Rural Development Programme for Malta, 2014-2020

Guidelines to Local Action Groups

How to design and develop the Local Development Strategy

Managing Authority for the European Agricultural Fund for Rural Development

Funds and Programmes Division,
Ministry for European Affairs and Implementation of Electoral Manifesto

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Rural Development Programme for Malta 2007 – 2013

The European Agricultural Fund for Rural Development

Europe Investing in Rural Areas
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<th>Description</th>
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<tr>
<td>CAP</td>
<td>Common Agricultural Policy</td>
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<tr>
<td>CLLD</td>
<td>Community-Led Local Development</td>
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<td>CMES</td>
<td>Common Monitoring &amp; Evaluation System</td>
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<td>CPR</td>
<td>Common Provision Regulations</td>
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<td>EAFRD</td>
<td>European Agricultural Fund for Rural Development</td>
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<td>ESIF</td>
<td>European Structural and Investment Funds</td>
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<tr>
<td>FTE</td>
<td>Full Time Equivalent</td>
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<tr>
<td>GVA</td>
<td>Gross Value Added</td>
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<tr>
<td>LAG</td>
<td>Local Action Group</td>
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<td>LEADER</td>
<td>Liaison Entre Actions de Development de l’Economie Rurale – Links between the rural economy and development actions</td>
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<tr>
<td>NGO</td>
<td>Non Governmental Organisation</td>
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<tr>
<td>PA</td>
<td>Partnership Agreement</td>
</tr>
<tr>
<td>RD</td>
<td>Rural Development</td>
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<td>RDP</td>
<td>Rural Development Programme</td>
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<tr>
<td>SMART</td>
<td>Specific, Measurable, Attainable, Relevant &amp; Time Bound</td>
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<tr>
<td>SWOT</td>
<td>Strength Weakness Opportunity Threat</td>
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<td>VO</td>
<td>Voluntary Organisation</td>
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Introduction

The AIM of this Guidebook

The scope of these guidelines is to give the Local Action Groups (LAGs) a reference manual on how to design and develop a Local Development Strategy. It lays down the common rules for the LEADER approach supported by the new Common Provisions (CPR)\(^1\) and Rural Development (RD) Regulations\(^2\).

This guide aims to assist LAGs in the process of animating the rural communities, identifying territorial needs and priorities and developing a local development strategy that is consistent with the regulatory requirements and coherent with the EU 2020, CPR and RD strategic objectives.

This guide builds on various literature and reports such as the European Court of Auditors report on LEADER, the LEADER sub-Committee working group outcomes and various EC guidelines on Community-led local development (CLLD)\(^3\).

Various key elements have been highlighted in the course of this guidebook all of which relate to the need to have a strong strategy backed by a clear intervention logic. The allocation between each LAG will be apportioned between the 3 LAGs based on the same principles adopted for the 2007-2013 RDP which comprised of total surface area of LAG territory, population and agricultural land within the territory. Attention will also be given to the capacity of the LAG in order to ensure sound financial management and good governance.

Thus this guidebook is intended to help identify the areas where the use of EU support for rural development creates the most value added by building links and ensuring consistency and complementarity with the main EU and National priorities.

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\(^3\) Common Guidance of the European Commission’s Directorates General - AGRI, EMPL, MARE AND REGIO on Community –Led Local Development in European Structural and Investment Funds

1. LEADER

LEADER was launched in 1991 with the aim of improving the development potential of rural areas by drawing on local initiative and skills, promoting the acquisition of know-how on local integrated development and disseminating this know-how to other rural areas.

LEADER was introduced as a ‘Community initiative’ financed under the EU Structural Funds. There have been four generations of Leader: Leader I (1991–93), Leader II (1994–99) and Leader+ (2000–06) and LEADER (2007–2013). From 2007 onwards, the LEADER approach has been integrated within overall EU Rural Development policy and as for the 2014-2020 this has been further mainstreamed into all the other European Structural and Investment Funds (ESI) and Community Led-Local Development (CLLD).

The 3 Maltese LAGs will be included in the National Rural Development Programme supported by the EU, alongside a range of other rural development focus area. Financing for the LEADER initiative will come from within the overall financial envelope received from the EU under the new European Agricultural Fund for Rural Development (EAFRD).

LEADER was first implemented in Malta as part of the 2007-2013 Rural Development Programme.

The aim of the 2014-2020 RDP is to continue with the existing LAGs and build on the foundations and recognition that have been created during the 2007 - 2013 programming period. All the rural territory eligible as per the definition applicable to the programme is already covered by the 3 LAGs.

LAGs will need to justify, through their strategies, support for their operations. The strategies must be complementary to the goals of the RDP, the Partnership Agreement for Malta and other relevant National Policies or Strategies.

1.1 The EU Policy and CAP

The new CAP takes into account the diversity of rural areas and landscapes, rich local identities and the increasing value society puts on a high-quality natural environment. These are acknowledged to be the major assets of the EU’s rural areas. In this regard an area-based and bottom-up approach, involving local communities and adding value to local resources, is seen as a new way of creating jobs and businesses in rural areas. LEADER is thus seen as an experimental way of bringing together at local level, various projects and ideas, stakeholders and resources.

1.2 Links with Europe 2020

Europe 2020 sets out a strategy for smart, sustainable and inclusive growth for the next programming period. This strategy defines precise objectives and corresponding targets to which the CAP and other funding mechanisms are expected to contribute. When it comes to LEADER the main objective relates to a “Balanced territorial development”.

2. The Legal Framework

Leader is based on the following regulations:

  

  

  

  
3. The Local Action Group (LAG)

3.1 Legal form

To reach wide public acceptance it is important to involve all possible interest groups right from the start. The legal registration process of a LAG is the first formality where one has to follow applicable legislation. A non-profit organisation is a typical legal form for a LAG, however there is no limitation on the form that a LAG may wish to adopt. Other examples already used by the 2,400 LAGs across the EU include Development Agencies, Limited Liability Companies and Communal Associations amongst others. Statutes should define for example, the size and composition of the Board, as well as the General Assembly procedures.

3.2 Building trust

The design process for the local development strategy normally starts immediately after the partnership is established. This gives an opportunity for the partnership stakeholders to better learn to know each other and work together for a common goal. Building trust among the partnership is one of the main cornerstones of the LEADER spirit.

3.3 The basic requirements of the LAG

The EU legislation sets certain criteria for LAGs to fulfill.

3.3.1 The area defined

The operational area of the LAG must be defined in a clear and binding manner in the LAG statute and strategy. The area of the LAG has to follow administrative borders set for Local Councils. Each area can belong to only one LAG. Only rural Areas as defined in the 2014-2020 Rural Development Programme are eligible.

3.3.2 Sufficient resources

LAGs must show that they have sufficient financial resources. For certain measures such as Cooperation, LAGs will have to contribute a minimum of 20% of the value of projects. Also, in case of recoveries applied sufficient resources need to be in place for the LAG to honour obligations.

3.3.3 Competent actor

The LAG must be a competent actor. All the actors of the area must have the opportunity to become LAG members (the statutes cannot exclude certain actors). There must be a sufficiently large and extensive representation of members in the LAG. The members could include representatives of public administration, entrepreneurs, communities, non-government organisations, voluntary organisations and local people amongst others.

5 Registered with the Commissioner for Voluntary Organisations
6 Refer to regulations listed in Legal Framework
3.3.4 Public-private principle

Decision making rules of the Board must follow the public-private partnership principle where predominance is given to the private sector. At least 51 per cent of the votes must come from the private sector. This principle must be also embedded in the LAG statutes.

3.3.5 Skills to administrate public funds

The LAG must show in its statutes and strategy how it will organize itself internally and acquire the sufficient economic and administrative skills required to administrate public funds. Elected members are obliged to attend any training provided by the Managing Authority.
4. The LEADER Approach - The Seven Specific Features of LEADER

4.1 Bottom-up approach

The bottom-up approach means that local actors are to participate in decision-making processes about the strategy and in the selection of the priorities to be pursued in their local area. The involvement of local actors includes the population at large, economic and social interest groups and representative public and private institutions. LEADER conceives the local people as the best experts on the development of their territory.

The valuation of local skills and knowledge does not only boost the self-awareness of local people and changes their perception of the area in which they live, it also fosters innovative solutions and competitive advantage of value-adding activities, ultimately of the territory itself.

What to plan and think about:

- How to involve everyone and not exclude anyone?
- How to make local and regional authorities trust in the local people and vice versa?

4.2 Area-based approach

An area-based approach takes a small, homogenous, socially cohesive territory, often characterised by common traditions, a local identity, a sense of belonging or common needs and expectations, as the target area for policy implementation. Having such an area as a reference facilitates the recognition of local strengths and weaknesses, threats and opportunities and the identification of major bottlenecks for sustainable development.

A LEADER area must have clearly defined geographic borders, which have to follow the administrative borders. The area chosen must have sufficient coherence and critical mass in terms of human, financial and economic resources to support a viable local development strategy.

The population must meet the critical mass criterion that is not less than 10,000 and not more than 150,000 inhabitants.

What to plan and think about

- How do you ensure that all localities within the LAGs' geographical borders are on board?
4.3. Local partnership

The Local Action Group (LAG) should associate public and private partners, be well-balanced and representative of the existing local interest groups and be drawn from the different socio-economic sectors in the area.

At the decision-making level the private partners, non government organisations, voluntary organisations and associations must make up at least 51% of the local partnership. Its legal form may vary. The LAG is an instrument combining broad bottom-up participation of local citizens with decentralised top-down support and funding from the national Rural Development programme.

What to plan and think about....

- How to keep the partnership as open and transparent as possible?
- How to secure skilled staff and adequate administrative resources?

4.4 Multi-sectoral integration

For the purpose of developing the Local Development Strategy (LDS), the LEADER approach requires that the area needs are explored in an integrated way, rather than focus on development needs of specific sectors. The LDS must integrate relevant development needs for all sectors to achieve the desired common goals. The actions and projects contained in local strategies should be linked and coordinated as a coherent whole. The LAG encompasses sometimes surprisingly diverse actors which can be fertile ground for partnership and innovation. In order to allow for inclusion of different points of view and resources, the LAG must be able to bring the different interests and interest groups together in a constructive manner.

The demand-oriented funding has to allow new actors to benefit and to become active contributors to local development. Young people, women, voluntary workers, unemployed and other disadvantaged groups have to get access to support and funding which they otherwise wouldn't have by depending solely on mainstream programmes.

What to plan and think about

- How to involve interest groups?
- How to prioritise between the very different types of needs?
- How to identify unifying themes across different sectors?
- How to avoid sector-based thinking?
4.5 Networking

The LAG is a network itself but it should also look around and cooperate with other development organisations on local, regional, national and international levels.

Networking is a means of transferring good practice, of disseminating innovation and building on the lessons learned from local rural development. Networking forges links between people, projects and rural areas and so can help overcome the isolation faced by some rural regions. It can help stimulate co-operation projects by putting LEADER groups in touch with each other.

The quest for linkages and synergies between different sectors, strands of activities and thematic networks of actors brings forth a new appreciation of the interrelationships and reciprocities between the parts and the whole. In other words, the local actors are encouraged to adopt a systematic view on problems, potentials and solution paths. Often, a quality assurance and branding strategy can act as a powerful lever to bring actors within one sector, but also across sectors, together.

What to plan and think about

- What is the LAG’s role in relation to other local/national development bodies?
- How to avoid sector-based thinking and overlapping work.

4.6 Innovation

The LAG must bring new elements and solutions to the development of its territory. In its strategy design and project selection decisions the LAG must be able to tolerate certain amount of risk, otherwise the most surprising and innovative ideas would always suffer.

The LAG and its staff should act as an honest broker between different types of actors, who would otherwise never have come together.

What to plan and think about

- How to mobilise innovation?
- What is the right balance between risk and innovation?

4.7 Inter-territorial and international cooperation

Co-operation goes further than networking. It involves a Local Action Group undertaking a joint project with another LEADER group, Member State, or even a third country. In the European rural development policy LEADER has the main responsibility for transnational cooperation.
Inter-territorial cooperation and networking bestows a European dimension to local development in rural areas from the very start on. It allows local actors to experience similarities and differences in utterly new dimensions, it opens up people's minds, leads to knowledge exchange, pooling and transfer; and provides new perspectives for solution oriented strategies and concepts regardless of the great diversity of rural areas and governance contexts.

What to plan and think about

- How to keep the cooperation simple but effective?
- How much to invest in cooperation and for which need?
5. The Strategy Design

How to build up a participatory local development strategy:

5.1 Introduction

It is important that before one puts pen to paper, all involved have a good understanding of the following:

- What is meant by a participatory Local Development Strategy?
- Why is it important?
- How should LAGs implement this?

5.2 What is meant by a participatory Local Development Strategy

The Rural Development as well as the Common Provisions Regulations make it clear that Community Led Local Development (CLLD) are designed to instil a bottom up process taking into consideration local needs and potential. This means that the preparation of the strategy must actively involve a representative cross-section of the local community and this process in turn must be described in the LDS itself.

5.3 The importance of local participation

Local participation is one of the cornerstones of the whole CLLD approach and the community’s involvement in the preparation of the LDS is absolutely fundamental in developing this. Contributing to the horizontal priorities of ‘improving governance and mobilising the internal potential of rural areas’, that is to say involving people in the management of their own development, are the core objectives of the LEADER approach.

