Implementing LAGs and Local Strategies

Content

How to form a Local Action Group (LAG)? 4
"Local Champion" wanted 4
Legal form and registration 4
From top-down to bottom-up 4
Building trust 4
What are the basic requirements for a LAG? 5
The area defined 5
Sufficient resources 5
Administrative and financial lead partner 5
Public-private principle 5
Skills to administer public funds 5
LAG roles 6
The LAG structure 6
Members 6
Governance Structures 7
General Assembly 7
Board / Executive Committee 7
Sub-committees 7
Staff 7
Accountant & auditors 8
The tasks of the Board and staff 8
The LAG (or Board) evaluates and decides 8
The role of the Manager and other staff 8
Implementing the strategy 9
How to get value-adding project applications? 9
Animation events and the LAG staff input 9
Improving through peer learning and networking 9

Risk of dead-weight 10
Fostering innovation 10
An innovation coordinator 11
Bringing different actors together 11
Promoting transnational cooperation 11
Being reactive and tolerating the risk 12
Fostering cooperation 12
Types of cooperation 12
Joint actions 13
Eligible costs 13
Adding value through cooperation 13
Start with short steps 14
Effective project development and selection 15
Overview 15
Strategic project animation and development: Linking delivery to the strategy. 16
Working with demand 16
Generating the 'right' projects 16
The application process 17
Stages 18
Targeting 18
Criteria types 18
Eligibility criteria 18
Project selection criteria 19
Designing project selection criteria 20
Proportionality 20
Measurability 21
Project selection 21
Communicating the criteria 21
In selection: when should selection criteria be used, in what way and who by? 22
Ranking the applications 22
Thematic calls for applications 23
Assessing feasibility and risk 23
Need for flexibility 23
Ensuring smooth project implementation 24

Walking with the projects 24
Info package on project management 24
Be available! 24
Measuring and documenting project results 24

How to form a Local Action Group (LAG)?

"Local Champion" wanted

The "Local Champion" is an important concept within LEADER. The initiative for creating a LAG partnership normally comes from a person – or group of persons with the necessary credibility, ability and wide public support at the local level. Chair persons or leaders of different third sector organisations and representative bodies (e.g. village development associations, trade organisations), business people and farmers are typical examples of private sector initiators. Mayors, municipal officials, local politicians and school rectors have often taken the lead from the public side. The process normally requires at least one committed and enthusiastic person at the beginning who is then able to motivate and mobilise the others. Typically, he/she may also become the first Chairperson of the LAG.

Legal form and registration

To achieve wide public acceptance, it is important to involve all possible interest groups right from the start. A LAG may have to comply with a legal registration process early in its formation if so required by the national legislation. A non-profit association is a typical legal form for a LAG, which also enables free membership for anyone living in the territory. The statutes (whatever their legal form) should define the basis of LAG membership, its size and composition as well as that of the Board of Directors or decision-making bodies and any General Assembly and their associated decision-making procedures.

From top-down to bottom-up

The very first initiative for LAG creation can often be top-down. It may reach the territory as a call for proposals from central or regional authorities or as a capacity building project led by contracted experts. It is crucially important that the local level actors sign up to the initiative and show their broad commitment. One of the most common reasons for a LAG's failure is the failure to embed it properly in the community resulting in small, often consultant-driven circles.

Building trust

The consultation and design process for the Local Development Strategy normally starts immediately after the emerging partnership is established (any formal LAG legal structure can be established later). This gives an opportunity for the partnership stakeholders to get to know each other better and learn to work together for a common goal. Building trust amongst the partners is one of the main cornerstones of the LEADER approach and this must be worked at and sustained.

What are the basic requirements for a LAG?

The Common Provisions Regulation (CPR) EU No 1305/2013 Articles 32 – 34 sets common **basic requirements** for LAGs and Community-Led Local Development. The Rural Development Regulation EU No 1305/2013 Articles 42 – 44 makes additional specific provisions for LEADER LAGs. The main common criteria and roles include:

The area defined

The operational area of the LAG must be? a specific sub-regional area with a population normally between 10,000 and 150,000. These elements should be defined in the LAG's Local Development Strategy. The area of the LAG does not necessarily have to follow administrative borders. Any area can only belong to one LEADER LAG but may overlap with a LAG under a different fund e.g. a Fisheries LAG provided that both local development strategies are complementary and are not in competition with each other.

Sufficient resources

The Local Development Strategy shall include a description of the management and monitoring arrangements for the strategy and demonstrate the capacity of the LAG to implement the strategy.

Administrative and financial lead partner

Managing authorities are responsible for ensuring that LAGs either select one partner within the group as administrative and financial lead or that the group come together in a legally constituted common structure.

Public-private principle

Community-led local development must be led by local action groups composed of representatives of public and private local socio-economic interests, in which, at the decision-making level neither public authorities, as defined in accordance with national rules, nor any single interest group represents more than 49 % of the voting rights.

Skills to administer public funds

The LAG must show in its statutes and strategy how it will organise itself internally and acquire the sufficient economic and administrative skills required to administrate public funds.

LAG roles

Member States define the respective roles of the LAGs and the authorities responsible for the implementation tasks relating to the Local Development Strategy. LAG tasks include:

- Designing and implementing the community-led local development strategies;
- Building the capacity of local actors to develop and implement the operations;
- Drawing up a transparent and non-discriminatory selection procedure including defining objective selection criteria for selecting operations. This should avoid conflicts of interest and ensure that at least 50% of votes cast in selection are from non-public authority partners;
- Ensuring that selected operations fit the Local Development Strategy and are prioritised according to their contribution to its objectives and targets. They may also be responsible for the selection of cooperation projects;
- Prepare and publish calls (or an ongoing process) for project submissions and receiving and assessing such applications;
- Monitor the implementation of the strategy and its supported operations including carrying out specific evaluation activities;
- LAGs may be a beneficiary and implement operations under the strategy.

