In reference to the first key change groups which have ‘cohesed’ already in the 1990s have a significant advantage to recently merged groups, because their process of cohesion was done voluntarily and organically and was not prescribed top-down as for the groups of the second round. Furthermore, such a process needs time when bringing two or more companies together. People who come from LDSIP background need to learn the basics of how the Leader programme works, and vice versa. This has already happened by older and fully cohesed ILDCs and allows them to work more closely together so that overlaps and consequently synergies emerge between social inclusion and aspects of the Leader programme. Nevertheless, also in the longer existing ILDCs it has to be taken into account that cohesion on its own is insufficient. Thus it is crucial to move beyond thinking in two differ-

ent programmes and achieve an integrated approach because potential project applicants are not interested in the programme title they get their support from, but it is pertinent to them just to the support they need. Based on that the ILDCs should work towards a strategic plan that is not programme based but an integrated company plan to react in the best possible way to local conditions (Maye et al. 2010, p.12).

With regard to ILDCs that were recently established there are many problems in implementation. The main intention of DCRGA was to streamline delivery of services at the local level and to improve administrative efficiency. On this occasion, 108 companies (including both Leader and LDSIP companies) were reduced to around 55; this process has taken two or three years to set up the new ILDCs at the county level. Often the geographical area which is now covered by one ILDC was increased. Such changes are highly problematic because natural boundaries have not been considered but accepting historic territorial allocation turns out to be an essential precondition for developing regional identities and creating regional added values. Furthermore, rural development and social inclusion were perhaps not the *'best bedfellows'* because the underlying mechanisms are diverse. Social inclusion is oriented to support individuals in disadvantaged and socially isolated urban communities whereas Leader is concerned principally with rural development. That means that the implementation rules governing the two programmes are significantly different. Since Leader got through mainstreaming much more bureaucratic, it is driven by rules with clearly defined governance and compliance guidelines as well as project based. By contrast LDSIP tends to be shorter term and more focused on particular target groups, it is more process-led. To cap it all the cohesion process takes place in an economic time of unrest. In connection with the downturn of the Irish economy the social inclusion programme has to face considerable budget reductions, so that it is currently impossible to roll out LDSIP to rural areas (Maye et al. 2010, p.9f.).

Nevertheless, the cohesion process is generally perceived positively by the elder ILDCs even if they know that such a process needs a number of years, requiring a lot of work and effort. But it is seen as sensitising the Leader programme to social issues

*'In the absence of a social inclusion programme, LEADER would be very economically focused. There is nothing wrong with that in itself, but it is important that the social dimension is recognized. For example, if you take a rural enterprise that has been supported to grow and develop, the social side sensitises the importance of issues like looking after employees within the organization'.* (Maye et al. 2010, p.14)

Based on the second key change to the governance of Leader in Ireland the RDP delivery and mainstreaming approach are to be discussed in more detail. The cohesion process described above is a new (national) condition that directly affects the Leader delivery. However, there are more important new directives in the context of mainstreaming the Leader programme.

The operating rules are a significant element in all RDPs and not least a common feature in previous rounds of Leader in the EU. But in the 2007-2013 programming period the operating rules for axes 3 and 4 cover a field of quite standard topics as rules on operation areas, processing of applications, monitoring and evaluation, inspections and many others. These rules should not be seen as static, they work instead of outline guidelines issued by (DCRGA). But the department has the right to make additions and amendments to the rules. Compared to the last period the rules are more restrictive,

bureaucratic and very challenging from an ILDC perspective. Thus, within ILDCs critical voices are raised:

*“The programme is ‘over-bureaucratic’ and ‘over-regimented’; the biggest drawback is over-regulation of community groups.”* (Maye et al. 2010, p.18)

*“The operating rules are a disaster...It’s the only way I can say it. They just make it so difficult to be out there doing development work. We’ve all become administrators...It works against the whole principle of being a bottom up approach because there is so much paperwork and so much box ticking...”* (Maye et al. 2010, p.20)

Many agree to assess the DCRGA’s interpretation of the operating rules as overly rigid with a lack of flexibility in the programme rules and markedly increased administrative burden. Thus, a number of ILDCs members are actually far from recognizing the big difference between the current and previous operating rules issued by the EC in context of volume augmentation of the programme. But they criticise the strict and sometimes inconsistent interpretation of the programme and project eligibility rules by the DCRGA. Two operating rule interpretations which demonstrate significant problems of ILDCs are the *co-funding* and *‘di minimis rule’*. The first relates to co-funding with local authorities and implies that formally projects could not be co-funded by council authorities. Often that is a big stumbling block, especially for community amenity projects. But this rule is already relaxed by the DCRGA. The current interpretation of the *di minimis* rule is too strict and at odds with its actual objective, which is the prevention of the market imbalance and to make sure EU funding does not distort competition or trade. Hence, this rule relates to economic projects to assist general investment across all economic sectors. But for Leader *di minimis* is interpreted in this way that it is assigned to community projects. Therefore community *activities*, as renting of meeting rooms within a community hall, become economic activities.