The preparation of the LDS and the development of the local partnership effectively go hand in hand, each contributing to the other. As people are identified to contribute to the LDS, the partnership is likely to evolve through their subsequent involvement. Drawing directly on this vital resource of local knowledge and awareness and engaging local people, businesses and organisations directly in the work of the LAG helps to ensure the local relevance of the LDS and builds commitment to the CLLD process.

From the shared understanding of the area’s main problems and their causes together with the assets, needs and opportunities presented a common vision and objectives can be developed strengthening in turn the community’s recognition, involvement and ownership of the LDS and LAG
5.4 LAG Implementation of the LDS

Preparing an LDS will normally involve LAGs and/or other local actors in carrying out an analysis of the situation in their territory, commonly this is based on a SWOT analysis. This analysis will identify the development challenges and opportunities, from this the strategy and its objectives may be defined and the development priorities agreed. LAGs may be supported in this process e.g. through partner resources or by experts. The resultant output is an LDS which addresses a well defined local area is integrated and which takes account of the range of local stakeholder’s concerns.

In the 2014-2020 RDP Focus Area 6B is dedicated to LEADER: its main focus is promoting social inclusion, poverty reduction and economic development in rural areas. LEADER targets the local development of rural areas and contributes to enhancing social capital through the implementation of operations under local development strategies. The contribution will vary across LAGs depending on the nature and characteristics of the actions carried out and the projects supported.

LEADER supported themes do not have to be linked to only one focus area and can be viewed as horizontal topics which help to integrate those Union priorities for rural development at a programme level that can be tackled by local development strategies. The strategies proposed by the LAGs will be structured around one or several of those themes and linked to the five Malta needs identified in Malta’s Rural Development Programme. The five main themes are:

- Theme 1. Water, wastes and energy: improving sustainable use and generating renewable energy
- Theme 2. Maltese quality produce: improving quality, traceability, strategic marketing, adding value, branding and promotion
- Theme 3. Sustainable livestock: improving resource efficiency, competitiveness and productivity, and welfare
- Theme 4. Landscape and environment: managing habitats and features
- Theme 5. Wider rural economy and quality of life: developing rural tourism, rural skills and promoting social inclusion

Preparatory support for the LDS will be funded from the 2014-2020 RDP.
6. Getting Started

6.1 Start early

One of the most important recommendations from the work of the LEADER Focus Group 4\(^7\) on Improving the Quality of Local Development Strategies was to stress the importance of LAGs taking the initiative and starting the process of LDS development.

6.2 Prepare

What needs to be done first and who needs to be involved?

Planning and initiating the process of LDS development is often best done by establishing a working or steering group or team consisting of a mixture of representatives of private and public local socio-economic interests. As the LDS work progresses, this group will be involved in coordinating the necessary research, planning and steering the process of community engagement and establishing and securing the human and other resources required. The working group does not have to be large; it may start small with only two or three key partners but should progressively evolve and be broadened for example as a result of conducting a mapping and analysis of local stakeholders (this can be conducted in the initial phase and refined at a later stage in the LDS process).

6.3 The team

Those involved must be able to dedicate time to the tasks required. The LDS process will necessitate an intense sequence of meetings and discussions with communities and other stakeholders; this requires good quality animation and facilitation skills. The team therefore needs to have proven skills and experience in relevant research techniques, territorial development and facilitation.

A small team may not have the time, knowledge or skills required for the range of tasks whilst partners may not be able to commit sufficient staff resources. Additional dedicated resources such as those of a university, public agency or consultancy may be necessary to support the team in specific, technical or specialised tasks. Skilled external experts may also be engaged.

6.4 Information sources

An immediate task for the LDS working group is the preliminary analysis of relevant data and other information sources in the development of the profile of the area and the LDS itself. At this stage the group will be primarily concerned with secondary sources, judging what is relevant and valuable and making the most of existing information rather than duplicating the effort or undertaking new research. It is important that in doing so the team takes account of the other initiatives, plans or

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\(^7\) LEADER Focus Group 4– Better Local Development Strategies

http://enrd.ec.europa.eu/enrd-static/fms/pdf/F75AD8D0-A7D1-A286-70AB-6A64D0F5446C.pdf
strategies affecting the area both as potential sources of information and in terms of ensuring complementarity.

A useful approach here is to prepare a logically structured template of the information needed to identify any gaps you need to fill. This then forms a basis for specifying further information needed to complete your initial analysis. The template would commonly include sections on the territory, its geography and environment, resource efficiency, heritage, climate change, transport, infrastructure, population, social inclusion and poverty, the economy and labour market, governance and administration. This provides a basis around which the working group analysis and initial thinking about possible priorities for the LDS can take place. This is an important step in informing subsequent community consultations. This planning and structuring is particularly important where you are working with a small team where the effective use of finite and valuable resources is an absolute priority.

6.5 Approaches to consultation

In deciding how to consult locally, LAGs and their working groups should consider how best to structure this. Important considerations include: how people will be involved, on what basis, at what stage, through what type of approach and how this will be resourced. In considering this, the group needs to think through the stages of LDS development and the objectives in involving local partners and communities. This includes the main stages of preparing the LDS, information gathering, SWOT analysis, prioritisation, setting objectives and the basic intervention logic, designing delivery, securing support and agreeing the final submission.

6.6 Starting the process

A proven approach is to initiate the participative consultation process by identifying and involving a relatively small group of key local or organisational stakeholders or informants. The purpose of these consultations is twofold: firstly they enable the working group to test and develop their initial desk based research and analysis in the light of local knowledge and expertise and then to explore the main problems and opportunities facing the area; secondly they inform the working group about local opinion leaders and other prominent actors who may be prepared to support or be involved in LDS development, in LAG activities or in membership of the LAG.

6.7 Broadening involvement

Broad based community participation is a priority in strengthening the relevance, appropriateness, ownership and deliverability of the LAG, LDS and the outcomes sought.

LAGs have to motivate and enable real participation- merely informing local people that they can contribute to the development of an LDS and a bid for funding for their area is not enough. You have to plan whose involvement you seek and how you enable this. Ensure that the process is as inclusive as is feasible, avoid excluding groups e.g. the young or elderly who may face difficulties e.g. in travelling, those with time constraints, businesses, young parents etc.
Public meetings of various forms are a common approach but planning should ensure that all parts of the area and community have the opportunity to contribute. Care therefore needs to be taken to address potential barriers e.g. in managing timing and locations, to ensure people can attend. Care is also needed in the design of working methods to enable even the most reticent to be comfortable in making their contribution. There are many web based resources on participative techniques such as buzz groups\(^8\), prioritisation exercises etc. These resources as well as the methods used by facilitators to gather feedback all contribute to the involvement of the participants.

Once this wider basis of involvement is established it is important to communicate effectively, provide feedback, keep people informed and engaged throughout the processes to ensure a high level of local participation by all possible interested parties.

Thematic, sectoral or area based working groups are a further means of broadening, extending and deepening both the participative and consultative process as well as addressing specific needs or priorities. These may be established as a result of a more general meeting (e.g. in response to a specific need or the emergence of an interest group) or as a separate initiative by the group leading the LDS process.

6.8 Deepening and strengthening the analysis

An effective and well planned participative process of preparing the LDS can contribute considerably to the development of a representative, well informed and credible LAG capable of managing and delivering the LDS. The LDS working group, initial group of key local informants, consultation events and any specific working groups can all contribute to this.

6.9 Stakeholder analysis

Conducting a formal stakeholder analysis is one simple way of structuring and ensuring effective wider participation in LDS development whilst also contributing to constructing a relevant and capable LAG partnership.

This involves simply mapping and analysing the people, organisations and institutions which have or can have a significant impact on the areas development and identifies the core capabilities and contributions of actual or potential partners. Stakeholder analysis may be undertaken by sector, public, private and civic, area, theme or activity type. The analysis can be structured around people or organisations official remit, interests, capacity or resources, and possible projects they may have an interest in or wish to promote. The output of this also helps to strengthen the demonstrated relevance of the partnership to the area and evidence of the community involvement in the LDS document. There are various techniques and computer software available to assist with this (matrices, relationship diagrams, organisational capacity diagrams, mind maps, etc.)

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\(^8\) This refers to a sub-group of a bigger class that has been subdivided in order for each member to be more actively-involved in the discussion. The thoughts and sentiments of the group are then conveyed to class by a spokesperson or representative.
6.10 Working groups

As indicated small working groups of a thematic, sectoral or area basis may be established, a combination of these types may also be used contributing both specialist knowledge and wider local involvement. Whatever the approach adopted it is important that these groups connect and communicate strongly with the main LDS working group. The choice and number of themes for such groups depends on the area, the resources available and the initial territorial analysis. Groups may also form a means of involving disadvantaged or hard to reach groups or to allow the use of methods which make it easier for people to participate.

Considering the composition of these groups is important to ensure that they work effectively, the aim is to involve a broad cross-section of motivated local people who have ideas. Care should be taken to consider the relationships or dynamics within communities.

Such groups bring together different stakeholder perspectives and allow the exploration and agreement of the main needs and opportunities and their relative priority. In so doing the groups contribute to the preparation of the SWOT and further LDS development overall and in the identification of thematic or area based objectives and priorities.

6.11 SWOT analysis

A SWOT analysis of the territory is required. Conventionally strengths and weaknesses are regarded as being internal factors - things over which the LAG has some influence whilst opportunities and threats are regarded as external factors that the LAG may seek to mitigate or take advantage of. The technique is to be applied at different geographical or sectoral levels and using a variety of different methodologies. Developing a clear understanding of the analysis is important in ensuring that the LDS is focused on realistic and locally achievable objectives. Whatever the approach it is vital to ascertain that what is produced is a real analysis based in evidence rather than merely four lists of issues.

6.12 Developing priorities and objectives

On the basis of the research and analysis undertaken the working groups (and LDS working group) should consider how to build on the strengths and mitigate the threats, address the needs and opportunities highlighted and identify the possible actions (bearing in mind what is realistically achievable).

Encouraging the group to consider their ‘vision’- what the area may become or look like in future- is a particularly valuable technique. This then has to be translated into something more realistic and deliverable: real SMART objectives.

In thinking about what is achievable, it is useful to consider what the potential level of available resources is likely to be and what is best addressed through this LAG and what by other programmes. This is the next level of reality checking and also contributes importantly to ‘expectation management’ and prioritisation. Needs already addressed through other programmes cannot be included. In this sense a clear demarcation is to be included for every action proposed. In
general, objectives should be ranked reflecting the degree to which they contribute towards meeting the fundamental needs and opportunities identified earlier, their share of the proposed budget should reflect this priority. Priority should also be given to how the proposed actions contribute to the objectives and targets of the RDP.

Following this work, the working groups will bring together a basic picture of the main problems or needs, the objectives related to these needs, their relative priority and the possible and practical means of achieving them.

6.13 Completing the process

The LAG has worked its way through the various participative processes and stages of research and analysis, everyone has done their bit; how is this all now drawn together in a participative manner?

The objective here is to draw the elements together and build consensus through a process of meetings and negotiations agreeing upon the main principles, objectives and priorities of the LDS along with proposed budget allocation and the final composition and structure of the LAG partnership. LAGs are therefore seeking to draw together different perspectives, visions and aspirations into a single and agreed LDS.

This can be rather a delicate process and is not merely a case of bringing together the different parts from the different stages and groups; here the maxim of ‘the whole being greater than the sum of the parts’ should truly apply. The LAG or steering group need to provide strong leadership to encourage real and constructive compromise in identifying the links (synergies or complementarity) between actions and actors and developing shared ‘win-win’ approaches. Normally this involves starting with those actions and projects where there is agreement and then building on this. LAGs are likely to have to set aside or defer those elements which represent red lines for one or more of the local partners or stakeholders. LAG should always focus on the identified needs in the Rural Development Programme 2014-2020.

Maintaining and building on the momentum of participation energises the implementation process. It is therefore particularly important to find projects which deliver quick results and flagship projects with strong local effects or which contribute strongly to the objectives of the LDS. High priority should be given to those projects or actions which link with and reinforce each other and in doing so mobilise different local actors particularly those which deliver the core LEADER ethos of links between actions for the development of the Rural Community.

And finally

Throughout this process the LAG or steering group has to keep an eye on the technical part of the process, preparing the LDS in the final form which will be submitted to the Managing Authority.
7. What is the minimum content of the LDS?

Why is it that LEADER is referred to as ‘an approach’ rather than a method or a delivery mechanism, what is the difference, where does the strategy fit into this and why is it important?

As a Community-Led Local Development initiative, LEADER is an integrated development process designed to engage, enable, resource and empower local communities in undertaking their own local development. There are three common and interlinked elements thought fundamental to Community-Led Local Development approaches, these underpin the seven elements of the ‘LEADER approach’. These elements are the area or territory, the partnership and the integrated Local Development Strategy.

The territorial development elements:

Here we are principally concerned with the vital and integral role which the Local Development Strategy (LDS) plays at the heart of the LEADER approach. There is no single ‘one size fits all’ model, so preparing a good quality LDS is not a case of following or filling in a template. No two LAG areas or partnerships are identical. LAG strategies therefore can and should reflect local needs and capabilities and be adapted to these. Developing the LDS, demands the use of some common elements, specifically:

- a participative and actively managed LDS preparation method;
- involving an appropriately structured LAG partnership;
- active community participation, and
- keeping proper documentation of the process.
7.1 Common Minimum content of a Local Development Strategy

The common minimum content for a Local Development Strategy (LDS) under any of the ESIF is set out in the EU regulations.\(^9\)

A local development strategy is defined in the CSF rules as “a coherent set of operations to meet local objectives and needs, which contributes to meeting the Union strategy for smart, sustainable and inclusive growth and which is implemented in partnership at the appropriate level”.