FOCUS GROUP 1: The ENRD Contact Point facilitated four focus groups during the period 2007-2013, these focused on different aspects of the implementation of the LEADER approach. Focus Group 1 looked into the implementation of the bottom-up approach.

Implementation of the bottom-up approach report

The LAG structure

The main components which LAGs are typically comprised of are their membership, decision making bodies and their professional staff team. The scale and nature of this varies from LAG to LAG and is often governed by the scale of the LAG budget.

Members

LAG membership is normally open to individuals and representatives of organisations and businesses living and / or working within the LAG boundaries. Both private individuals and local public/private organisations can become members. The members are the most important resource for the LAG's operation. Some LAGs set up a small membership fee in order to collect private funds and strengthen the members' commitment to the work of the LAG. Good practice suggests that LAGs should carry out a mapping exercise to ensure that their membership is broadly representative and inclusive and includes key local partners who can contribute to its work.

Governance Structures

Subject to having fulfilled Member State legal considerations a LAG can otherwise freely organise itself internally, according to its constitution. Some LAGs operate as a relatively small partnership with all members actively participating in the work and decision making of the LAG, others have a more complex governance structure e.g. involving an executive committee or board, a General Assembly and specific sub committees.

General Assembly

Where a LAG employs a General Assembly, it is common for all LAG members to be invited to meet once or twice a year. Where used, a General Assembly is normally in charge of selecting the Board and the Chairperson (sometimes referred to as the President) from amongst the LAG members. Such a selection process should normally respect the public-private partnership principle as well as those of social inclusion e.g. in terms of territorial, gender and age equity. A General Assembly may have other formal duties defined by the constitution like approving the annual reports, accounts and financial statements of each year. It may also have the power to change the LAG's constitution. The make up of the General Assembly must reflect that set out in the CPR and no more than 49% of the membership of any decision making body may come from a single interest group.

Board / Executive Committee

The LAG Board may comprise the full LAG membership or be a subset of the membership, it will have an elected chair or president. It undertakes the everyday decision-making of the LAG and oversees its activities, legal and financial functions. The membership of the Board is normally defined in the constitution: typically, it would involve between 10 and 20 members and would meet monthly or bimonthly. The composition of this body must also reflect that set out in the CPR and no more than 49% of the membership of any decision making body may come from a single interest group, including the public sector as a whole. Board members normally sign a statement of confidentiality regarding all information obtained through their position e.g. regarding project applications. As local activists and residents Board members may sometimes face a ‘conflict of interests’ situation, consequently there must be a robust conflict of interests procedure in place specifying when they cannot take part in LAG decision-making.

Sub-committees

The LAG General Assembly or Board may designate sub-committees or expert groups to undertake specific tasks either on a short term or ongoing basis. Such a sub group may prepare and evaluate material to be presented to the Board for decision-making. Project evaluation, project monitoring and cooperation sub-committees are typical examples, here issues can be discussed and prepared more in depth than in the Board.Staff

The LAG / Board hires the LAG staff, they may be employed by one of the partners, often the ‘administrative and financial lead partner’. This must be done within the LAG's management and animation budget, which can be a maximum of 25% of the LAG's overall public funds expenditure. As the LAG budgets and the management and animation tasks are highly variable so too is their level of staffing, varying from less than one Full Time Equivalent to five or more. Manager, project advisor, animateur, business advisor, transnational coordinator and office assistant are typical LAG staff roles.

Accountant & auditors

An accountant can also be a LAG staff member but more usually this role is outsourced or located within the 'administrative and financial lead partner' team. The accountant plays a key role in successful LAG management and financial reporting together with the financial auditors. The auditors can also provide administrative and financial advice throughout the year, not only when auditing the accounts.

The tasks of the Board and staff

The LAG (or Board) evaluates and decides

Having led and overseen the development and approval of the Local Development Strategy the next main duty for the LAG members or board is to evaluate, prioritise and select the project applications that implement the strategy. The decision making process must respect the LAG's own procedures and those specified in the CPR. The Board also has many other roles. The members should be knowledgeable antennae for the LAG's animation and advisory work with project applicants. They may also be project applicants and implementers themselves but must respect LAG conflict of interest procedures. To maintain their capacity national or regional training sessions may be organised by the Managing Authority or National Rural Network (NRN).

The role of the Manager and other staff

The LAG Manager together with other staff members and possible sub-committees may support the turning of an applicant's initial idea into a project plan and a viable funding application. The Manager and the LAG team normally review project applications against the strategy selection criteria using the LAGs specific evaluation mechanism. The LAG Manager is in charge of preparing the project presentations to the Board.

The Manager's role is central in supporting the project preparation and selection processes and also in supporting or overseeing other LAG staff and their duties like advisory activities, animation, payments, administration, cooperation and monitoring and evaluation. The Manager often represents the voice or face of the LAG in communications and is involved with cooperation and networking activities.

In the Member States where LAGs are responsible for both project selection / approvals and payments, these two tasks must be separately assigned to different staff members.

Implementing the strategy

How to get value-adding project applications?

It is important to remember that a LAG is not just a decentralised office to deliver EU Funds, the role of the partnership is not simply to wait for applicants to come with their projects and then select those that should receive funding. One of the key roles of the LAG is to actively encourage and support beneficiaries to submit projects which drive forward its strategy, so the focus is not on selecting projects but on developing them! This 'project animation' is a central part of LEADER implementation, many LEADER actors assert that it is the most important one, evaluations often show that LEADER has considerable impact on local capacity building and increasing the public participation.