Two other operating rules, the *change in the rules on payment processes* and the *change in the inspection regime*, are apparently critical in implementation. In the current programme the DCRGA processes the payments rather than the ILDC. From that rule also retrospective payments are affected by DCRGA. This needs time and partners to fund development costs upfront. Furthermore a change of methods and inspectors is realized to the mainstreaming process by ILDCs. Thus, the inspection regime by DCRGA has changed from a former advise-based to an audit-based approach which is now centred on finding errors in application of the rules. This so-called “inspection overload” is causing fines on the applicants which is experienced as a negative aspect of mainstreaming (Maye et al. 2010, p. 18f.).

The driving force regarding the conflict between DCRGA and ILDCs seems to be fear. Fear of negative consequences by Brussels at the department level if they are detected to be failing to implement the more stringent operating rules. Fear by the ILDCs that they could fail a departmental audit with the consequence to pay back funds that they have already committed to projects (Maye et al. 2010, p.26).

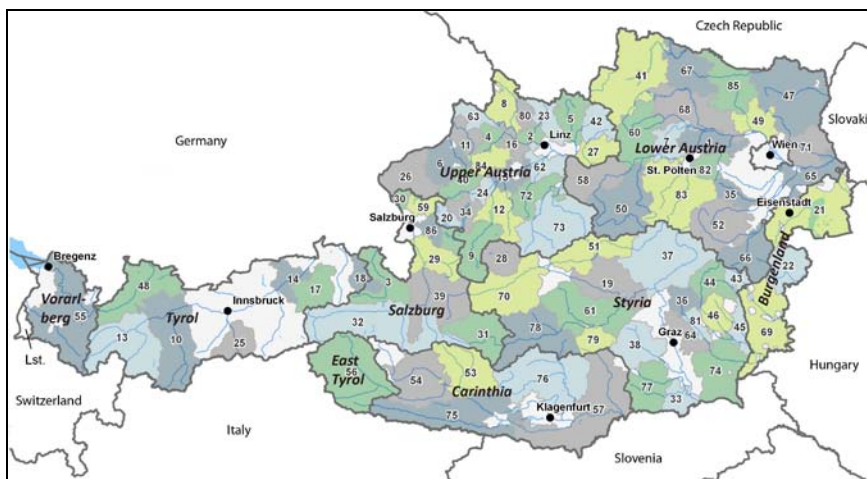
Moreover, a further change to the last period is the increased Leader budget (2 to 3 times more funding available), whereby the 2009 annual budgets for Leader and LDSIP were almost identical in most ILDCs, only in some cases Leader budget was quite a bit higher. But in 2010 the LDSIP funds have been substantially cut as part of government cuts to reduce public spending as a reaction to the economic downturn. Contrarily, the Leader budget will rise from their relatively small allocation in

2009. This monetary circumstance leads logically to problems and resentment within ILDCs due to the rising imbalances of funds between the two main programmes.

The 2009 small budget allocation for Leader appears to be a combination of delays caused by the cohesion process, difficulties in adjusting to and working with the new operating rules as well as a more constrained national economy. Thus, problems with cohesion have meant that the operating rules were not issued until March 2009 in the new and inexperienced ILDCs, since the cohesion process demanded all their capacity. Moreover, Ireland's economy has been sternly hit by the 'global economic downturn' which attacks heavily the exchequer, so that problems emerge to roll out the RDP as initially intended. Thus, even popular RDP measures as the Rural Environment Protection Scheme (REPS) have been temporarily suspended. Although the Leader budget has been exempted from budget cuts it has become more difficult to find project partners with available match funding (Maye et al. 2010, p.16f. and 24).

**Austria** seems not affected as severely by the economic downturn as Ireland, but there are also significant changes and challenges regarding the application of Leader under mainstreaming. The Leader programme is delivered here by LAGs, though different interpretations are available within Austria, which depend on the conception of Leader at the provincial level. Thus, in 5 out of 8 provinces (with the exception of Vienna) agriculture administration authorities (as specific service institutions, see above) are responsible for the coordination tasks of Leader. In the other provinces, i.e. Tyrol, Carinthia and Upper Austria the LAGs operate also as regional associations, implying that the Leader managers are also regional managers or in the case of Upper Austria the Leader managers work closely together with the regional managers and complement each other.