The same CSF makes it clear that ‘Local Action Groups shall design and implement the local development strategies’ and sets out the essential minimum content for a LDS under any of the CSF funds.

The Rural Development Regulation, (EC) N° 1305/2013 commits LEADER Local Action Groups to developing and delivering such strategies.

This minimum content is based on recognised good practice including the priorities identified and addressed in the LEADER Sub-committee Focus Group 4.\(^10\)

The minimum specified content is:

1. Definition of the territory and of the population
2. Analysis of the Territory
3. Description and objectives of the strategy
4. Description of the process for engagement in LDS preparation and implementation
5. Transposing Needs and Objectives into Projects
6. Implementation Plan
7. Financial Plan\(^11\)
8. Set-up of the Local Action Groups
9. The Implementation Capacity

For Further details please refer to Annex II titled “Local Development Strategy Template”


\(^10\) LEADER Focus Group 4—Better Local Development Strategies http://enrd.ec.europa.eu/enrd-static/fms/pdf/F75AD8D0-A7D1-A286-70AB-6A64D0F5446C.pdf

\(^11\) Not applicable in the Maltese Islands as the EAFRD is the only fund which shall finance the strategy.
8. Prioritizing between different objectives

8.1 Difficulty of selection

Prioritizing is often the most difficult part of the strategy design process. All strategies and actions produced look important and inter-related. However it is vital to prioritize the most important objective especially in view of the scarce resources available.

8.2 Group exercise

To prioritise the LAG has to be clear about what matters most. Prioritizing is an important aspect of all decision-making and often needs to be done as a group activity if the results are to be generally agreed on. The LEADER bottom-up approach means that the local actors participate in decision-making about the strategy and in the selection of the priorities to be pursued in their local area.

8.3 From individual to commonly agreed prioritizing

The various options are worked out using brainstorming, surveys or other methods. A graphic format is selected to allow the prioritizing of options to be simple and visually displayed. There are many ways of doing this and you can use special structures to help you with this. After presenting and discussing the issues the group work participants make individual choices using stickers or cards. The analyzed results provide a basis for the decision-making or further discussions.

8.4 Methods for prioritizing

Two examples of possible methods are described here and you can find many more from the internet or from specialized practitioners (facilitators). Both methods are meant for a group of people to collectively rank competing priorities and they are suitable for a workshop or a public meeting.

8.4.1 Wheel of fortune group prioritizing method

a) Preparation
   Large sheets of paper are taped together to create a big square on the floor or a table. The bigger the group, the larger it needs to be. A large circle is drawn on the paper, divided into as many slices as there are options. Each slice is labelled.

b) Coloured sticky notes
   Participants are each given 3 cards or Post-it notes. Different colours can be given to people representing different interest groups.

c) Voting
   Participants vote for their top three priorities by placing their cards or Post-its in the relevant slice.

12 The following are just suggestions and the LAG may adopt whichever strategy they deem fit.
d) **Discussion and recording**
Votes are counted and recorded for further discussion. The process can be repeated with different groups.

**8.4.2 Stephen Covey Time Management Matrix prioritizing method**

a) **Preparation**
Draw a grid of four squares with one axis labelled “Urgency” and the other labelled “Importance” (as shown in the diagram).

<table>
<thead>
<tr>
<th></th>
<th>URGENT</th>
<th>Not urgent</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPORTANT</td>
<td>Urgent and important</td>
<td>Important but not urgent</td>
</tr>
<tr>
<td>Not important</td>
<td>Urgent but not important</td>
<td>Not urgent and not important</td>
</tr>
</tbody>
</table>

b) **List of objectives**
Collate a list of objectives or pick them from earlier documents. Different colours can be given to objectives representing different themes.

c) **Placing with discussion**
Place each task in the grid to indicate its importance and its urgency.

d) **Recording**
Record solution for further discussion, work or document.
9. Important elements in the Strategy Design

9.1 Innovation

Innovation 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. Creativity only emerges when the innovator takes the idea and does something with it. Successful exploitation of new ideas can lead to any form of increased organizational or social benefit.

Innovation can take different forms and actions. Some examples include:

- the emergence of new products and services which incorporate the distinctiveness of the local area,
- new methods permitting the combination of the area's human, natural and/or financial resources, resulting in better use of indigenous potential,
- the combination of and links between economic sectors which are traditionally separate,
- original forms of organisation and involvement of the local population in the decision-making process and in implementing the project.

9.2 Setting the indicators

Indicators are measurements that provide information about past and current trends and assist project and programme managers in making decisions that affect future outcomes. Indicators measure the success of an action with respect to its target. The usefulness of indicators for monitoring and evaluation is broadly acknowledged. Indicators related to expected output, outcomes and impacts should be used.

Generally indicators have numerical values. However, in cases where indicators cannot be measured with quantitative (statistical) data, qualitative assessments or logical assumptions may be used.

LAGs need to tailor their interventions in line with the five themes which Malta has chosen for its RDP. The aim is for the Local Development Strategy to complement the Rural Development Programme strategy.

The individual operations shall be eligible if they contribute to achieving the objectives of the local development strategy and correspond to the objectives and priorities indicated for support under LEADER in the PA and RDP.

The interventions supported by the LAG will not be the same as the general measures which are programmed under the RDP. In view of this, when designing the Actions, LAGs also need to design specific indicators which can be used to assess the success of the Action. The target for the indicator
shall be proportionate to the budget allocated towards the Action. Indicators may include the following, depending on the type of action:

- Total volume of investment
- Number of projects supported
- Number of farm holding benefitting
- Number of business benefitting
- Number of jobs created
- Number of new tourism actions supported
- Number of existing tourism activities supported
- Number of villages benefitting
- Gross number of jobs created
- Economic growth (GVA)
- Employment creation (in FTE)

Given that under the Partnership Agreement, Leader should contribute to Thematic Objective 9, Promoting social inclusion and combating poverty and any discrimination, Leader actions should also target these objectives and indicators should be created in order to measure how this is being achieved. Therefore experts engaged by the LAGs to assist the design of the LDS, should also provide a list of appropriate, useful indicators for each intervention.

9.3 Identifying the relevant indicators

Indicators selected need to appropriately measure the success rate of an intervention, in relation to its contribution towards the strategy of the LDS and the strategy of the RDP. Development of a successful monitoring and evaluation system requires that several people are involved in identifying the indicators: those who will collect the data (LAGs), those who will use the data (MA), and those who have the technical expertise to understand the strengths and limitations of specific measures (evaluators). These questions may help you design the indicators for your LEADER strategy:

a) **Does this indicator enable one to know about the expected result or condition?**
   Indicators should, to the extent possible, provide the most direct evidence of the condition or result they are measuring. Proxy measures may sometimes be necessary due to data collection or time constraints. When using proxy measures, planners must acknowledge that they will not always provide the best evidence of conditions or results.

b) **Will data be available for an indicator?**
   Data on indicators must be collected frequently enough to be useful to decision-makers. Data on outcomes are often only available on an annual basis; those measuring outputs, processes, and inputs are typically available more frequently.
c) **Are data currently being collected? If not, can cost effective instruments for data collection be developed?**

Data, especially data relating to input and output indicators and some standard outcome indicators, will often already be collected. Where data are not currently collected, the cost of additional collection efforts must be weighed against the potential utility of the additional data. This highlights the importance of planning ahead: most of the data required can be collected at application stage while some information will then be required when the project is completed and can be collected through an end of project report which is to be compiled by the beneficiary.

d) **Is this indicator important to most people? Will this indicator provide sufficient information about a condition or result to convince both supporters and skeptics?**

Indicators which are publicly reported must have high credibility. They must provide information that will be both easily understood and accepted by important stakeholders. However, indicators that are highly technical or which require a lot of explanation (such as indices) may be necessary for those more intimately involved in programmes.

e) **Is the indicator quantitative?**

Numeric indicators often provide the most useful and understandable information to decision-makers. In some cases, however, qualitative information may be necessary to understand the measured phenomenon.

### 9.4 Need for common indicators

The LEADER strategy indicators may differ from LAG to LAG, reflecting the different needs of the highly diverse rural areas of the EU. Yet there is a need to agree on and establish some common indicators for all in order to get the EU and national level information on the results. The common indicators are defined by the EU’s Common Monitoring and Evaluation System (CMES). An example of one such common indicator can be found below.

**O.23 Unique identification number of LAG involved in cooperation project**

<table>
<thead>
<tr>
<th>Title and definition</th>
<th>Measures concerned</th>
<th>Source of data, timing of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique nbr. of LAG involved in cooperation project</td>
<td>19 (art. 35 1 c CPR)</td>
<td>Administrative data compiling feedback from LAG reported when completed</td>
</tr>
<tr>
<td>Unique number of LAG involved in cooperation project supported broken down by inter-territorial cooperation and transnational cooperation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
10. The Strategy Implementation

10.1 How to get value-adding project applications

10.1.1 Mobilising the community

LEADER animation is about mobilizing, empowering and making the local people active in implementing the LEADER strategy through the projects they run. Animation is a central part of LEADER implementation – some claim the most important one as the evaluations often show that LEADER has had the strongest impact on local capacity building and increasing the public participation.

10.1.2 Animation events and the LAG staff input

Traditionally animation refers to info events, workshops and trainings organized in different localities of the LAG territory. The participants will hear the basic information about the possibilities of the local LEADER development strategy. The LAG staff input in the process is crucial from the beginning for the most up-to-date information on what is possible and what is not. The staff members also have a coordination role and can make sure that the planned activities are not overlapping with anything else and that the possible best practices / innovative elements from elsewhere can be utilized. The LAG would also collect the name lists of all animation event participants that would later be used for reporting the animation work results for evaluation purposes.

10.1.3 Risk of dead-weight

Dead-weight is a major risk for the LEADER strategy’s value adding impact. The funds should not be targeted to such activities that would happen as such even without the LEADER funding. The LEADER added value often stems from the projects’ experimental, renewing and innovative elements that would be impossible to implement in the planned scope without the external funding.

10.2 Fostering innovation

10.2.1 The LEADER sources of innovation

The LEADER innovative character is fuelled by

- bringing new interest groups together;
- transnational cooperation allowing the exchange of the best practices and a;
- Re-active local development strategy offering risk-tolerant funding.
10.2.2 Bringing different actors together

Innovation in local development is often based on unexpected meetings of people or local actors with different backgrounds. A LAG should be 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 taking decisions for decades are the ones who are deciding upon innovation and the future of the territory.

10.2.3 Promoting transnational cooperation

Transnational cooperation is another area where innovation should be integrated. From new perspectives one can better see the new opportunities. Identification and transfer of best practices is an essential part of transnational cooperation. There are many arguments in favour of cooperation: getting good ideas from other regions, getting other people’s eyes on your development.

10.2.4 Being reactive and tolerating the risk

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. The failure of a pilot project should not be considered as a misuse of funding.

10.3 Cooperation with other regions

10.3.1 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 allowed by the European Commission in their ‘Guide for the Implementation of the measure for cooperation under the new Rural Development Programme. These are:
10.3.1.1 Inter-territorial cooperation

This refers to cooperation between different rural areas within a Member State. Cooperation within a Member State concerns two or more LAGs selected.

10.3.1.2 Transnational cooperation (TNC)

This is defined as cooperation between different rural areas from at least two Member States. 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.

10.3.2 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 the RDPs' rules.

10.3.3 Eligible costs

Joint approaches allow LAGs from one area to contribute funding to a joint project that 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, etc all leading to the adoption of common methodological and working methods, or to the elaboration of a joint or coordinated development work.

10.3.4 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. 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.).
11. Defining the principles of the project selection criteria

11.1 Effective project selection procedure as an important part of the LEADER process

It is only through effective project selection processes that LAGs are able to select and support those projects which contribute most to achieving the objectives of their Local Development Strategy. 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 LDS itself. There are four main elements which need to be considered, these are:

- The Eligibility Criteria & Ineligible items
- The principles of the selection criteria;
- The selection process; and
- The way in which projects are animated.

The principles of selection criteria include:

- Drawing up a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest, ensure that at least 50% of the votes in selection decisions are cast by partners which are not public authorities and allow selection by written procedure
- Preparing and publishing calls for proposals or an ongoing project submission procedure, including defining selection criteria

The selection process should be set out in the LDS management arrangements and be in line with MA LEADER Operating Rules. It should be designed to enable well informed, objective and carefully considered decision making through a robust and transparent procedure. In the interests of transparency, selection 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 if possible in 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 being applied, it is essential that the LAG does what it says it will do and clearly communicates that to applicants. The LAG should ensure that there is no conflict of interest in the process.

11.2 Linking delivery to the strategy

Once the LAG has its LDS approved and is moving into action, the next step in the development process is the development and selection of the projects through which the LDS will be delivered.
The LAG should follow the process as defined in the Operating Rules issued by the Managing Authority.

11.3 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 LDS.

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 and results.

There may be a high level of demand but this doesn't match the LDS or its objectives e.g. inappropriate or generic projects which lack strategic focus or links to the LDS. 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.

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. The LAG should ensure that there is no conflict of interest.
12.LEADER Monitoring and Evaluation

12.1 LDS Monitoring and Evaluation Objectives

Why is it so important that LAGs set out clear objectives for their monitoring and evaluation activities?

Monitoring and evaluation are now obligatory tasks for LAGs. The need for improvement if LAGs are to measure and understand the effects of the LAGs Local Development Strategy (LDS) has been clearly highlighted and a plan for these activities should be included in the LDS. There is also a need to increase the level of financial scrutiny in view of the fact that budgets allocated towards the LAGs are increasing.