Animation events and the LAG staff input

Traditionally animation refers to information events, workshops and training organised within the LAG territory. This should start during the consultations in the preparation of the Local Development Strategy and then continue during its implementation to inform and engage local people and organisations. Local people may be able to bring up new ideas for implementing the Local Development Strategy. They and their local organisations may then commit themselves to implementing the ideas and seek support from the LAG.

LAG staff input here is crucial from the beginning to provide up-to-date information on what is possible and what is not and to help ensure coordination and that planned activities do not duplicate or displace each other. They may also help to ensure that transferable practices or innovations from elsewhere can be utilised.

The outputs of these events and activities should be recorded as part of the LAG reporting process.

Improving through peer learning and networking

Peer learning among LAGs within the Member States or between Member States is an essential instrument. The networking units at regional, national and European level are of great value in coordinating and stabilising the flows of knowledge creation and exchange at larger scales. LAGs have a lot to learn from each other and can only get stronger by teaming up, working together and building connections. Such exchanges can be focused on the LEADER method but can also be developed around a thematic focus e.g. on working with young people or rural entrepreneurship.

A number of NRNs have facilitated mentoring approaches between more and less experienced LAGs as a basis for transferring knowledge and experience. The Swedish NRN made extensive use of this in supporting the large number of new LAGs in Sweden (2007-2013) but the approach can equally well occur between Member States or programmes, as with LEADER LAGs and fisheries FLAGs. This type of approach can include study visits, field trips, exchanges etc. In Austria, they implemented a 'LAG managers exchange program', the 'LEADER on tour' project. This type of approach could be extended between LAGs in different countries.

Risk of dead-weight

Dead-weight is a major risk to the added value produced by implementing the Local Development Strategy. Funds should not be allocated to activities that would largely happen without LEADER funding or which could produce the same results through other means. LEADER's added value often stems from the projects' experimental, sustaining and innovative elements that would be impossible to implement as envisaged without LEADER support.

Fostering innovation

Innovation is both a core principle and objective of LEADER. It can be defined as the development or adoption of new concepts or ideas, and/or the new or adopted ideas themselves as well as the successful exploitation of new ideas. Creativity is having the ideas, and innovation is its application. Innovation only emerges when the creative thinker takes the idea and does something with it.

LEADER experience and that from other area-based initiatives shows that innovation is often poorly understood. In the 2007 – 2013 Rural Development Programmes (RDPs) it appeared often to have been conflated with risk of failure, and a strong risk aversion has been evident particularly amongst Managing Authorities and Paying Agencies. This trend appears to have continued in 2014 – 2020 programmes judging from ENRD supported LEADER activities.

There is no specific definition of innovation which is applicable to LEADER currently. LEADER Focus Group 2 on Innovation (2009) found that the flexibility of the regulatory framework having no strict definition of innovation allowed each LAG to define innovation in its own context (the 2017 ENRD LAG Survey indicates that a significant proportion of LAGs experience difficulty in implementing innovative approaches). The 2017 LEADER Innovation Practitioner Led Working Group found that the active promotion of and support for innovation was critical; to succeed it has to be enabled.

In setting out their approach to innovation, LAGs should seek to establish greater understanding of their innovation objectives and allow for the inevitable failure of some projects in seeking new solutions or approaches.

Examples of forms of innovation which commonly emerge include:

- New methods for the way a project is developed or managed including the involvement of the local population in the decision-making process and in implementing the project;
- Who is involved in the project and how they are involved e.g. combining and linking economic sectors which are traditionally separate;
- How the project is resourced e.g. combining the area's human, natural and/or financial resources, resulting in better use of indigenous potential;
- The emergence of new products and services which incorporate the distinctiveness of the local area;
- How the results or lessons are identified, used, disseminated or communicated;
- How the project becomes self-sustaining; and
- How the project links to other initiatives.

LEADER LAGs can actively promote innovation through:

- The use of an innovation coordinator or animateur;
- Bringing new and surprising interest groups together;

- Developing transnational cooperation allowing the exchange of the best practices; and
- Implementing locally relevant and reactive Local Development Strategies offering risk-tolerant support.

An innovation coordinator

Having a staff member or sub group of the LAG dedicated to promoting innovation in the delivery of the Local Development Strategy is a successful approach used by a number of LAGs. This was highlighted as a key determinant of success in developing innovation by the LEADER innovation Practitioner Led Working Group in 2017.

Examples from 2007-2013

Interview with Petri Rinne from Finland "What is innovation?"

Did you know?

The word first came into modern use in 1540 and stems from the Latin innovatus, pp. of innovare 'to renew or change', from in- 'into' + novus 'new'.

Some examples of innovative projects in LEADER:

- *The experience of the Local Action Group from Germany "Mecklenburgische Seenplatte–Müritz"*
- *Different aspects of innovation: Examples of innovation in the project itself*
- *FG2 Report: Preserving the Innovative Character of LEADER*

Bringing different actors together

Innovation in local development is often based on unexpected meetings of people or local actors with different backgrounds. A LAG is an unbiased, non-profit and non-political arena suitable for bringing these actors together:

'It is crucial to get to know or get in touch with the innovators and visionary actors of the territory. These people are not always the noisiest or the ones in power. Success always needs a good and fruitful combination of power and innovation. This requires open minded decision makers and integrative innovators. The latter are not always the easiest to co-operate with. However, LEADER does not change anything if only those actors that have been in power for decades are the ones who are deciding upon innovation and the future of the territory.' (Ausserfern LAG, Austria)

Promoting transnational cooperation

Transnational cooperation is another surprising arena prone to innovation. From new perspectives one can see the new opportunities better. Identification and transfer of new and innovative practices is an essential part of transnational cooperation.