Figure 3: LAGs in Austria, 2007-2013



Source: BMLFUW, BABF 2010

Beyond that, the most important changes regarding the delivery of Leader mainstreaming have occurred in relation to administrative regulations and consequences of its application. Thus, the current implementation of Leader measures is characterized by two diverse types of Leader projects: "classical" and "standard" ones, with their operation varying strongly from province to province. Classical projects are typical Leader projects as known from previous periods with consideration of the original principles. The "standard projects" have arisen under the mainstreaming approach and are primarily individual agricultural and forestry diversification projects, and include agricultural roads con-

struction (321), biomass plants (311, 321), forestry roads (125), qualification – agricultural education (111) or modernization of agricultural holdings (121). The standard character of some of the project type allows a shortened and simplified procedure of project approval. Thus, a procedure of “circular resolution” has been established by many LAGs to save valuable time for preparation and professional supporting of creative and more demanding “classical” projects. The standard agricultural projects are distributed via email to members of the Leader committee for (tacit) approval within a short period (1-2 weeks). In other words the decision-making bodies “rubber-stamp” such projects (Strahl and Dax 2010, p. 13ff. and 22).

Moreover, changes in Leader delivery have also emerged due to the new RDP structure. Thus, Leader projects can only be funded if budget provision for measure codes has been set. Therefore, gender or social projects often cannot be taken into account because generally there is no appropriate funding source available. Nonetheless, in the province of Tyrol an “additional” funding base could be established for typical Leader projects which are not allocated to any of the measures of priorities 1 -3. This underpins the feeling of many actors that the tripling of the Leader budget in the 2007-13 programming period so far had no effect on raising potential for local initiatives. This partly is due to the double assignment of projects that is applied in Austria in order to accomplish the minimal 5% threshold for the Leader axis. Technically that means that one project is accounted to a measure of priority 1-3 and, simultaneously to the measure code of the Leader axis (Wiesinger and Dax 2008, p.11f.).

At the provincial level the co-funding agencies have elaborated specific directives and allocated tasks to various internal funding bodies dealing with specific measures eligible for funding as Leader projects. In most provinces there is *not* one specified Leader funding office, but applications have to be submitted to various institutions, according to the project’s theme. Primarily, there are funding offices of agriculture, nature protection or tourism. Project ideas in the domain of social development, cultural activities and integration have difficulties to find appropriate funding institutions. Leader projects have to address the specific topics to get funds from these co-funding agencies. Furthermore, the procedure of project application up to approval is often very time-consuming, as applications are repeatedly sent back and forth between the agencies responsible. This leads consequently to a lack of appropriate match-funding and delays in the Leader implementation (Strahl and Dax 2010, p.15).

Another change based on the higher relevance of top-down decisions within most Austrian provinces is the definition of the size of LAGs. Some Leader regions had to become larger, including adjacent municipalities which sometimes resulted in inhomogeneous areas. Consequently, problems for regional identity building increase and hamper networking within LAGs. After all this adds to the administrative work that is already at limits for the LAGs in consequence of the application of regulations which result from the national and provincial interpretation of the RDP (Strahl and Dax 2010, p.16).

### **The innovative concept soaked-up: Effects of mainstreaming**

There are many parallels concerning the impacts of mainstreaming the Leader programme between Ireland and Austria, indicating similar application and experiences despite different contexts. These synthesis findings from selected cases underpin the necessity to check programme delivery against preconditions discussed at the time of mainstreaming preparation. In this situation the strong de-

mand for creativity and innovation as a driver for regional development must not be overlooked: The momentum for diversification in rural regions is there, albeit it cannot be limited to *the* Leader programme and has to be unveiled, bearing quite different terms and actor groups. The following dimensions of mainstreaming implicitly argue that there is a gap between the potential for rural activities as seen by local actors and the institutional capacity to realize it within the current regulation systems.

### ***Programme delivery***

The application of Leader only could start with significant delays due to late programme approval and longer negotiation on regulations and selection process of LAGs. Although implementation seems behind schedule, the Leader scheme implementation got on track in both countries in 2009. In Ireland the delay occurred due to the cohesion process of ILDCs whereas in Austria the reconstitution and new formation of LAGs and their adaptation to the new regulation regime took time and energy. With the application of measures of the other axes, particularly axis 3, in the Leader programme, the ambitious target of tripling the budget should be feasible, albeit at the price of sacrificing the innovation character of large parts of the programme. The current discussion of the Mid-Term Evaluation might provide a useful opportunity to address already visible delivery problems and re-adjust priorities within application. It would be important to recall in this debate the fundamental principles of the Leader-approach and the pre-conditions for mainstreaming highlighted prior to policy reform of mainstreaming (see above).