As with any other part of the LDS there should be a clear logic linking the needs, proposed activities and resources to clear objectives to provide a clear focus and direction for what is done. This is essential in steering any evaluation activity whether it be self-evaluation or externally contracted. In other words LAGs need to understand and clearly state what it is they want to monitor and evaluate, to achieve through monitoring and evaluation in order to plan, resource and undertake these activities efficiently and effectively. This is vital if monitoring and evaluation design and performance is to improve and the benefits of LAGs work be clearly demonstrated.

What are the key considerations for LAGs in developing their monitoring and evaluation objectives?

Monitoring and evaluation is not an end in itself, it is done for a purpose and in setting evaluation objectives the targeted uses and users of monitoring and evaluation outputs should be identified and considered. There are four main purposes to consider here in formulating your objectives;

- **Capitalising on learning**; i.e. when and how the LAG and others learn from the experiences and make use of this.
- **Improving implementation**; implementing the delivery lessons.
- **Informing future programming and policy**; in establishing and feeding back on effective approaches to meeting needs.
- **Public accountability**; in demonstrating value for money on different levels in what is achieved and the added value of doing things the LEADER way.

Many aspects of LEADER monitoring and evaluation are specific to LEADER, the Local Development Strategy and the LEADER method. Clearly LAGs monitoring and evaluation objectives should reflect this specificity. There are four main considerations which arise in relation to this in setting monitoring and evaluation objectives.

- Firstly the objectives should address the monitoring and evaluation of the delivery of i) their Local Development Strategy in terms of its own specific intervention logic and ii) the specific objectives for LEADER set out in the RDP. The failure to do so adequately in the past was a key weakness identified by the European Court of Auditors.
• Secondly LAGs monitoring and evaluation objectives should be adapted to take account of the effects of the LEADER approach to the delivery of the LDS e.g. re projects target setting, data specification, collection and reporting or the involvement of beneficiaries.

• Thirdly the evaluation of the effectiveness and efficiency of the LAGs delivery mechanism should be reflected in the objectives.

• Finally the LAGs monitoring and evaluation objectives should address the implementation of the LEADER method itself

12.2 Fitting within a common evaluation framework – The CMES

LAGs involvement in monitoring and evaluation extends beyond the LDS focus and objectives must also be set for how LAG monitoring and evaluation activities will fit and contribute to the common framework of the RDP. In considering their monitoring and evaluation objectives LAGs should also therefore take account of the contribution they should make to the RDP and its monitoring and evaluation approach. The Managing Authority will provide LAGs some guidance on their Monitoring and Evaluation objectives, on what data needs to be collected, when and how.

Taken together these elements clearly imply a final and overarching consideration, the importance of establishing a systematic approach which links the LDS and its delivery with monitoring and evaluation as a single coherent system. This in turn must link to the RDP framework as part of a coordinated overall system. It is worthwhile considering developing consistent database tools to ensure that all data which will be required is collected and can be accessed by the MA at any time.

12.3 Monitoring project implementation and performance

This is a different form of monitoring activity, monitoring the implementation of the activities supported under the LDS. One of the important aspects of LEADER is the on-going ‘life cycle’ support which LAGs provide for projects: the aim is to have successful projects which deliver against the LDS.

Monitoring project implementation and performance is an important management consideration for LAGs in helping to ensure this aim is achieved, identifying any support needs or the need to adjust the LDS or the way in which projects are supported. This form of monitoring activity is therefore important for LAGs in their on-going work and in reality checking what is actually going on at project level.

Monitoring activities may involve regular visits to project sites, meetings, surveys and other activities allowing the LAG members and staff to have feedback and an overview on project implementation.
13. Verifiability and Controlability of the Measures and/or types of operations

13.1 Risk(s) in the implementation of the measures

The projects supported under LEADER will be subject to checks on reasonableness of costs and all interventions will be subject to the relevant procurement procedures. Should the beneficiary be a public entity then Public Procurement regulations will apply. In the case of private entities 3 comparable quotations need to be presented. Interventions will be subject to on the spot checks to verify expenditure incurred. Checks will be carried out by the MA, PA and LAGs. Sampling and details of controls will be detailed in the respective operating rules.

- Respect of the necessary Procurement Regulations by beneficiaries
- Demonstration of reasonability of costs (comparability and market prices)
- Adequate checks and controls by LAGs
- Conflicts of interests amongst Decision Board members

13.2 Mitigating Actions

- Provision of clear guidelines to applicants
- Information sessions and materials for better understanding of measure eligibility requirements
- Declaration of self-interest by the LAG staff and board
- Ensuring that the LDS contain measurable targets
- Actions to facilitate implementation of projects and to help avoid errors including the use of simplified cost options whenever possible.

13.3 Overall assessment of the measure

The LEADER measure is an important tool for local rural development in Malta. In particular it can engage with rural stakeholders on a local level who would otherwise not be affected by RDP activities, and through raising awareness and providing information and advice it can support new approaches, new ideas, and innovation among the rural population. However, LAG activities need to undertake significant amounts of animation to engage the population, and constant monitoring to ensure they are engaging with the full range of rural actors acting in a positive manner to involve socially excluded groups. A high level of oversight is required to ensure LAGs deliver against both LDS and RDP objectives.

13.4 Co-ordination mechanisms and complementarities

Local Development Strategies may include interventions which require support from measures under the RDP. These may include training and advice, and cooperation. Actions supported through the LDS cannot contain measures for which support is already provided through other RDP measures. All interventions proposed in the LDS have to be complementary to EU2020 and CAP objectives and contribute to the objectives of the RDP.
14. The LAG's structure

14.1 Members

The LAG membership is open to everyone living within the LAG boundaries and it is the members who are the most important resource for the LAG's operation. LAGs may set up a small membership fee in order to collect private funds and better commit the members in the LAG activities. Both private persons and local public/private organisations can become members. The number of members is a good indicator on how widely the LAG is known and recognised on its territory.

14.2 General Assembly

The LAG must be an accountable, registered body but otherwise it can freely organise itself internally, according to its statutes. The General Assembly where all LAG members are invited once or twice in a year is in charge of selecting the Board and the Chairman from amongst the LAG members. The election may follow the public-private partnership principle as well as territorial, gender and age equity. The General Assembly also has other formal duties defined by the statutes like approving the annual reports, accounts and financial statements of each year. It also has power to change the LAG’s statutes.

14.3 Decision Board

The Board uses the highest power in everyday decision-making of the LAG and is also legally and financially responsible for its operation. The size of the Board is defined in the statutes: typically it consists of 5-7 persons. The LAG Chairman leads the Board. All Board members must sign a statement of confidentiality as regards to all information obtained in their position, through the project applications for example. Due to their family or business relations the Board members may sometimes face a conflict of interest situation and cannot take part in the project selection decision-making. In such instance the LAG should follow the necessary procedure as defined in the Operating Rules issued by the MA.

14.4 Sub-committees

The Board may nominate sub-committees to prepare and evaluate material to be presented for the Board decision-making. Project evaluation, project monitoring and cooperation sub-committees are typical examples where these issues can be discussed and prepared more in depth than in the Board. Further details are found in the operating rules for LEADER.
14.5 Staff

The Board is responsible to hire the LAG administration staff and this must be done from the LAG’s administrative budget. The running & administration costs for each LDS shall not exceed 25% of the total public costs for this strategy. As the LAG budgets and administrative tasks are variable, the amount of staff should be proportional. The Manager works as an executive director of the LAG. Project advisor, transnational coordinator and office assistant are other typical roles that may be contracted by a LAG.

14.6 Accountant & auditors

These functions are normally outsourced and play a key role in successful LAG management and complete the LAG's structure. Keeping the accountant informed on all financial matters ranging from the approval of invoices to LAG's administration funding decisions pays back in all reporting. The auditors can give good administrative and financial advice throughout the year.

14.7 The Board and Staff duties

14.7.1 The Board evaluates and decides

The Board’s main duty is to evaluate, prioritize and approve the project applications that implement the LAG’s development strategy. The Board also has many other roles: it is legally and financially responsible for the LAG's operation, it monitors and if necessary updates the local development strategy and it has an employer status in regards to the staff members. The Board members are knowledgeable antennae for the LAG's animation and advisory work towards the project applicants.

The Board can also be project applicants and implementers themselves, they must however remember not to participate in any decision-making regarding their own projects. To maintain their capacity the Board members are expected to attend to training sessions organized in particular by the Managing Authority or National Rural Network.

14.7.2 The Manager prepares and presents

The LAG Manager is in charge of coordinating all the work relating to the development of the LDS. This will entail preparations for consultations, engagement of expertise and stakeholders, reporting and ensuring that the approach and content of the LDS are consistent with EC regulations and MA guidelines.

When it comes to LDS implementation the manager must deliver the project presentations to the Board. The Manager is responsible to organise the process of reviewing project applications against the Local Development Strategy (LDS) eligibility criteria using the evaluation mechanism set by the LAG. The final decision for project selection and funding within the allocated resources of the LDS is made by the decision-making body of the LAG. Detailed procedures are defined in the Operating Rules issued by the Managing Authority.
15 The Segregation of Duties

This section refers to the definition of the tasks of the Managing Authority, the Paying Agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

15.1 Managing Authority

- Provision of guidelines on LDS structure and content
- Approval of proposal by LAG to undertake preparatory action for the preparation of the LDS
- Receipt and evaluation of the LDS
- Approval of the LDS
- Allocation of budget
- Contracting LAGs
- Approval of Cooperation projects
- Approval of operational budgets
- Monitoring and Evaluation of LAGs/LEADER

15.2 Paying Agency

- Receipt of payment claims
- Processing, verifying and execution of payments
- Controls on beneficiaries

15.3 Local Action Group

- Preparatory actions for the development of an LDS
- Implementation of the LDS including drafting of guidelines, application forms, publicity, receipt of applications, evaluations and selection, contracting, project monitoring and controls.
- Implementation of cooperation projects including the undertaking of the necessary preparatory requirements
- Other roles as defined in the operating rules issued by the Managing Authority
- Monitoring & Evaluation
ANNEX I - Links

Reference to important documentation

Special Report: Implementation of the Leader approach for rural development by the European Court of Auditors
http://www.eca.europa.eu/Lists/ECADocuments/INSR10_05/INSR10_05_EN.PDF


Common Guidance of the European Commission’s Directorates General - AGRI, EMPL, MARE AND REGIO on Community –Led Local Development in European Structural and Investment Funds

LEADER Focus Group – Better Local Development Strategies

http://enrd.ec.europa.eu/enrd-static/fms/pdf/F75AD8D0-A7D1-A286-70AB-6A64D0F5446C.pdf


### Measure fiche

**LEADER Local Development**

**Measure 19**

Articles 32-35 of Regulation (EU) 1305/2013 of the European Parliament and of the Council (CPR)

Articles 42-44 of Regulation (EU) 1305/2013 of the European Parliament and of the Council (EAFRD)

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This fiche is based on the text of Regulation (EU) No 1305/2013 [EAFRD] and, when relevant, on Regulation (EU) No 1303/2013 [CPR]. Since the Delegated and Implementing Acts supplementing these regulations have not yet been adopted, some modifications to this guidance fiche might be needed after their adoption.

This guidance does not represent a binding legal interpretation of Regulation (EU) No 1305/2013. It is therefore essentially non-binding in nature and complements the related legal acts.

#### 1. Rationale of the measure

LEADER as an integrated territorial development tool on sub-regional ("local") level will directly contribute to the balanced territorial development of rural areas, which is one of the overall objectives of the rural development policy. It can potentially serve any of the six Union priorities for rural development.

The implementation of LEADER local development strategies (LDS) can reinforce territorial coherence and contribute to the long term sustainable development of an area. It can also be an appropriate tool to address rural-urban relationships.

#### 2. What is new in comparison to the period 2007-2013

**Legal framework**

Till 2013 LEADER has been a stand-alone tool for local development supported under EAFRD. The relating support was provided for in the legal framework for rural development policy and followed its rules.
The new legal framework under CPR, relating also to EAFRD, sets out so called "community led-local development (CLLD)" which is based on the LEADER approach. CLLD can be supported by EMFF, ERDF, ESF and EAFRD, whereas it is obligatory for the latter fund only. Common Provisions Regulation provides for common rules for CLLD, which are complemented by fund specific rules. This is the case of EAFRD and EMFF.

**Programming**

During 2007-2013 programming period LEADER was designed as a separate methodological axis which, apart from serving its overall purposes of improving local governance and mobilising endogenous potential of rural areas, contributed to the priorities of axis 1, 2 or 3.

It was also split into several measures, i.e.: "implementation of LDS", "co-operation", "running costs, acquisition of skills and animation".

In the Rural Development Programmes (RDP) 2014-2020 LEADER will constitute a separate measure consisting of sub-measures which correspond to the obligatory CLLD elements to be proposed in a RDP, i.e. preparatory support; implementation of operations under the CLLD strategy; preparation and implementation of co-operation activities of the LAG; running costs; and animation. However, the financial management as regards LEADER in the RDP will be done on the level of the measure only.

Although LEADER will be entirely programmed under focus area 6 b, it will be able to contribute to other Union priorities and focus areas indicated in the RDP (see section 3.2 on Programming of LEADER in RDP and 4 on Contribution to focus areas).