'There are lots of arguments for cooperation. Getting good ideas from other regions. Getting other people's eyes on your development. That's a very big thing.' (Swedish Rural Network)

Being reactive and tolerating the risk

'The failure of a pilot project should not be considered as a misuse of funding.' (Ausserfern LAG, Austria)

The best innovations always have a surprise element within them, which makes them difficult to be pre-defined or included in the LEADER development strategy documents. That's why it is important that the strategies can be flexible and reactive when new opportunities emerge bottom-up during the implementation phase. Funding such initiatives also requires risk-tolerance from the LAG decision makers and the Managing Authority.

LEADER II Dossier – Methodological guide for the analysis of local innovation actions

DID YOU KNOW?

Innovation during LEADER+ was fostered by:

- *enabling local actors to work in new ways*
- *combining existing activities in new ways*
- *linking local competences to external sources of knowledge and technology*

(LEADER+ evaluation findings)

Presentation on supporting innovation in Leader from Ausserfern (AT)

Case study from LAG Ausserfern (Austria)

Fostering cooperation

Types of cooperation

Cooperation is one of the fundamental specific features and sources of the innovation and added-value of the LEADER method. It encourages and supports LAGs to undertake joint actions with other LAGs, or with a group taking a similar approach, in another region, Member State, or even a third country. Two main types of cooperation are noted by the European Commission in Article 44 1(a) of the Rural Development Regulation (EU) No 1305/2013. These are Inter-territorial cooperation and Transnational cooperation (TNC). The ENRD LEADER Transnational Cooperation Guidance explains these further as:

Inter-territorial cooperation. This refers to cooperation between different rural areas within a Member State. Cooperation within a Member State concerns at least one LEADER LAG and it is open to other local groups using a similar participatory approach.

Transnational cooperation (TNC). This is defined as cooperation between different rural areas from at least two Member States or third countries. Transnational cooperation covers at least one LEADER LAG, while additional partners could include other local groups – made up of public and private partners – implementing a Local Development Strategy. Transnational cooperation can also involve a group of local public and private partners implementing a Local Development Strategy in non-rural territories within the EU.

Joint actions

Cooperation projects correspond to concrete actions with clearly identified deliverables producing benefits for each of the territories involved. These actions must be 'joint' in the sense that they are being jointly implemented. The content of such joint actions may cover a range of different activities eligible under each RDPs' rules.

Eligible costs

Joint approaches allow LAGs from one area to contribute funding to a joint project where the activity supported may be happening in another territory. The location of the project is not a limiting factor if the LAG area benefits from the joint project actions. Examples of eligible joint actions (subject to national rules for RDP implementation) include capacity building or knowledge transfer via common publications, training seminars, twinning arrangements (exchange of LAG Managers and staff) leading to the adoption of common methodological and working methods, or to the elaboration of a joint or coordinated development work.

Adding value through cooperation

Cooperation can provide local projects with a new dimension, since these types of projects provide stakeholders with alternative and novel opportunities to look for and solve issues in innovative ways. Cooperation projects are capable of producing different types of added-value, these include:

- **Making projects more ambitious by reaching critical mass**: TNC enables a project to achieve a greater critical mass, since the total benefits are much greater than the sum of individual achievements (1+1=11). Pooling resources and expertise can result in economies of scale and synergies, which are favourable to help achieving project objectives (such as costs for technical equipment/technologies, training, marketing, etc.).
- **Improving competitiveness: finding new business partners, positioning for new markets**: Implementing a project with transnational partners can help the promotion of local products and the area of their origin. TNC may provide access to new business opportunities, hence generating a potential for increased product sales, new product or process design and additional know-how. In contrast to potential competition, cooperation enables the partners to take advantage of the complementarities, and to benefit from the similarities.
- **Supporting work and promoting innovation through new skills**: New visions and new dimensions can support and promote new ways of working. Furthermore, exposure to transnational experiences can help broaden business horizons and encourage companies or organizations to adopt improved operational approaches. These in turn should generate knock-on socio-economic and/or environmental benefits for rural areas.
- **Developing territorial identity and raising awareness**: TNC can help local people discover their area and history. By improving the understanding of their own territory, transnational interactions can lead to local actors becoming more open to represent their territory, and thereby becoming true 'ambassadors' of their areas.
- **Strengthening of territorial strategy and local partnerships**: TNC projects are linked to the territory and the respective local development strategies of the cooperation partners. These

projects help to meet the needs and challenges addressed in the strategies of the cooperating areas.

Start with short steps

Building up a well-grounded transnational cooperation project is a long process requiring patience. There are many organisations like the ENRD, ELARD and National Rural Networks which can help you on this road. Start with short steps so that you can keep the right direction:

'The LAG started late 2003 with mutual visits to test cooperation possibilities with other LAGs in countries around the Baltic and the North Sea. The visits were usually followed by development workshops around agreed topics, as a first step towards a formalised cooperation project. We are now in 2007 networking with 15 LAGs in Denmark, Sweden, Finland, Lithuania, Poland, Germany and England, and we are participating in four different cooperation projects. Our strategy has been to develop cooperation over the long term with the expectation that the cooperation projects create an added value of 5% of our development turnover.' (Vestsjælland LAG, Denmark).

More detailed information can be found in the new guidance on LEADER Cooperation from DG AGRI and the new guidance from ENRD on Transnational Cooperation.