Programme delivery is, of course, highly dependent on regional variation. The actual methods and management styles applied are country –specific, but they also show variations between LAGs. For an overall assessment it is crucial to underscore this diversity, since it also presents the option for the active role of local actors and good-practice in various contexts.

### ***Increased level of regulation***

The operating rules set up at national and provincial level are established as the outcome of EU regulations and should improve programme delivery. However, the increased level of regulation and accounting is significantly slowing down programme delivery and adds to the complexity of the scheme. Consequently, it is assumed that some ILDCs and LAGs might not achieve the outcomes for the 2007-2013 Leader programme as anticipated (Maye et al. 2010, p.20). Even if programme delivery is expected to accelerate in the second half of the programme duration, it is obvious that considerable efforts have to be taken, and administrative regulations have to be met, to absorb the indicated Leader funds. For example, Austria with a highly developed Leader structure only spent 13% of programme funds for Leader by December 2009. In Ireland this situation has led to pressure to fund ever larger projects that might not always be in the best interests of the areas involved (Maye et al. 2010, p.27).

The increased levels of bureaucracy and extra auditing by the DCRGA and Leader authorities at national and provincial level have a number of adverse effects for programme delivery. Often a constant number of staff has to deal with a significantly greater LAG area. These changes place a large burden on the involved staff and their working time, absorbing work capacity for administration which is on the other hand lacking for local advice and community development tasks. The support of pro-active innovation suffers therefore from the restricted work capacity of the Leader management.

### ***Strategic orientation***

In contrast to the former period no strategic priority decision is required by LAGs. The positive results of this change expected from mainstreaming would only appear if strong incentives for the Leader method and community development were extended with programme implementation as well. However, there is a persistent deficit in continuing the strategic orientation for supporting the basic ingredients for local action development. Therefore, funding barriers for the implementation of “classical” Leader projects are prevalent in Austria and have contributed to seek projects within the “standard” agricultural measures. As Leader covers all the pillar 2 measures, agriculture and forestry projects are the prime target funded by Leader implementation. This leads to a distinct agricultural orientation of Leader application and innovative cooperation projects with non-agricultural partners are hardly supported anymore or at least have not been increased. This points to a gap between the programme objectives and the support reality which reveals that as the principle of the multi-sectoral approach is losing relevance (Strahl and Dax 2010, p. 21ff.).

### ***Rural innovation***

What becomes obvious from both countries, and other examples as well, is that the innovative character as the core success factor of Leader is threatened by this “banalisation” of projects. With the shift to low-risk agricultural “standard” projects the orientation towards activities of an experimental character with a high degree of creativity and innovation is diminishing. It is up to all levels to counter-balance this tendency and take efforts to re-establish the pre-conditions for local community action. The economic crisis contributed to a perception where matching budgetary targets prevails over local community development needs. In this situation the Leader/ILDCs managers have become more careful in the initiation of innovative projects because in reality these are often not feasible within the current regulatory framework. But this had previously been a significant hallmark of what was distinctive about the Leader approach (Maye et al. 2010, p. 20ff; Strahl and Dax 2010, p. 22ff.).

### ***An implicit shift in decision-making*** (local vs. higher geographical levels)

Mainstreaming has particularly changed the roles of actors at different levels. Whereas Leader was famous for this bottom-up approach, LAGs nowadays feel constrained and squeezed in between a growing set of regulations, losing sight of its strategy to make use of the specific rural assets through an innovative approach. This is experienced by the majority of LAGs as they have lost a degree of their autonomy and discretion to make decision on the basis of their local knowledge. Thus, the authorities at national or provincial level issue preconditions concerning the eligibility of potential Leader projects so that the local companies have responsibility but not authority. Furthermore, in the current period there is an IT system as interface between them which acts also as control instrument in terms of decision making (Maye et al. 2010, p.23ff.).