**Content**

Based on the lessons learnt from Leader + ex-post evaluations, the report of Court of Auditors and the implementation experience of LEADER axis in 2007-2013, several improvements have been brought into the new legal framework (both CPR and EAFRD), including:

- provisions on minimum elements to be included in local development strategies in order to ensure their sufficient quality
- provisions obliging the MS to guarantee the presence of all LEADER specificities in RD programmes (e.g. minimum tasks of local action groups)
- greater focus on animation and capacity building (e.g. through an explicit provision for preparatory support and LEADER start-up kit; an explicit allocation of funds for animation; and an increase in the budget for running costs and animation to 25% of the total public expenditure incurred within the LDS)
- strengthening the participation of private sector in the partnership (through a specific rule requiring a minimum share of participation of the non-public sector partners in project selection decisions)
- Streamlining transnational cooperation (e.g. through common rules concerning publishing selection procedures and deadlines for project selection).
3. Programming steps

3.1 Partnership Agreement

First strategic choices for CLLD, including LEADER as regards rural development, will be set out by the MS/regions in the Partnership Agreement (PA). These will be based on an analysis of the development needs, followed by a definition of the relating main challenges to be tackled through CLLD, the identification of the funds that shall be used for CLLD and an approximate planned budget allocation for each fund. The PA will consequently indicate the main objectives and priorities for CLLD in the MS, including the general objectives the MS intends to achieve through CLLD but also, where appropriate, thematic focus and target groups. MS will also specify towards which thematic objectives (TO) CLLD could contribute.

It is to be noted that, although CLLD will be programmed in the relevant funds under one priority and relating thematic objective only, it will be able to contribute to any other TO set out by the MS. This contribution will be tracked in terms of monitoring in a qualitative way without any financial quantification. In the context of RDPs the most obvious link for LEADER is the TO 9 (Promoting social inclusion and combating poverty) translated into the Union priority for rural development 6 (Promoting social inclusion, poverty reduction and economic development in rural areas) and focus area 6(b) fostering local development in rural areas (see section 4 below).

The PA will also define the types of territories where each of the funds could intervene and possible specialisation of the individual funds in the context of CLLD. MS shall also state whether it will support local development strategies financed from multiple funds and, if not, how the integrated approach for territorial development required by the CPR will be achieved at local level.

Any mechanisms common for several funds will be indicated as well. This may include choices such as arrangements for preparatory support, the tasks attributed to Local Action Groups (LAGs) in addition to the minimum provided under the art. 34(3) CPR, the designation of a lead Fund where appropriate, the common selection criteria of local development strategies, the appeal procedure as well as the coordination aspects between the funds. Any proposal for derogation from population limits of CLLD areas will also have to be included in the PA, whereas the detailed arrangements concerning the determination of the area and population covered by the strategies should be set out in the relevant programmes.

3.2 Rural development programme

The setting for LEADER to be established in the rural development programme has to be consistent with and complementary to the strategic choices made for CLLD presented in the PA.

On the basis of the TO and Union priorities pointed out in the PA for CLLD under EAFRD, the RDP will specify the relating focus areas to which LEADER could potentially contribute in addition to the area 6b under which LEADER will automatically be programmed. The LDS selected will have to contribute to the focus areas identified for the implementation of LEADER (see section 4 below).

As LEADER is a method used for rural development on the local level, its scope covers in principle all the instruments supported by the EAFRD. However, in order to avoid administrative burden and allow for a transparent monitoring of the RDP, LEADER should be programmed as a separate

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13 See also the Partnership Agreement template and the Common Guidance of the European Commission on Community-led local development.
measures and split into sub-measures corresponding to its obligatory elements (see section 5 below).

Keeping in mind the small scale and integrated character of LEADER projects as well as the bottom-up decision-making inherent to LEADER, but also drawing lessons from implementation difficulties of LEADER axis, it is recommended not to strictly bind the activities under LEADER to the standard measures as defined in the programme. The individual operations shall be eligible if they contribute to achieving the objectives of the local development strategy and correspond to the objectives and priorities indicated for support under LEADER in the PA and RDP. Consequently, the LDS should be the main criterion to assess the eligibility of LEADER projects and, in addition, the operations could also fit into the types of operations as defined under the "standard" measures in RDP.

In principle, the projects could include all types of actions which are in the scope of support of any of the ESI Funds, as long as they address the objectives and priorities of the EAFRD and if they are not excluded by the general eligibility rules of the RDR. In any case the projects must be in compliance with the relevant LDS.

Apart from the information mentioned above, the MS/region has to define in the RDP the following elements:

- Justification for selection of areas whose population falls outside the limits set out in Art. 33(6) CPR (10.000 -150.000 inhabitants), if not provided in the Partnership Agreement
- The procedure and timetable to select the local development strategies (to the extent it is not described in the PA for CLLD as a whole; see Common CLLD Guidance document)
- EAFRD-specific principles for the selection of LDS
- Planned indicative number of Local Action Groups and planned percentage of rural territories covered by Local Development Strategies
- Co-ordination with the other CSF-Funds as regards CLLD (to the extent it is not described in the PA for CLLD as a whole; see Common CLLD Guidance document), e.g. any global solution applied with regard to the use of the lead fund option, complementarities between the CSF-Funds in financing the preparatory support
- Possibilities of paying advances
- Description of the division of tasks between Managing Authority/Paying Agency/Local Action Groups as regards the implementation of LEADER, including a description of the financial circuits, to the extent it is not covered by the PA
- Description of other relevant elements (see tables in section 5)
- Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid (art. 21); investments

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14 The split into sub-measures is proposed for the reason of clarity. CLLD is composed of five types of support provided under art. 35 CPR. Each of them supports different, often several, types of operations, to which different selection procedures and eligibility conditions apply. The additional category in form of sub-measures helps to better visualise the support available and conditions attached.
under art. 20; and co-operation approaches under art. 35, in particular implementation of local development strategies by public-private partnerships

- Description of coordination and complementarities ensured with other operations supported under other national schemes for all the operations funded through LEADER

4. Contribution to focus areas and cross-cutting objectives

As LEADER aims at the local development of rural areas, it contributes directly to the focus area 6 (b). Additionally, through the "implementation of operations under local development strategy" it should also contribute to other focus areas.

As explained in the previous section 3.2 MS are invited to offer to LAGs a large scope of action and avoid listing eligible types of operation. This can be done by defining a menu of indicative themes (e.g. territorial innovation and competitiveness poles, local climate plans, agenda 21, establishment of short supply chains, local action plans for basic services, management plans for Natura 2000 sites) which are in line with given focus areas for LEADER from which the LAGs can then choose when formulating their strategies. These "LEADER themes" would not necessarily have to be linked to only one focus area and should rather be seen as horizontal topics which help to better integrate the Union priorities for rural development which are chosen on programme level to be tackled by local development strategies. On the other hand, several themes could correspond to a single focus area (for example focus area 6 (b)). The strategies proposed by LAGs could then be structured around one or several of those themes.

The following examples give an idea of ways in which typical LEADER operations, programmed under focus area 6(b), can contribute to other specific focus areas. It should however be borne in mind that the projects carried out under local development strategies are often integrated and multi-sectoral, thus can produce multiple effects in various areas. To simplify, the operations are indicated only under the focus area where the contribution is the biggest.

<table>
<thead>
<tr>
<th>6. Promoting social inclusion, poverty reduction and economic development in rural areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) facilitating diversification, creation and development of new small enterprises, as well as job creation</td>
</tr>
<tr>
<td>(c) enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas</td>
</tr>
</tbody>
</table>
1. Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas

(a) fostering innovation, cooperation, and the development of the knowledge base in rural areas

<table>
<thead>
<tr>
<th>Products.</th>
</tr>
</thead>
<tbody>
<tr>
<td>e.g. through support to novel use of information technology in rural tourism; fostering joint processes or product development among local businesses and research centers</td>
</tr>
</tbody>
</table>

2. Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

(a) improving the economic performance of all farms and facilitating farm restructuring and modernization, notably with a view to increasing market participation and orientation as well as agricultural diversification

<table>
<thead>
<tr>
<th>Products.</th>
</tr>
</thead>
<tbody>
<tr>
<td>e.g. through assistance to farmers and processors with growing their businesses through innovative projects that improve overall competitiveness; through valorization of agricultural raw materials by converting them into quality food products</td>
</tr>
</tbody>
</table>

3. Promoting food chain organization, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

(a) improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organizations and inter-branch organizations

<table>
<thead>
<tr>
<th>Products.</th>
</tr>
</thead>
<tbody>
<tr>
<td>e.g. through support to: short-supply chains; common marketing strategies of local products</td>
</tr>
</tbody>
</table>

4. Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry

(a) restoring, preserving and enhancing biodiversity, including Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes

<table>
<thead>
<tr>
<th>Products.</th>
</tr>
</thead>
<tbody>
<tr>
<td>e.g. through support to: environmentally sustainable approaches to tourism; restoration of traditional biotopes</td>
</tr>
</tbody>
</table>
5. Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sector

| (c) facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non-food raw material, for the purposes of the bio-economy | e.g. through support to renewable/low energy local initiatives |

5. Scope, type and level of support

The support to LEADER shall cover the following elements, as set out in Article 35 CPR.

- Preparatory support consisting of capacity building, training and networking with a view to preparing and implementing a local development strategy; the preparatory support may also include a Leader start-up kit, supported by the EAFRD only

- Implementation of operations under the CLLD strategy

- Preparation and implementation of cooperation activities of the LAG

- Running costs linked to the management of the implementation of the strategy consisting of operating costs, personnel costs, training costs, costs linked to public relations, financial costs as well as the costs linked to monitoring and evaluation of the strategy as referred to in point (g) of Art. 34(3)

- Animation of the CLLD strategy in order to facilitate exchange between stakeholders to provide information and to promote the strategy and to support potential beneficiaries with a view to developing operations and preparing applications

They should be programmed as sub-measures with the exception of the running costs and animation which could be covered in one sub-measure or separately in two sub-measures (see also section 3.2).

The co-financing rate of the measure is subject to the ceilings set in Art. 59 (4) RDR (90% maximum EAFRD contribution for the programmes of less developed regions, the outermost regions, and the smaller Aegean islands, and of transition regions); 80% maximum EAFRD contribution for the rest of regions).

5.1 Sub-measure "Preparatory support"

<table>
<thead>
<tr>
<th>Type of operation</th>
<th>Preparatory support</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) LEADER start-up kit (voluntary)</td>
<td></td>
</tr>
<tr>
<td>(ii) Capacity building, training and networking with a view to preparing and implementing a local development strategy</td>
<td></td>
</tr>
</tbody>
</table>
| **Eligible expenditure** | (i) setting up of public-private partnerships; training actions for local actors; studies of the territory concerned; actions related to public relations regarding the local development activities; administrative costs related to coordinating the implementation of pilot project schemes; development and implementation of pilot project schemes  
(ii) training actions for local stakeholders; studies of the area concerned (including feasibility studies for some of the projects to be foreseen in the LDS); costs related to the design of the LDS, including consultancy costs and costs for actions related to consultations of stakeholders for the purposes of preparing the strategy; administrative costs (operating and personnel costs) of an organization that applies for preparatory support during the preparation phase (future LAGs; existing LAGs, if any double funding is excluded); support for small pilot projects |
| **Beneficiaries** | (i) Local communities who did not implement LEADER in the 2007-2013 programming period  
(ii) To be defined by the MA |
| **Eligibility conditions** | (i) To be defined by the MA  
(ii) To be defined by the MA |
| **Principles with regard to the setting of selection criteria** | (i) To be defined by the MA  
(ii) To be defined by the MA |
| **Links to other legislation** | Particular attention should be paid to avoid risk of overcompensation or double financing of running costs in case of LAGs benefitting from support under a 2007-2013 programme and under preparatory support of the 2014-2020 period.  
General rules of EAFRD Reg.; Rules on Eligibility of expenditure provided under art. 65-71 of CPR |
| **Aid intensity** | Up to 100% |
### 5.2 Sub – measure "Implementation of operations under the CLLD strategy"

<table>
<thead>
<tr>
<th>Type of operation</th>
<th>Implementation of operations under the community-led local development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligible expenditure</strong></td>
<td>MAs are advised to clearly indicate the added value of LEADER operations in comparison to standard (&quot;top-down&quot;) ones implemented under other measures. This added value can be achieved through specific eligibility conditions as for example: small scale projects, complex integrated projects, innovative/experimental projects, area based projects, cooperation projects. It should also be clearly stated for which types of projects the LAGs can be the beneficiaries. In order to allow for a maximum of flexibility to accommodate a variety of local projects, MA could consider indicating what is not eligible (including non-eligible costs set out in art. 69(3) CPR) instead of trying to define ex-ante eligible costs, which is as a matter of fact difficult to foresee in the context of LEADER. Eligible investment costs according to the art. 45 RDR Contributions in kind (art. 61(3) RDR) Any operation in line with general rules of RD Reg., priorities for CLLD/LEADER and the LDS</td>
</tr>
<tr>
<td><strong>Beneficiaries</strong></td>
<td>local actors, LAGs</td>
</tr>
<tr>
<td><strong>Eligibility conditions</strong></td>
<td>Operations shall be in line with priorities identified for CLLD in the PA and EAFRD Reg. and contribute to the objectives of the LDS</td>
</tr>
<tr>
<td><strong>Principles with regard to the setting of selection criteria</strong></td>
<td>To be defined in the LDS by the LAG. N.B. the project selection system set out in the LDS is approved by the MA through selection of a given strategy. It is therefore not subject to further approval by/consultation with respectively MA and Monitoring Committee. LAGs’ selection of projects shall be based on documented assessment that demonstrates the soundness and fairness of the decision in terms of consistent and relevant criteria. The selection shall be based on consistent and relevant data and the process made public (e.g. through publishing minutes of project selection</td>
</tr>
</tbody>
</table>
meetings on the LAG website).