The LEADER Sub-Committee Focus Group 3 on Cooperation found four main difficulties that are worth taking into consideration when implementing the cooperation measure:

- Different timing in decision-making and different administrative rules in different Member States'
- Different expectations towards beneficiaries in different LEADER strategy documents;
- Variable information needs of different partners involved in cooperation; and
- Difficulty in identification of the most relevant thematic areas where cooperation would be needed.

'Cooperation means undertaking a joint action with at least one other area in another country, sharing and exchanging experiences and understanding it as a part of the Local Development Strategy and not as an added element to it. It can, for example, be a way of achieving the critical mass necessary for a specific project to be viable, or as a means of encouraging complementary actions e.g. joint marketing by LAGs in different regions. Mutual learning is the main expected result of cooperation.' (ENRD)

Thomas Müller, Manager of LAG Sauwald - Austria: Transnational Cooperation and Networking under LEADER - in practice (2007-2013)

Updated EU Guidance for implementation of the LEADER cooperation activities in Rural Development Programmes 2014-2020[1] (updated in April 2017)

ENRD TNC Guidance, useful 'tools', the LEADER Cooperation 'Landscape' presenting RDP rules and criteria, as well as other information available from the LEADER Cooperation page of the ENRD website

FG 3 - Report on Implementation of the Measure "Cooperation"

[1] Other EU language versions also available from the 'Useful documents' section of the ENRD LEADER Cooperation page

Effective project development and selection

Overview

Why is effective project development and selection such an important part of the LEADER process? It may seem self-evident that it is through project activity the LAGs will achieve their objectives, but it is only through effective project development and selection processes that LAGs are able to select and support those projects which contribute most to achieving the objectives of their Local Development Strategy (LDS). The right projects are needed to deliver the desired outcomes.

The selection of projects to deliver the strategy is therefore one of the most important strategic functions which the LAG carries out and as such it is vital that this is carefully designed to align with the Local Development Strategy itself. There are four main elements – prior to the actual selection decision - which need to be considered, these are:

- The way in which projects are animated and developed;
- The application process;
- The selection criteria; and
- The assessment process.

Project animation and development is a strategic process. The way in which projects are developed can have a very considerable bearing on the type and quality of projects submitted and their ability to deliver against your Local Development Strategy objectives. LAGs should therefore design and employ a project development process which encourages and supports the types of projects which can deliver their priorities.

The assessment criteria should be set out in the Local Development Strategy implementation arrangements and should be consistent with and directly linked to the territorial analysis and intervention logic of the Local Development Strategy, the SMART[2] objectives and the proposed monitoring and evaluation indicators. These will include both technical and quality criteria.

The assessment process should be set out in the Local Development Strategy management arrangements and should be designed to enable well informed, objective and carefully considered decision making through a robust and transparent procedure. In the interests of transparency, appraisal criteria should be available and accessible to potential applicants.

Ensuring the transparency of the application and selection procedure is of the utmost importance in maintaining the motivation and trust of local actors. The application and decision-making procedures and criteria should be very clearly set out in the application materials and any associated publicity, where possible, staff should seek to ensure that these are clearly understood. Whilst the procedures themselves are important these must be seen to be applied in practice, it is essential that the LAG does what it says it will do and clearly communicates that to applicants.

Example from Scotland (UK): Multi-stage Project Application and Continuous Monitoring Scheme

Example from Greece: Clear rules and methodologies to ensure involvement of different sectors in local strategies

[2] Specific, Measurable, Achievable, Realistic and Time bound (SMART): P Drucker

Strategic project animation and development: Linking delivery to the strategy.

Once the LAG has had its Local Development Strategy approved and is moving into action, the next step in the development process is the preparation and selection of the projects through which the Local Development Strategy will be delivered.

How does the LAG ensure that the 'right' projects are initiated, developed and selected, the projects which are not only consistent with, but which will contribute most to, the achievement of the objectives of the Local Development Strategy? How can the LAG develop successful projects? What are the key considerations? What tools can they use?

Clearly it makes sense for the LAG to 'steer' this development process, to encourage the right type of applications and guide project development towards successful projects which contribute to the Local Development Strategy priorities.

Working with demand

The first thing the LAG will have to consider is the context within which projects are being developed; project demand will not necessarily match the objectives of the LAG and its Local Development Strategy.

There may be a high level of demand, but this doesn't match the Local Development Strategy or its objectives e.g. inappropriate or generic projects which lack strategic focus or links to the Local Development Strategy. Here the LAG needs to work with applicants, inform, encourage and steer, provide incentives for the 'right' types of proposals and actively support their development.

There may be a shortage of projects, a lack of momentum and motivation e.g. where there are economic difficulties and a shortage of match funding. Here the LAG can pump prime activity by supporting capacity building and developing some 'quick wins', small projects capable of rapidly converting into action, results and local momentum.

The best ideas may be the most difficult to deliver from the LAG and the project promoters' perspective, innovative projects tend to be more challenging and complex and can be uncomfortable for local stakeholders. They often involve links to other ideas or initiatives, new connections, new contexts all of which increase delivery complexity.

Communicating the Local Development Strategy and its objectives and selection criteria is therefore a key animation activity for LAGs in generating appropriate and good quality projects contributing to the delivery of the objectives.

Generating the ‘right’ projects

There are two main approaches which LAGs can employ in generating projects, they can either be proactive or reactive (although in reality many will operate somewhere in between).