Mainstreaming due to the RDP structure and operating rules has also made it more difficult for the operating local level to act flexible and to respond to the particular needs of local areas or to be a test bed for endogenous rural development actions that may not always be certain to succeed but that hitherto have been considered worth trying. In this period the Leader measures are increasingly in contradiction to the bottom-up-approach (a further Leader key feature) so that is not surprising that there is concern that the Leader ethos of bottom-up rural development is being replaced by a much more top-down reality. In this respect, the principles of innovative, area-based local strategies as guiding the Leader programme (EC, 2006; OECD 2006) are in danger of becoming buzzwords with-

out actual relevance. It should be recalled that the debate on Leader mainstreaming recognized quite explicitly that the Leader methodology would also have to be applied to the measures of the other axes of RDPs (van der Ploeg 2003, p.3). But in fact as argued by an interviewee in Ireland:

*“...there has been little or no understanding of the difference between the words ‘LEADER methodology’ and ‘LEADER grants’. Whenever they hear the word ‘LEADER’, grants is what comes to their mind...Understanding of the value of the methodology has not being mainstreamed...”* (Maye et al. 2010, p. 23)

### ***Effectiveness of programme***

These comments clearly raise a number of important issues regarding the impact the mainstreaming process has on the LEADER methodology and ethos. There is no doubt that mainstreaming provides increased budget and a more comprehensive integration into the RDP structure which should improve the Leader status and shift the programme from the margin into the centre of influence. Nevertheless these views are a minority because the case study findings make clear that the increased funds have hitherto no corresponding impact on the outcome and policy performance for rural regions and societies.

As pointed out above the delivery mechanisms and institutions responsible for Leader are quite different from region to region. Application and effects are quite different if the agriculture department (like in many provinces in Austria) or other authorities (like in Ireland and several provinces of Austria) are responsible for the implementation of Leader. These latter seek to apply a multi-sectoral approach and address a wider range of the opportunities of rural regions. As greater coherence for policy implementation, a more comprehensive assessment of impacts is needed in evaluating RDPs, and particularly the effects of Leader.

### **Conclusions**

With regard to the case study findings of the two European countries examined Austria and Ireland, which both have a strong history on Leader initiatives, Leader mainstreaming shows quite considerable changes. These results highlight the application of the “new” Leader scheme after a short period of application, but yet can be assumed to be of general relevance for other EU countries as well. Although the original principles of Leader have not been removed, their relevance has been restricted, altering significantly the typical features of Leader. In particular the bottom-up approach and the innovative character are challenged and only retain greater influence when clearly targeted by the multi-level governance structure dealing with Leader. The result is hardly a surprise, since it reflects the current political views and actions within CAP. In practice there is no priority for the “new rural paradigm” (OECD2006) which focuses on places instead of sectors. Cross-sectoral strategies for rural development in the frame of Leader are only rarely available. Moreover the local level as the operation base for Leader activities is weakened. At this early date within the programme duration it is however too early to conclude how the local population is affected and reacts to programme changes and responds to emerging problems in rural regions.

The EU Commission had called for taking up the territorial dimension of CAP (Dax 2006), but this had hardly been realized through mainstreaming. On the contrary, in both case study regions intensified centralizations trends can be discerned and regional targeting has been limited. Innovative mechanisms of coordination and cooperation face substantial implementation difficulties which has (nega-

tive) effects on participation processes. Although the rhetoric of the concept of the 'new rural paradigm' addresses the efforts for flexibility, decentralization and democratic structures, in practice CAP application did hardly integrate core aspects of Leader through mainstreaming. Rigid coordination structures, hierarchical mindsets as well as emerging new control and audit mechanisms prevent a local or regional-based application of the Leader programme. But also the regionalization of CAP is at risk, which would need rather cross-cutting and multi-level governance than traditional hierarchical administrative structures. This reveals the difference between theory and practise, connected with political willingness to break with long-standing structures, institutional changes of sector policies and the associated new allocations of power and subsidies.

In the case of Leader a reinforcement of territorial coherence and synergies between other measures of the RDP has been intended for the broader rural economy and population (Courades 2009). In reality, in the current programming period the strategic concept to take account of the regional impact of the CAP has been neglected for the benefit of spreading funds to a wide variety of RDP measures. The concept underlying policy reform of mainstreaming, to convert the sector-orientated agricultural policy into a more transparent and integrated policy seems to have failed or, at least, did not realize up to now. On the other hand, the effective contribution of Leader to small areas, constituting a specific regional development aspect, loses attractiveness within the local population and its underlying principles are in danger of being superseded by administrative regulations and preconceptions of the sector policies.

The application of Leader has repercussions for other rural activities. Thus, in some regions inter-relations and cooperation of Leader with other local and regional action (Interreg, Local Agenda 21, Climate Change action groups, nature protection areas and environmental groups, Learning Regions, community empowerment etc.) reveal the direct linkages to other local programmes. But connectivity to non-agricultural sectors, other regions and actors is a much larger issue that affects rural regions far beyond RDP impacts. In this regard, Leader has to assess its basic principles and find a way to deliver along the regional assets recognized and strategies selected, if a significant impact on rural development should be again realized.

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