<table>
<thead>
<tr>
<th>Links to other legislation</th>
<th>General rules of EAFRD Reg.; Rules on Eligibility of expenditure provided under art. 65-71 of CPR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aid intensity</td>
<td>Up to 100% depending on the applicable state aid regime</td>
</tr>
<tr>
<td></td>
<td>A co-financing by the public or private investor is recommended</td>
</tr>
<tr>
<td></td>
<td>LEADER LAGs should have a possibility to propose an aid intensity for the individual types of operations funded under their LDS, based on the strategic role these operations can play and in the limits of the aid intensity rates provided by the legal framework. When fixing the aid intensity, LAGs should take into account such criteria as: collective interest, collective beneficiary, public access to the results of the operation, innovative features of the project at the local level, and the budget available. Consequently, operations funded under LEADER might have higher aid intensity than similar operations supported via other RD measures.</td>
</tr>
</tbody>
</table>

### 5.3 Sub-measure "Preparation and implementation of cooperation activities of the local action group"

<table>
<thead>
<tr>
<th>Type of operation</th>
<th>Preparation and implementation of cooperation activities of the local action group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible expenditure</td>
<td>(i) Costs of technical preparation for inter-territorial or transnational co-operation project</td>
</tr>
<tr>
<td></td>
<td>(ii) Costs of co-operation projects within a Member State (inter-territorial co-operation) or co-operation projects between territories in several Member States or with territories in third countries (transnational co-operation)</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>LAGs, local actors</td>
</tr>
</tbody>
</table>
### Eligibility conditions

- (i) LAGs have to envisage implementation of a concrete project
- (ii) To be established in the LDS

In case the projects are selected by a MA, the latter shall make public a list of eligible costs.

### Principles with regard to the setting of selection criteria

- (i) To be established by the MA
- (ii) To be established in the LDS.

N.B. the project selection system set out in the LDS is approved by the MA through selection of a given strategy. It is therefore not subject to further approval by /consultation with respectively MA and Monitoring Committee.

In case where co-operation projects are selected by a MA, the latter shall make public procedures for the selection of co-operation projects.

### Links to other legislation

- General rules of EAFRD Reg.; Rules on Eligibility of expenditure provided under art. 65-71 of CPR
- ETC Regulation

### Aid intensity

- Up to 100% of the costs depending on the applicable state aid regime
- A co-financing by the public or private investor is recommendable

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### 5.4 Sub – measure "Running costs and animation"

<table>
<thead>
<tr>
<th>Type of operation</th>
<th>Eligible expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Running costs</td>
<td>Running costs: Costs linked to the management of the implementation of the strategy consisting of operating costs, personnel costs, training costs, costs linked to communication, financial costs as well as the costs linked to monitoring and evaluation of the strategy as referred to in point (g) of Art. 34(3) CPR</td>
</tr>
<tr>
<td>- Animation</td>
<td>Animation: Costs of animation of the CLLD strategy in order to facilitate exchange between stakeholders, to provide information</td>
</tr>
</tbody>
</table>
and to promote the strategy and to support potential beneficiaries to develop operations and prepare applications

| **Beneficiaries** | Running costs: LAGs or the (legal) structures clearly entitled to carry out the LAG management tasks  
Animation: LAGs or the structures clearly charged with animation tasks |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligibility conditions</strong></td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>Principles with regard to the setting of selection criteria</strong></td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>Links to other legislation</strong></td>
<td>General rules of EAFRD Reg.; Rules on Eligibility of expenditure provided under art. 65-71 of CPR</td>
</tr>
</tbody>
</table>
| **Aid intensity** | Up to 100% of the costs  
Support for running costs and animation shall not exceed 25% of the total public expenditure incurred within the LDS.  
Within this limit, the MA should indicate what is the actual maximum share for financing the running costs and animation allowed under the programme. |

6. **Output indicators**

Reference should be made to the Working Paper "Elements of strategic programming for the period 2014-2020", Annex IV.
7. Verifiability and controllability

Member States should ensure that effective procedures are in place concerning the weaknesses identified in the Court of Auditors’\textsuperscript{15} report on the implementation of LEADER, and that the correct operation of these procedures is supervised. This concerns in particular the following aspects:

- Ensuring that any conflict of interest is avoided (e.g. through obligation to document and publish declarations of interest)
- Ensuring that LAGs selected have strategies and implementation plans of the highest standards
- Ensuring that LDS contain measurable targets and providing for procedures to revise LDS

A step towards facilitating implementation of projects and likely to contribute to avoiding errors is the possibility to use simplified cost options. Especially flat-rate and lump sum systems are particularly adapted to be applied in the context of small projects, running costs and animation. MS are encouraged to consider offering these options in the framework of CLLD/LEADER.

Furthermore, the principles discussed in the Guidance fiche "Verifiability and controllability of measures" should be taken into account. However, taking into account the role of LAGs in the delivery system chosen by the Member State, it is recommended to develop procedures that are appropriate in view of the character of small-scale projects which are typical for LEADER.

8. Transitional arrangements\textsuperscript{16}

MA shall provide for a clear cut-off date for undertaking legal commitments to beneficiaries under Reg. (EU) 1698/2005 either on the measure or on the LAG level. However, the preparatory support provided under art. 35(1)(a) CPR can be offered by the MA as of 1 January 2014, independent of the commitments undertaken under the programming period 2007-2013. In practice this means that the "old" LAGs can continue implementing their strategies and animating activities when already preparing the new local development strategies. Obviously, new actors as well can benefit from support in this framework as early as the new programming period begins.

Also, activities aimed at preparation of LDS can be financed through Technical Assistance under the 2007-2013 programming period. This support must however have a general nature (e.g. awareness raising actions, training) and cannot take form of individual support to partnerships (e.g. through separate grants).


9. Best practices

The principle reference document and source of good practice for programming LEADER is the Common Guidance of the European Commission on Community-Led Local Development.

For LEADER cooperation the specific reference document is the Guidance for implementation of the LEADER cooperation activities in rural development programmes 2014-2020.


Local Development Strategy Template

In addition to the Guidelines to Local Action Groups on How to design and develop the Local Development Strategy, the EAFRD Managing Authority has prepared this template which should further guide Local Action Groups in the design of their Local Development Strategy.

Introduction

Successful implementation can only be delivered if a good strategy preparation process is carried out. The following six principles should be adopted when preparing the Local Development Strategy.

1. LAGs must ensure that the strategy is clear, logical, feasible, realistic and inclusive. The bottom-up approach needs to be ensured, with input and support from various individuals, groups, communities and organisations.
2. The LDS must complement the Rural Development Programme for Malta 2014 – 2020 and the Partnership Agreement for Malta.
3. The text should be consistent and based on the strengths and opportunities which the Region has to offer. It should also offer innovative solutions and practices to address the weaknesses and threats which are identified in the area.
4. The Local Development Strategy should aim to foster competitiveness through innovation, should comply with the principle of sustainable, climate and environment friendly economy and create opportunities to improve the well-being of the population.
5. The LDS priorities must arise from a detailed analysis of the current situation and lessons learnt from the 2007 – 2013 programming period. This can be achieved through a detailed SWOT analysis. The LDS must be clear about what it aims to achieve, how it is going to achieve it, and what can be done to measure the extent to this achievement.
6. The LDS should therefore identify what will be done, why it will be done, by whom, by when and from which budgets. This could be reflected in an action plan with SMART (Specific, Measurable, Attainable, Relevant, Time-bound) targets or descriptions of what the partners (or applicants) are going to do.

Engaging the Local Actors

Local partners, organisations and communities should contribute to ensure that the Local Development Strategy can reflect their needs and aspirations.

Inclusivity: The leaders who are developing the LDS should meet with various authorities, organisations, businesses and individuals, hailing from as many different backgrounds, areas and sectors as possible.
Mutual Respect: A culture of mutual respect, openness and dialogue should be adopted. An effective strategy will emerge from listening and responding to many needs and points of view. Communication: The strategy, especially its main elements, should be accessible to people from all walks of life. Stakeholders need to be aware of the strategy, how they can benefit from it and how they can influence it. A Communications Plan must be included as part of the LDS.

Structure and Content of the LDS

This section aims to provide a template which includes the minimum requirements which every Local Development Strategy has to include. These minimum requirements emanate from the Rural Development Programme for Malta 2014 – 2020. Local Action Groups should elaborate on these points and add any further suitable information and details.

The following therefore sets out what the EAFRD Managing Authority expects to see addressed in the LDS and the structure it should follow.

1. Definition of the territory and of the population

The LDS must set out the area and population which are covered by the Local Action Group. This section must therefore include a list of rural localities, together with their populations. LAGs must follow the definition of ‘rural area’ as described in the Rural Development Programme for Malta 2014 – 2020. No locality can form part of more than one LAG.

2. Analysis of the Territory

This section shall analyse the development needs and the potential of the area, including an analysis of strengths, weaknesses, opportunities and risks.

A thorough SWOT (strengths, weaknesses, opportunities and threats) analysis of the region has to be carried out. This analysis may take the format of focus group session/s to which various stakeholders from the various sectors need to be present. At this stage it is important to attract a mix of stakeholders, some of whom have been involved in the 2007 – 2013 programme and some who have not yet participated.

From the SWOT analysis, the needs of the region can be extracted and eventually, the LDS should assess and describe how the strengths of the region can be used to overcome the threats and how the opportunities can be developed further to address the weaknesses.

The ultimate scope of a Local Development Strategy is to identify the needs of the region and design Actions to address these needs.

This section should include outcomes of discussions held with different stakeholders, their understanding of their respective sector, their ideas and their suggestions. It is highly important to extensively minute such sessions in order for them to be included in this section.
3. Description and objectives of the strategy

This section shall describe the objectives of the LDS and the integrated and innovative features of the strategy, a ranking of objectives, including measurable targets.

This section shall therefore include detailed information regarding each action which is being proposed by the Local Action Group.

For every Action proposed, the below information should be provided:

1. Title and code for Action
2. Aim and Scope
3. General description of the Action including:
   a. Description of the type of operation
   b. Type of support
   c. Action intervention logic, its link to the need/s of the Region as identified in Section 2, its contribution to RDP 2014 – 2020 needs and the Partnership Agreement objectives.
   d. Contribution to cross cutting objectives of the RDP (innovation, climate, environment)
4. Eligible beneficiaries
5. Eligible and non-eligible costs
6. Selection criteria
7. Level of support (i.e. aid intensity)
8. Budget allocation towards Action
9. Targets and clear, adequate indicators to measure the success of the Action
10. Risks in implementation and mitigation factors
11. Overall assessment and relevance of the Action

4. Description of the process for engagement in LDS preparation and implementation

This section of the LDS shall include a description of the process to involve the local communities in the development of the strategy.

This section should therefore describe the process which was adopted by the LAG during the design of the LDS. The LAG should have a clear plan on how the consultation process shall be carried out. Throughout the process, the plan may need to be amended, involvement of stakeholders will always require a certain amount of flexibility.

The LAG should list and describe which organisations were represented, what type of meetings/focus groups/questionnaires were used to consult stakeholders. This section should demonstrate how the inhabitants of the Region (including communities, NGOs, individuals, business, organisations, cooperatives, stakeholders etc...) were involved in the process of LDS development.

5. Transposing Needs and Objectives into Projects

This section shall describe the method used by the LAGs to transpose the objectives into projects. This Section will be intrinsically tied to Section 3 ‘Description and objectives of the strategy’. For every Action which the LAG is proposing as part of its Local Development Strategy, the LAG must
here describe the method used to transform the objectives of the strategy and needs of the region into Actions which will support beneficiary project. The rationale of each Action therefore has to be described.

Once the objectives of the strategy and needs of the Region have been identified, a set of ‘Actions’ which address them can be identified. A list of several ‘Actions’ which address these objectives and needs can then be drafted. These have to be assessed with their merits and risks and the best response to addressing the LDS objectives and needs of the Region should then be selected. The LDS should therefore explain why a particular type of response was chosen over another.

6. Implementation Plan

This section will include a description of the strategy management, monitoring, evaluation and control.

The LAG must set out an implementation plan, i.e. how all Actions will be implemented and when, what actions will be required for the launch of each action, information sessions, press releases, adverts, evaluation of applications, board meetings, contracting of beneficiaries, monitoring of project progress, site visits etc.

A plan of how the LDS can be monitored and evaluated also has to be included in the LDS. For every Action, indicators and targets must be set. The LAG must develop a data collection plan which will enable it to collect the information required to calculate these indicators on a periodic basis. These indicators can be used to identify Actions which are lagging behind and objectives which are not being reached. Through this, the LAG can then react to ensure that implementation takes place in line with its objectives targets. In this evaluation plan, the LAGs have to identify indicators, targets and respective data sources.

The Communication Plan should also form part of this Section.

7. Financial Plan

This section should include the financial plan of the strategy, allocated per major objectives of the strategy.

This section should take the form of a detailed table which outlines the objectives of the LDS, the needs of the Region and how the actions will contribute towards this.