Actively supporting project development and development actors is one of the key factors differentiating LEADER and other territorial development initiatives from more conventional mainstream approaches. Proactivity is therefore favoured as part of the overall approach, particularly because of the positive effects on the quality of projects it plays, by improving awareness of the Local Development Strategy and types of projects sought and then by supporting their development and delivery.

Providing information, however well this is done, may not be enough in itself to generate strong strategic projects. This part of the LEADER process needs strong, strategic and proactive management if good quality projects are to emerge. In addition to strong information and communications the range of possible tools which LAGs can employ to support strategic project development includes:

- Targeting sectors or areas and employing working groups to address these;
- Targeting particular groups with specific needs or challenges, helping them initiate change;
- Capacity building, identifying local stakeholders' needs, developing and providing training to meet these needs and to support project initiation and development;
- Capacity provision, directly or indirectly may be necessary for people to become involved in LEADER before they develop their own capabilities, working with the local community, providing advice and technical support to local people, supporting them in developing their actions on a step-by-step basis. In the longer term this should contribute to capacity building however some on-going support may be required for elements without local community competence;
- Direct project development, the LAG itself can choose to develop strategic projects, e.g. as a flagship or demonstration project, to target a specific gap or need or to provide a basis on which other project activities may be developed.

This pre-selection support is absolutely critical in making sure that it is projects which are fit for purpose that come forward for selection, after all, successful projects that help to deliver the Local Development Strategy is what local development is all about.

Example from 'Mireille Groot Koerkamp: a Dutch LAG describes how capacity building and training is applicable for all Local Development Strategy stakeholders'

The application process

There are two main approaches to developing and selecting project applications, either:

- A call for submissions followed by project development and support activities leading to the actual selection process; or
- Direct implementation and delivery by the LAG (or on their behalf by a third party).

Here we are dealing with the first approach, the conventional call for projects. In preparing to undertake a call for projects LAGs need to consider what method fits their Local Development Strategy best, they can employ either:

- A single call at the beginning of the period;
- A rolling process with open submission of projects; or
- Calls at regular intervals throughout the period.

In the first two cases the projects are normally selected against the selection criteria identified in the Local Development Strategy, in the third case the criteria may be amended between calls to address evolving needs or budgetary considerations.

Stages

A two-stage application process is generally desirable. Using an expression of interest or initial enquiry for basic information can help screen out ineligible or inappropriate proposals before valuable time and resources are wasted.

Projects which are rejected at this stage can either be adapted to better fit the Local Development Strategy priorities or may be redirected to other more appropriate sources of support. For successful applications these forms help inform the LAG and its staff and engage them with the project promoter. They may then provide guidance and support in developing the full application.

Targeting

In all cases the LAG may introduce some element of targeting; targeted calls can relate to:

- A specific Local Development Strategy priority or objective;
- Different groups of beneficiaries;
- Themed priorities e.g. environment, tourism, diversification etc;
- Collective projects;
- Different levels of support; and
- Different sizes of projects.

In the latter two cases it is important to consider the proportionality principle in project decision-making.

Criteria types

There are two main types of project decision-making criteria which LAGs have to deal with:

- Eligibility criteria for assessing the admissibility of applications;
- Selection criteria for the qualitative assessment and ranking of applications.

Where CLLD is being implemented under the other ESI funds there is a requirement for strong coordination between the funds and Local Development Strategy, this implies strong harmonisation between the eligibility criteria.

Eligibility criteria

Core RDP level eligibility criteria are the essential criteria that all projects must meet in order to be admissible for a further qualitative assessment. Commonly these relate to the eligible activities, beneficiaries and expenditure. Such eligibility criteria are normally assessed through a technical assessment, there are no threshold values applied and the judgement is absolute. Elements of this assessment may be carried out either by the Managing Authority or the LAG depending on the delivery system employed; ultimate responsibility for ensuring eligibility rests with the MA in all cases.

Local Development Strategy-specific eligibility criteria tend to be more associated with the targeting of the strategy in terms of area, beneficiaries or types of activity supported. These are normally applied by the LAG to ensure the consistency of project activity with the Local Development Strategy.

It is important that the eligibility criteria are applied to projects as early as possible in the application process. These criteria should be clearly communicated in publicity and application materials so that people know the rules. Projects should then be screened against them, ideally in an expression of interest or first stage application. This avoids wasted effort in project development and can provide an opportunity for project proposals to be amended if appropriate.

On-going guidance and support for project development should seek to ensure that full applications remain within agreed eligibility parameters or that elements which arise later in the development process, e.g. necessary permissions are addressed prior to presentation for formal decision-making.

Project selection criteria

There is a clear division of tasks between the LAG and the MA. The qualitative assessment of projects is under the responsibility of LAGs; in principle LAGs apply only their Local Development Strategy selection criteria. The MA cannot impose additional RDP selection criteria following Local Development Strategy approval, otherwise there is a risk that these criteria influence the LAG final decision.

LAGs are required under the 2014-2020 CPR to draw up, define and set out their Local Development Strategy project selection criteria. Good practice also indicates that LAGs should include selection criteria in their Local Development Strategy action plan. Selection criteria should be adapted to the specificities of the area and should be designed to assess the fit and contribution of project proposals with the strategy, its target groups and its objectives. These may be further refined in calls for project proposals to include criteria which are specific to one type of activity, area or target group.

These criteria must be capable of informing the LAG's decision-making process and this implies both qualitative and quantitative judgements on the project's desirability. Such criteria might include:

- The extent to which the project contributes to the achievement of the strategy and complements activities covered by other relevant initiatives;
- The extent to which the project responds to identified need and is supported by evidence of prospective demand; and
- The degree of local appropriateness and consistency with needs.