<table>
<thead>
<tr>
<th>Action</th>
<th>Objective 1</th>
<th>Objective 2</th>
<th>Objective 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Need 1</td>
<td>Need 2</td>
<td>Need 3</td>
</tr>
<tr>
<td>Action 1</td>
<td>€100,000</td>
<td>€100,000</td>
<td></td>
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<tr>
<td>Action 2</td>
<td></td>
<td>€200,000</td>
<td></td>
</tr>
<tr>
<td>Action 3</td>
<td></td>
<td></td>
<td>€50,000</td>
</tr>
<tr>
<td>Action 4</td>
<td></td>
<td>€50,000</td>
<td>€50,000</td>
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<tr>
<td>Action 5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 6</td>
<td>€100,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1 – Financial Plan

The example in Table 1 above has identified 6 Needs and 3 Objectives to address these needs. Objective 1 will address Needs 1 and 2, Objective 2 will address Need 2 and Objective 3 will address Needs 4, 5 and 6.
Action 1, to which €200,000 have been allocated, will address Needs 1 and 3. At this point, the LAG needs to state how the funds allocated to Action 1 will be divided to address these 2 Needs.

8. **Set-up of the Local Action Groups**

This section of the LDS should include a description of the local partnership set-up in compliance with the previously mentioned requirements.

The Local Development Strategy should assess and detail the set up of the LAG, including the composition of the Decision Committee. The composition of the LAG should be in line with the Guidelines to Local Action Groups on How to design and develop the Local Development Strategy and Leader Operating Rules, which state that 51% of the DC should be made up of private entities. The statute of the LAG shall therefore be updated by a warranted notary and registered as required by National Law. A true copy of the original statute is to be annexed to the LDS.

9. **The Implementation Capacity**

The LAG needs to set out its organisational structure, the roles of the administrative staff, the Evaluation Committee, Decision Committee, contracted project managers etc. The roles of these individuals and bodies are set in the Leader Operating Rules; however, the LAGs must show how and when these structures will be involved in the implementation process of the LDS.
Rural Development Programme for Malta
2014 – 2020

Measure 19 – LEADER

Funds and Programmes Division

19th February 2015
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

**Legal basis**

- Common Provisions Regulation (CPR)

**General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives**

LEADER was first implemented in Malta during the 2007-13 rural development programme.

The distinguishing characteristics of LEADER are the bottom-up-approach and the inclusive local participation it promotes. These factors translate into integrated local strategies that embody local knowledge and ideas that are otherwise not given due prominence in central strategies and national programmes. LEADER therefore presents local communities with the opportunity to develop and implement integrated strategies specifically elaborated to reflect the needs of their local area. Three Local Action Groups (LAGs) were established to deliver the LEADER objectives under the 2007-13 RDP in Malta.

The aim of the 2014-20 RDP is to continue with the existing LAGs and build on the foundations and recognition that have been created during the current programming period. All the rural territory eligible as per the definition applicable to the programme is already covered by the 3 LAGs.

LAGs will need to justify, through their strategies, support for their operations. The strategies must be complementary to the goals of the RDP, the Partnership Agreement for Malta and other relevant National Policies or Strategies. The main themes that the LDS must build upon shall be the 5 main needs identified for the RDP. Thus measures and actions proposed in the LDS must be complementary and contribute to the achievement of their goals and targets.

**Contribution to Focus Areas and cross-cutting objectives**

**Contribution to Focus Area**

**Focus Area 6B: Promoting social inclusion, poverty reduction and economic development in rural areas**

LEADER targets the local development of rural areas and contributes to enhancing social capital
through the implementation of operations under local development strategies. The contribution will vary across LAGs depending on the nature and characteristics of the actions carried out and the projects supported.

LEADER-supported themes do not have to be linked to only one focus area and can be viewed as horizontal topics which help to integrate those Union priorities for rural development at a programme level that can be tackled by local development strategies. The strategies proposed by the LAGs will be structured around one or several of those themes, and linked to the five Malta needs identified in this document.

Contribution to Cross-Cutting Objectives

Environment

LAG activities have the potential to contribute to environmental objectives through their selection of projects and operations. Each LAG will make a different contribution depending on the local strategy and thematic objectives upon which it focuses.

Innovation

LAG activities have particular potential to contribute to innovation through the selection of projects and operations they undertake. LAG operations may facilitate the development, use and transfer of new ideas, products or technologies in order to improve a system, product, or service. LEADER therefore has the potential to contribute to the following: increased competitiveness of agri-food and rural tourism sectors (for example, by promoting innovative technologies and a Maltese brand of ‘agri-tourism’); promoting cooperation actions; increasing awareness and introducing innovative systems; landscape management and biodiversity protection; promoting innovative technologies and ideas for efficient use of resources and adaptation to climate change, and promoting social inclusion and economic development in rural areas.

Climate

LAG activities have the potential to contribute to climate objectives through their selection of projects and operations. Each LAG will make a different contribution depending on the local strategy and thematic objectives in which it focuses.

Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

Implementation of LDS Operations and LAG Running Costs

Sub-measure:

- 19.1 - Preparatory support
- 19.2 - Support for implementation of operations under the community-led local development strategy
- 19.3 - Preparation and implementation of cooperation activities of the local action
- 19.4 - Support for running costs and animation

**Description of the type of operation**

**Preparatory support**

This operation will allow LAGs to receive the necessary preparatory support for the design and development of a local development strategy for their respective territories following an extensive consultation process within the LAG region.

The consultation process will serve as a means for the LAG to actively engage with a wide range of people and organisations operating in one form or another within the respective territory to explore development needs and opportunities, and act as a mechanism for active engagement with the local population. This process will feed into a wider SWOT analysis which will identify the needs and subsequently a complementary set of measures.

Local stakeholders and representatives of a range of different organisations and interests will need to work together to develop strategies that will be mutually beneficial for their interests and local communities.

In addition the LAG being the administrator of this process may also receive support to strengthen its knowledge base and skill sets to ensure an effective and efficient model of governance. This can be complemented with external expertise especially in the development phase of the strategy.

**Implementation of operations under the CLLD strategy**

LEADER aims at reinforcing territorial coherence. The support for implementation of activities under LEADER provides potential to meet local needs through an integrated, multi-sectoral, and bottom-up approach. A key role is the selection of projects to meet the objectives of the LDS, which will be carried out by the LAG through a Selection Committee composed of members of the local partnership supported by expertise whenever required.

By selecting projects at local level, the LAG will contribute to:

- strengthening the local identity and the local profile;
- improving the quality of life and the attractiveness of the local area;
- creation and safeguarding of jobs in rural areas;
- improvement of equal opportunities for youth, women, elderly people, disabled persons and members of minorities;
- increasing the local added value and competiveness of the area;
- contribute to the preservation of resources and environmental protection;
- establishment of an integrated approach to rural development.
Preparation and implementation of cooperation activities of the local action group

Cooperation is a fundamental means for LAGs to improve local knowledge, understanding, and awareness, and a means to access to new information and ideas, learn from experiences of other regions or countries, to stimulate and support innovation, and to acquire skills to improve the quality of delivered services.

Responsibilities of each partner within a cooperative action will be identified in a Cooperation and Partnership Agreement. The agreement will include an agreed budget, project objectives, the activities for joint implementation in order to accomplish the objectives, the role of each partner, and the final financial contribution of each partner within the project. Cooperation actions between LAGs/partners will be implemented under the responsibility of a coordinating LAG.

The cooperation project may be of two types:

a. inter-territorial
b. Trans-national cooperation projects.

In the case of inter-territorial cooperation the LAGs in Malta can propose a joint project of a national dimension.

Projects proposed under any type of cooperation must contribute to the RDP objectives as expressed in the five Malta needs. The ability to deliver clear tangible results must be demonstrated in order to be eligible for support.

Running costs and animation

The efficient administration of the Local Action Group is crucial for the success of the LEADER Axis. This measure will enter into force once the LDS has been approved and preparatory support no longer applicable.

As a measure it will be mostly geared to cover the running costs of the LAGs but will also include the training of LAG staff and members of the Decision body involved in the implementation of the strategy.

Other costs supported include the organisation of promotional events, animation actions and any associated costs linked with the implementation of the local development strategy.

Efficient management systems are required in order to effectively deliver the LDS. This will also include monitoring and evaluation of LAG activities and projects supported.

The main task, for the LAG is implementation of the strategy, but it must also undertake the following administrative functions:

- Animation of the territory;
- Preparation and publication of public calls in line with the LDS;
- Receipt. analysis, assessment, selection and contracting of projects;
- Management, Monitoring and implementation of the strategy;
• Bookkeeping and legal-related specific issues

Raising awareness among local stakeholders of the LEADER approach will be an important initial activity during the early stage of the programme and the LAG will need to provide information and training sessions on LEADER, local development, project elaboration and the development strategy. Animation activities will be essential for stimulating the local development process and should be proportionate in relation to the project development needs identified by the LAGs under the local development strategy.

LAGs should use various means to inform the local community about the possibilities for project grants. In this respect the NRN will also assist the LAGs.

**Type of support**

**Preparatory support**

The preparatory support will cover capacity building, training and networking with a view to preparing and implementing a local development strategy.

An action plan must be developed by the LAG following consultation with its members. This process will be coordinated by the Decision Committee of the LAG and upon its approval the same plan is to be presented to the MA for approval. This will contain amongst others the type of training required and for whom, the way consultation will be structured and its extensiveness, the areas where technical expertise is required and the information and communications tools and products to be used for animation.

This action plan will be used as the basis for further development of terms of references and elaboration of specifications that will form part of call for tenders or quotations in line with Public Procurement principles.

**Implementation of operations under the CLLD strategy**

Financial support will be granted for projects to be implemented under any of the measures within the local development strategy, in compliance with the eligibility rules and maximum aid intensities established in the approved strategies.

**Preparation and implementation of cooperation activities of the local action group**

- This sub-measure will finance transnational cooperation projects (between Malta and other EU member states or EU non-member states) and inter-territorial cooperation projects (within Malta), among Local Action Groups.
- Support will be provided for preparatory actions that will lead to a potential project commitment. In case of failure to formalise an agreement with a partner LAG preparatory expenses incurred would still be eligible.
- The implementation of the cooperation project.
- The NRN will support this measure by making the necessary contacts with the ENRD and other NRNs from other Member States, to identify potential cooperation opportunities with
their country LAGs.

Running costs and animation

a. During implementation, at the level of each local development strategy, the running and animation costs for each LDS shall not exceed 25% of the total public costs for this strategy.
b. Running and animation costs are directly related to the strategy and will target specific activities aimed to consolidate LAG capacity. The LAG shall create procedures and instructions for the assessment/monitoring of its own LDS, which will become an instrument contributing to the management of local groups and to the collection of useful data at the programme level.
c. The support for animation aims to facilitate the exchange between stakeholders, the provision of relevant information, the promotion of relevant financing opportunities included in the strategy, and to support potential beneficiaries to prepare applications within the defined territorial areas.
d. Animation activities may be carried-out by the LAG staff members.
e. The types of support for running and animation costs linked to the management of the strategy implementation are laid down in Art 35 (1) d, e of CPR 1303/2013.

Links to other legislation

- Rules on Eligibility of expenditure provided under art. 65-71 of CPR

Beneficiaries

Preparatory support

The 3 existing LAGs

Implementation of operations under the CLLD strategy

Local actors operating within a LEADER Territory

Preparation and implementation of cooperation activities of the local action group

- LAGs

Running costs and animation

- LAGs (staff and administration)

Eligible costs

Preparatory support

- training actions for LAG staff and other local stakeholders;
- studies of the area concerned;
• costs related to the design of the LDS, including consultancy costs and costs for actions related to consultations of stakeholders for the purposes of preparing the strategy;
• measures to provide information about the area and the local development strategy;
• administrative costs (operating and personnel costs) of existing LAGs that apply for preparatory support during the preparatory phase.

Implementation of operations under the CLLD strategy

Eligible costs must be clearly identified and linked to the achievement of the strategy goals and targets.

Once the strategies are presented the Managing Authority will initiate a process to verify if there are any State Aid implications. If in the affirmative it will carry out the necessary procedure of notification whilst ensuring that all provisions are respected.

The actions proposed will not be eligible if these are already supported under any of the ESIF funds or other National schemes.

The LAGs cannot be a direct beneficiary.

Contributions in kind as established in Art. 61(3) of Regulation (EU) 1305/2013 will be considered eligible.

Preparation and implementation of cooperation activities of the local action group

• Costs of technical preparation for inter-territorial or transnational co-operation project
• Costs of co-operation projects within a Member State (inter-territorial co-operation) or co-operation projects between rural territories in several Member States or with rural territories in third countries (transnational co-operation)

The provisions laying down eligibility conditions in EC Regulation (EU) No 1305/2013 and Regulation (EU) No 1303/2013 must be respected.

Running costs and animation

Running costs

Costs linked to the management of the implementation of the strategy consisting of operating costs, personnel costs, training costs, costs linked to communication, financial costs as well as the costs linked to monitoring and evaluation of the strategy as referred to in point (g) of Art. 34(3) CPR

Animation

Costs of animation of the CLLD strategy in order to facilitate exchange between stakeholders, to provide information and to promote the strategy and to support potential beneficiaries to develop operations and prepare applications.
Eligibility conditions

Preparatory support

- The composition of the partnership and the private component of the Decision Body must be consistent with the provisions that will be stipulated in the guidelines by the Managing Authority. The private component of the Decision Body, which embodies representatives from the economic and social partners, and civil society, must make up at least 51% of the decision body;

- The Local Development Strategy must be built on local public-private partnership, reflect the bottom-up approach adopted in decision making, and have an integrated multi-sectoral approach.

- The Local Councils involved in the group must pertain exclusively to the rural territory covered by the proposed LAG.

- Only one action group per territory is allowed, and no overlapping of localities is permitted.

- The number of inhabitants in the partnership must not exceed 150,000 and not be less than 10,000.

LAGs must be legally formalised. The legal personality of the LAG will be left at the discretion of the partnership however it will not be recognised as a public body.

Implementation of operations under the CLLD strategy

Supported operations shall be in line with the priorities identified for CLLD in the Partnership Agreement for Malta and the EAFRD Regulation and contribute to the objectives of the LDS.

Preparation and implementation of cooperation activities of the local action group

- LAGs have to envisage implementation of a concrete project

- The scope and objectives of cooperation must be established in the LDS

- In case of cooperation with Non-EU MS the private–public partnership must have the same form and function of a LAG and operate in a rural area.

- Projects will be selected by the MA.

Running costs and animation

An annual plan of expenditure must be presented by the LAGs for the approval of the MA. This will serve to demonstrate efficient financial management and to ensure the delivery of anticipated activities.

Principles with regards to the setting of selection criteria

Preparatory support

The allocation between each LAG will be apportioned between the 3 LAGs based on the same principles adopted for the 2007-2013 RDP which comprised of total surface area of lag territory,
population and agricultural land within the territory.

LAGs will be required to submit an action plan on how they will utilise the funds and will be obliged to follow public procurement principles. The quality of the action plan will be determined by taking into account elements such as innovation, uniqueness, added value, job creation and strengthening of rural economy, and the extent to which the proposed LAG actions are coherent with, and likely to contribute to, achieving the strategic goals of the Malta Partnership Agreement.

Implementation of operations under the CLLD strategy

- To be defined in the LDS by the LAG.
- The project selection system set out in the LDS will be approved by the MA through selection of a given strategy. It is therefore not subject to further approval by/consultation with respectively the MA and Monitoring Committee.
- LAGs’ selection of projects shall be based on documented assessment that demonstrates the soundness and fairness of the decision, in terms of consistent and relevant criteria. The selection shall be based on consistent and relevant data and the process will ensure transparency for all applicants.

Preparation and implementation of cooperation activities of the local action group

- The selection and approval of the cooperation projects shall be performed by the MA. The LAGs must include a description of the main objectives and aims for cooperation, specify the themes and other basic information in the LDS. This will be approved by the MA when approving the LDS. However the LAGs must develop further the project concept once they start making use of preparatory funds and establish a project or enter into partnership with other LAGs.

Principles include:

- Innovation that is how the proposed project builds upon new processes, ideas, forms of cooperation, etc;
- The extent the project will generate cross benefit results for various local community groups;
- The relevance of the project objectives to key LDS, RDP priorities.

Running costs and animation

n.a.

(Applicable) amounts and support rates

Preparatory support

- The EAFRD will provide support for 75% of the respective measure budget with the remaining 25% covered from National contribution
- The LAGs will be supported at 100% thus no private co-financing is required.
- An advance payment may be provided subject to a relevant bank guarantee or equivalent
Implementation of operations under the CLLD strategy

- The EAFRD will provide support for 75% of the respective measure budget with the remaining 25% covered from National contribution.
- Projects may be supported up to 80% with the remaining 20% coming from private contributions.
- State Aid regimes may apply.
- An advance payment may be provided subject to a relevant bank guarantee or equivalent for investment type actions.

Preparation and implementation of cooperation activities of the local action group

- The EAFRD will provide support for 75% of the respective measure budget with the remaining 25% covered from National contribution.
- Projects may be supported up to 80% with the remaining 20% coming from private contributions.
- State Aid regimes may apply.
- An advance payment may be provided subject to a relevant bank guarantee or equivalent for investment type actions.

Running costs and animation

- The EAFRD will provide support for 75% of the respective measure budget with the remaining 25% covered from National contribution.
- The LAGs will be supported at 100% thus no private co-financing is required.
- An advance payment may be provided subject to a relevant bank guarantee or equivalent for investment type actions.

Verifiability and controllability of the measures and/or types of operations

Risk(s) in the implementation of the measures

The projects supported under LEADER will be subject to checks on reasonableness of costs and all interventions will be subject to the relevant procurement procedures. Should the beneficiary be a public entity then Public Procurement regulations will apply. In the case of private entities 3 comparable quotations need to be presented. Interventions will be subject to on the spot checks to verify expenditure incurred. Checks will be carried out by the MA, PA and LAGs. Sampling and details of controls will be detailed in the respective Manual of Procedures.

For the 2007-2013 RDP the MA developed a LEADER Operational Guide within which detailed guidelines on all key steps of LDS delivery have been included. This guide will be further enhanced to feature latest developments in EC regulations and guidelines as well as any lessons learnt for the outgoing programming period.

- Respect of Public Procurement Regulations by public beneficiaries
Demonstration of reasonability of costs (comparability and market prices)
Adequate checks and controls by LAGs
Conflicts of interests amongst Decision Board members

**Mitigating actions**

- Provision of clear guidelines to applicants
- Information sessions and materials for better understanding of measure eligibility requirements
- Declaration of self-interest by the LAG staff and board
- Ensuring that the LDS contain measurable targets
- Actions to facilitate implementation of projects and to help avoid errors including the use of simplified cost options whenever possible. This will apply to certain categories of interventions such as travel, per diem and other operational costs. Detailed rules will be presented by the MA in the LEADER Operating Rules (Manual).

**Overall assessment of the measure**

The LEADER measure is an important tool for local rural development tool in Malta. In particular it can engage with rural stakeholders on a local level who would otherwise not be affected by RDP activities, and through raising awareness and providing information and advice it can support new approaches, new ideas, and innovation among the rural population. However, LAG activities need to undertake significant amounts of animation to engage the population, and constant monitoring to ensure they are engaging with the full range of rural actors acting in a positive manner to involve socially excluded groups. A high level of oversight is required to ensure LAGs deliver against both local and RDP objectives.

**Methodology for calculation of the amount or support rate, where relevant**

Not Applicable.

**Information specific to the operation**

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

Refer to 1. Description of the Type of Operation for each of the operations selected.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support if relevant

Not Programmed.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013
The Local Development Strategies selected must contain details of the nature of cooperation initiatives that will be supported. The Managing Authority will allow an open call procedure for contracted LAGs to present their detailed proposals at any time during the lifetime of the programme.

The procedure and timetable to select the local development strategies

The Managing Authority will develop guidelines that have to be used by public-private partnerships for the development of local development strategies. These guidelines will contain minimum elements that each strategy should include, as well as proposed approach in relation to the involvement of stakeholders for the required consultation.

It is anticipated that these guidelines will be in place by February 2015 following which training sessions will be organised by the MA for the LAGs to launch the process of development of the new local development strategies. It is expected that the first draft LDS are presented by May 2015 with the MA completing selection by the end of the second half of 2015.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Not Applicable.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

LEADER will only be supported through EAFRD.

Possibility or not of paying advances

An advance payment may be provided subject to a relevant bank guarantee or equivalent.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Managing Authority

- Provision of guidelines on LDS structure and content
- Approval of proposal by LAG to undertake preparatory action for the preparation of the LDS
- Receipt and evaluation of the LDS
- Approval of the LDS
- Allocation of budget
- Contracting LAGs
- Approval of Cooperation projects
- Approval of operational budgets
• Monitoring and Evaluation of LAGs/LEADER

• Checks and controls on Paying Agency, LAGs and beneficiaries

**Paying Agency**

• Receipt of payment claims
• Processing and execution of payments
• Controls on beneficiaries

**Local Action Group**

• Build the capacity of local actors to develop and implement operations including fostering their project management capabilities

• Preparatory actions for the development of an LDS including consultations, animation, design and development

• Draw up a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest, ensure that at least 50% of the votes in selection decisions are cast by partners which are not public authorities, and allow selection by written procedure

• Implementation of the LDS including drafting of guidelines including defining selection criteria, development of application forms, publicity and information, receipt of applications, evaluations and selection, contracting, project monitoring and controls.

• Implementation of cooperation projects including the undertaking of the necessary preparatory requirements

• Ensure coherence with the LDS when selecting operations, by prioritising those operations according to their contribution to meeting that strategy’s objectives and targets

• Monitor the implementation of the LDS and the operations supported and carry out specific evaluation activities linked to that strategy

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

Local Development Strategies may include interventions which require support from measures under the RDP. These may include training and advice, and cooperation. Actions supported through the LDS cannot contain measures for which support is already provided through other RDP measures. All interventions proposed in the LDS have to be complementary to EU2020 and CAP objectives and contribute to the targets of the RDP.
Verifiability and controllability of the measures and/or types of operations

Risk(s) in the implementation of the measures

The projects supported under LEADER will be subject to checks on reasonableness of costs and all interventions will be subject to the relevant procurement procedures. Should the beneficiary be a public entity then Public Procurement regulations will apply. In the case of private entities comparable quotations need to be presented. Interventions will be subject to on the spot checks to verify expenditure incurred. Checks will be carried out by the MA, PA and LAGs. Sampling and details of controls will be detailed in the respective Manual of Procedures.

For the 2007-2013 RDP the MA developed a LEADER Operational Guide within which detailed guidelines on all key steps of LDS delivery have been included. This guide will be further enhanced to feature latest developments in EC regulations and guidelines as well as any lessons learnt for the outgoing programming period.

- Respect of Public Procurement Regulations by public beneficiaries
- Demonstration of reasonability of costs (comparability and market prices)
- Adequate checks and controls by LAGs
- Conflicts of interests amongst Decision Board members

Mitigating actions

- Provision of clear guidelines to applicants
- Information sessions and materials for better understanding of measure eligibility requirements
- Declaration of self-interest by the LAG staff and board
- Ensuring that the LDS contain measurable targets
- Actions to facilitate implementation of projects and to help avoid errors including the use of simplified cost options whenever possible. This will apply to certain categories of interventions such as travel, per diem and other operational costs. Detailed rules will be presented by the MA in the LEADER Operating Rules (Manual).

Overall assessment of the measure

The LEADER measure is an important tool for local rural development tool in Malta. In particular it can engage with rural stakeholders on a local level who would otherwise not be affected by RDP activities, and through raising awareness and providing information and advice it can support new approaches, new ideas, and innovation among the rural population. However, LAG activities need to undertake significant amounts of animation to engage the population, and constant monitoring to ensure they are engaging with the full range of rural actors acting in a positive manner to involve socially excluded groups. A high level of oversight is required to ensure LAGs deliver against both local and RDP objectives.

Methodology for calculation of the amount or support rate, where relevant

Not Applicable.
### Information specific to the measure

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

| Refer to 1. Description of the Type of Operation for each of the operations selected. |
| Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support if relevant |
| Not Programmed. |
| Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013 |
| The Local Development Strategies selected must contain details of the nature of cooperation initiatives that will be supported. The Managing Authority will allow an open call procedure for contracted LAGs to present their detailed proposals at any time during the lifetime of the programme. |
| The procedure and timetable to select the local development strategies |
| The Managing Authority will develop guidelines that have to be used by public-private partnerships for the development of local development strategies. These guidelines will contain minimum elements that each strategy should include, as well as proposed approach in relation to the involvement of stakeholders for the required consultation. |
| It is anticipated that these guidelines will be in place by February 2015 following which training sessions will be organised by the MA for the LAGs to launch the process of development of the new local development strategies. It is expected that the first draft LDS are presented by May 2015 with the MA completing selection by the end of the second half of 2015. |
| Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013 |
| Not Applicable. |
| Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support |
| LEADER will only be supported through EAFRD. |
| Possibility or not of paying advances |
| An advance payment may be provided subject to a relevant bank guarantee or equivalent. |
Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

**Managing Authority**

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- Monitoring and Evaluation of LAGs/LEADER

- Checks and controls on Paying Agency, LAGs and beneficiaries

**Paying Agency**

- Receipt of payment claims
- Processing and execution of payments
- Controls on beneficiaries

**Local Action Group**

- Build the capacity of local actors to develop and implement operations including fostering their project management capabilities
- Preparatory actions for the development of an LDS including consultations, animation, design and development
- Draw up a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest, ensure that at least 50% of the votes in selection decisions are cast by partners which are not public authorities, and allow selection by written procedure
- Implementation of the LDS including drafting of guidelines including defining selection criteria, development of application forms, publicity and information, receipt of applications, evaluations and selection, contracting, project monitoring and controls.

- Implementation of cooperation projects including the undertaking of the necessary preparatory requirements
- Ensure coherence with the LDS when selecting operations, by prioritising those operations according to their contribution to meeting that strategy's objectives and targets;
- Monitor the implementation of the LDS and the operations supported and carry out specific evaluation activities linked to that strategy
Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships.

Local Development Strategies may include interventions which require support from measures under the RDP. These may include training and advice, and cooperation. Actions supported through the LDS cannot contain measures for which support is already provided through other RDP measures. All interventions proposed in the LDS have to be complementary to EU2020 and CAP objectives and contribute to the targets of the RDP.

Other important remarks relevant to understand and implement the measure

Minimum content of an LDS

The LDS shall be elaborated on a bottom-up principle, by the local private-public partners and shall comprise, among others, at least the following content and structure elements:

a) definition of the territory and of the population;

b) analysis of the development needs and of the potential of the area, including an analysis of strengths, weaknesses, opportunities and risks;

c) description of objectives, description of the integrated and innovative features of the strategy and a ranking of objectives, including measurable targets;

d) description of the process to involve the local communities in the development of the strategy;

e) description of the method used to transpose the objectives into projects;

f) description of the strategy management, monitoring, evaluation and control;

g) the financial plan of the strategy, allocated per major objectives of the strategy;

h) description of the local partnership set-up in compliance with the previously mentioned requirements;

i) the implementation capacity.
ANNEX V – Partnership Agreement for Malta