In order that LAGs may make objective judgements using these criteria it is essential that they are measurable and repeatable on a consistent basis.

Example from Ireland '[Making Local Development Strategy goals easily measurable]'

In addition to judgments on the project's desirability in terms of its potential contribution to the Local Development Strategy objectives, it is also necessary to consider whether the project is actually deliverable. This requires a further set of essential technical checks which all LAGs should conduct and for which criteria should be set. These include:

- Whether the applicant has the practical and financial capacity to deliver the project;
- Whether the need for grant aid is clearly demonstrated; and
- Whether the targets, indicators and milestones set are realistic.

Designing project selection criteria

The objective of designing Local Development Strategy-specific selection criteria is to optimise the decision-making process that helps LAGs select and award appropriate funding to those projects which can contribute most to the achievement of their strategic priorities in an impartial, consistent and transparent manner. It therefore follows that the process and criteria should be developed in conjunction and coordinated with the Local Development Strategy and associated implementation plan and that the criteria should be agreed by the LAG prior to their submission and implementation.

The effective use of an expression of interest or pre-selection process significantly streamlines the decision-making process and clear criteria at this stage are essential. Normally these would represent a simplified subset of the selection criteria as a basis for screening submissions, providing feedback and informing project development and support.

Local Development Strategy-specific selection criteria would normally include the following as a minimum:

- The extent to which the project contributes to the achievement of the objectives of the strategy;
- The extent to which the project complements activities covered by other relevant initiatives;
- The extent to which the project responds to, and is consistent with, identified need;
- The extent to which the project is supported by evidence of actual or prospective demand (including an assessment of any possible displacement of existing activities);
- The degree of local appropriateness of the proposed project intervention and its delivery method;
- The additionality of the project outcomes i.e. the extent to which the achievement of these is dependent on LEADER support;
- The inclusion of realistic and measurable milestones and targets with associated performance indicators;
- Value for money, i.e. the balance of proposed costs and LEADER support vs the outcomes sought (e.g. by comparison with other initiatives or project benchmarks);
- The realism of the proposed approach in terms of its physical and financial deliverability, viability and the applicants' capability to deliver; and
- The sustainability of the proposal, what is the completion, continuation or exit strategy?

One successful approach to the design of the selection process and criteria is to delegate this activity to a sub-group of the LAG.

Proportionality

In designing Local Development Strategy selection criteria, it is important that LAGs take adequate account of the different types and scale of projects and project applicants and the levels of financial support sought. This is of considerable importance for small scale actions or beneficiaries where, if a requirement is set too high, this may outweigh the potential benefit and act as a deterrent. Of course, this must be balanced with the rigour and accountability required.

Criteria should enable LAGs to apply the principle of proportionality in their decision-making, the way in which criteria are designed and implemented can enable LAGs to fine tune the implementation of their Local Development Strategy in line with priorities. For example, in the case of smaller projects

LAGs may wish to consider setting a lower threshold or a modified or differentiated set of criteria. The weightings placed on different selection criteria can also be varied between different sizes or types of application, e.g. with regard to the amount of evidence required for small applications. Proportionality can also be addressed in the way in which criteria are applied, e.g. in the degree of precision or flexibility which is designed into the criteria and their application.

Measurability

In designing selection criteria LAGs need to consider how these will be applied in practice, i.e. how judgements will be made in decision-making. Common approaches involve scoring of projects against checklists or within matrices; this therefore involves LAGs placing values against criteria. In order to provide a robust basis for justifying decisions, the way in which applications are assessed against criteria needs careful design.

In designing criteria LAGs should therefore consider their:

- Applicability; i.e. their relevance and practical application against projects;
- Consistency; the criteria should enable the assessment of projects against the Local Development Strategy priorities and the outcomes sought;
- Repeatability; the ability to be applied and judged in the same way against multiple applications;
- Links to indicators; as a basis against which to measure potential Local Development Strategy achievements; and
- Decision-making; the practicalities of how these will be used in practice.

Project selection

Many of the key points re' project selection, the objectives, principles, bodies and individuals involved are set out in the previous sections of this document. This section addresses some additional specific points re' project selection and reinforces some of the earlier points.

Communicating the criteria

Providing information, however good and however much, may not be enough in itself to generate strong strategic projects. This part of the LEADER process needs strong, strategic and proactive management if quality projects are to emerge.

The design of materials should guide applicants towards an understanding of the Local Development Strategy objectives, the process and the criteria which will be applied. In animating and supporting project development, where possible staff should seek to ensure that these procedures and criteria are clearly understood.

Ensuring the transparency of the application procedure is of the utmost importance in maintaining the motivation and trust of local actors. The Local Development Strategy management arrangements should therefore clearly set out both the selection criteria and the process through which these will be applied. These should then be very clearly set out in the application materials and any associated publicity.

Whilst the procedures themselves are important these must also be seen to be applied in practice; it is essential that the LAG does what it says it will do and clearly communicates this to applicants. Effective feedback is important for project promoters so that they may improve or amend their proposals or understand why another programme or approach may be more appropriate than LEADER. The application of a two-stage application process is an important approach to consider here.

In selection: when should selection criteria be used, in what way and who by?

The selection criteria are applicable at all stages in the process, they are a fundamental element of the project animation, pre-selection, development and selection process, they also form part of the Local Development Strategy design process. They are a vital link between project actions and the Local Development Strategy, the needs it addresses and the outcomes sought. They provide a key management tool for the LAG to steer the delivery and achievement of its strategy. They should therefore be used not just by the LAG in making decisions, but also by applicants and LAG staff throughout the whole process.

Ultimately the criteria do provide the basis for decision-making on which projects to support and, in many cases, the amount of that support. LAGs use a range of different decision-making processes and criteria will therefore be applied in different ways. Some will formally score and/or collate these scores or votes in a matrix or template; others may discuss projects against the criteria and reach a consensual view. In some cases, the analysis against the criteria may result in recommendations or conditions being applied to projects prior to the award of support.

Whatever the decision-making process employed it has to be recorded to provide auditable evidence justifying the decision. This should show that the project selection criteria have been used in a way which is robust, repeatable and consistent and that the specified procedures, e.g. re conflicts of interest or the LAG decision-making quorum have been followed.

By designing the selection criteria into the whole Local Development Strategy implementation process and linking this to the objectives and indicators the LAG’s ability to monitor the progress of individual projects and their contribution to the Local Development Strategy is strengthened. This provides a basis for the on-going review of the progress of the Local Development Strategy and, if required may provide the justification for the modification of the criteria to address evolving needs or delivery in a transparent manner.

Ranking the applications

A LAG's project evaluation process should involve some kind of structured ranking system addressing both qualitative and quantitative aspects. This can be used to judge applications against thresholds or as a means of ranking and comparison. A widely used model is to give scores for each project selection criteria, i.e. ranking the extent to which the project implements or achieves each criterion. Scoring can be a staff exercise subsequently discussed and confirmed by the Board or Project evaluation Sub-committee or this can be (and is often) done directly by their members. This type of approach may be more necessary in the later stages of the programme period when resources become scarcer and thresholds for approvals necessarily rise.

Thematic calls for applications

Many LAGs have a continuous call for project applications and also a continuous (perhaps a monthly) project evaluation and decision-making rhythm. This makes it difficult to compare the quality of applications between different evaluation meetings. The problem can be alleviated by organising thematic calls for applications especially on such themes where the resources are scarce and only a few projects are possible during the whole programming period or later in the implementation period e.g. following a review of the Local Development Strategy.

Assessing feasibility and risk

Many project applications look great on a paper but the writers of the applications or the applicant organisations are simply incapable of implementing them. It is a duty of the LAG staff to explore and understand the background of the applicants, carry out a simple feasibility or risk analysis and report this to the LAG Board to inform decision making. The following things are worth checking and can also be required as attachments to a project application:

- Most up-to-date profit and loss account, balance sheet and annual report of the applicant;
- Proof of cash liquidity and ability to manage project cash flow;
- Evidence of staff (including specific skills) and other resources which will support project implementation;
- References and commitments from project partners;
- VAT status;
- Registration document, statutes and the persons entitled to sign for the applicant organisation;
- Minutes of the meeting where the organisation has decided to apply for LEADER funding;
- Track record of performance in the previous publicly supported development projects (if any);
- Authorisation for construction or environmental work from the relevant authorities when needed; and
- Rental agreement or proof of property ownership in construction and environmental projects when needed.

Need for flexibility

Support for innovation requires risk-tolerant decision-making. Sometimes the best ideas come completely unexpectedly: no one could have imagined them beforehand. The LEADER strategies and their associated processes must be flexible enough to include even the most innovative project ideas – of course after checking that they legally fit into the National Rural Development Programme's framework.

Example from Finland: a project evaluation form used by the Joutsenten Reitti LAG

Ensuring smooth project implementation

It is vital to support the transition between project idea, selection and project action, successful LAGs understand this and nurture these projects, improving their alignment or fit with the Local Development Strategy together with their realism and deliverability. All good projects need time to develop and LAGs need to build this into their animation, application and decision-making processes, if these high value projects are to succeed.

Walking with the projects

After a LEADER project has been approved by the LAG Board it should not be left alone with its implementation process. Walking with the projects and their implementers and providing support from the first project idea until the last payment application is the LAG's core task.

Info package on project management

Many LAGs send an info package on the day-to-day project management duties to the project implementers right after the project approval. The info package can be in a file format also helping the project documentation, with titled tabs indicating the information and documents necessary to collect and keep for possible audit visits of the authorities.

Be available!

A responsible LAG staff attends the project level meetings as often as possible. The most important is the start-up meeting, where for example the project's financial procedures are agreed on. By attending these meetings and explaining the LEADER funding conditions the LAG staff can best prevent the applicant taking wrong steps in the project management. It is also helpful if the LAG staff are easily available between the meetings by phone or e-mail to respond to any urgent questions from the project implementers.

Measuring and documenting project results

There are a number of guidelines and reports that have been prepared on the topic of Monitoring and Evaluating LEADER. We have referenced several of them below, which you may find helpful.

- Showing the Added Value of LEADER/CLLD Through Evaluation, the full report of the Good Practice Workshop hosted by European Evaluation Helpdesk for Rural Development, here.
- Evaluating CLLD: a handbook for LAGs and FLAGs co-authored by FAME (Fisheries and Aquaculture Monitoring and Evaluation) and FARNET Support Unit, here.
- Guidelines: Evaluation of LEADER/CLLD produced by European Evaluation Helpdesk for Rural Development, here.

- LEADER/CLLD Evaluation at a Glance, written by the European Evaluation Helpdesk for Rural Development, here.
- Danish Case Study – LAG Operations Database for the Monitoring and Evaluation of LEADER/CLLD, here.
- In the European Evaluation Helpdesk for Rural Development's Rural Evaluation News there are several articles including:
    - Issue 4 LEADER/CLLD evaluation, here.
    - Issue 9 A Network approach to measure the social capital in LEADER/CLLD, here.
    - Issue 10 Good Practice Workshop: Showing the Added Value of LEADER/CLLD through Evaluation, here.