Answers to the Questions from ELARD-members

via mail from Mrs. Iwona Lisztwan 4.2.2021:

1. State of preparation on the **LDS for 2021-27** LEADER cycle?

Reply: the cycle could be in reality:

- 2021-22 (transition – continuation of current period + preparation for new period (N+3 is applies) (Transition regulation) +
- 2023-27 (N+2 is applied) (new CAP and new LDS).

At the moment the Member States are considering/planning the option of allocating extra funding to the LAGs for the continuation of the current Local Development Strategies (LDS) within the modification/extension procedure of the RDPs during transition 21-22 period. The extra allocation could be added from the EAFRD (new MFF) and the Recovery Fund (EURI). The decision is to be taken at the level of the MS.
The requirement of a minimum 5% for the total funding remains (RDP 2014-2020+MFF funding added for 2021-2022). A modification of RDP is needed for this point and will be expected from MS soon.

In some cases the LDSs might be adjusted/extended – or even – driven towards the CAP objectives 2023-27 focused on areas with the demonstrated added value of LEADER. Again, this is a national decision (which might be reflected in the RDP amendment)

Some member states preparing to make the RDPs modifications now to programme "preparatory support" (a separate submeasure of current Measure 19) for the preparation of LDS post 2023. This support can be financed under the Transition Regulation.

2. The **37% earmarked for LEADER or environmental measures in the recovery fund of EARDF**. We have understood no earmarking is allowed and it is up to the MS to decide how they would like to allocate this funding. Do you have more information on this matter? What exactly is the legislation saying and how would you advise us to make use of it on MS level?

Yes, LEADER could receive extra funding under the 37% ring-fenced for the Recovery instrument (EURI) alongside with other measures.

The Article in question says:

"At least 37 % of the additional resources referred to in paragraph 2 of this Article shall be reserved in each rural development programme for measures referred to in Article 33 and Article 59(5) and (6), and in particular for:

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(a) organic farming;
(b) mitigation of, and adaptation to, climate change, including reduction of greenhouse gas emissions from agriculture;
(c) soil conservation, including the enhancement of soil fertility through carbon sequestration;
(d) improvement of the use and management of water, including water saving;
(e) creation, conservation and restoration of habitats favourable to biodiversity;
(f) reduction of the risks and impacts of pesticide and antimicrobial use;
(g) animal welfare;
(h) LEADER cooperation activities*". (Note from Marion: I asked what cooperation means, because the wording confused me but Iwona reassured that this includes the whole LEADER activities (not only "cooperation submeasure"))*

The decision is up to the Member States.
If the Member States decide to put extra funding to LEADER from EURI (which is not an obligation), a separate reporting will be needed. Note that this should logically not endanger the 5 % minimum expenditure not to risk decommitment.

3. An issue that has been discussed for some time in the Netherlands regarding the new period, is **Article 86, section 1 of COM(2018) 392 of the EC from June 1st 201**8. The literal text of this section is:

At least 5 % of the total EAFRD contribution to the CAP Strategic Plan **as set out in Annex IX** shall be reserved for LEADER, referred to as community-led local development in Article 25 of Regulation (EU) [CPR]

The crucial words in this section are 'as set out in Annex IX'. As you will know, Annex IX stipulates the EAFRD budget that has been allocated to each MS. In their NSP MS can choose to transfer funds from Pillar 1 to Pillar 2 or vice versa.

The Netherlands Management Authority has pointed out that the words 'as set out in Annex IX' means that if a MS transfers budget from Pillar 2 to Pillar 1, the budget for the LEADER program will not be (negatively) affected. So, that's good.

But it also means that if a MS chooses to transfer budget from P1 to P2, the LEADER program will also remain unchanged. In other words, MS do not have to adjust the LEADER budget to keep a minimum of 5% of the new P2 budget.

Also, **if at the end of the next period it would happen that we would have, again, a transition period, no Transition budget will be allocated to the LEADER program**.

Specifically for the Netherlands for the new period they are confronted with an budget cut for the LEADER program of 40% (total EAFRD budget minus 16%) with respect to the current program, which is already at a minimum. The only way to increase this budget is through transfer of budget from P1 to P2, but this can only happen if the words 'as set out in Annex IX' in Article 86 are removed or rephrased.

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How do you advise us to act on this problem? I don't know if this is only a Dutch problem or maybe that in other MS LEADER groups are not aware of the consequences of Article 86, section 1. We would therefor appreciate advice on this matter.

Reply:
Does the question relate to the current period (2014-2022) or to the future (2023-27)?
I need extra time to check this point with the Dutch desk.
Note from Marion: We are continuing this dialogue with Dutch members

4. Will DG AGRI promote/support the **celebration of LEADER 30th anniversary**? Like is being done with INTERREG (https://interreg.eu/interreg-30-years-together/)... Maybe linked with the LTVRA…

Reply:
DG AGRI is reflecting on celebrating the birthday but nothing specific is yet planned and there are constraints in resources.
Any ideas are however welcome (anything creative?, a LEADER song+dance?, music?, graphic representation?) – please share with us.

5. Can you help/support **Croatian LAGs to achieve 5% from RDP** for transition period? How do you advise them to act?

Reply:
The question is not very clear. Whilst the member states have a flexibility to allocate funding for the transition regulation, the requirement of minimum 5% for the RDP total period (2014-2023) is maintained. Therefore, in cases when the amount for LEADER 2014-2020 was only 5% there would be a requirement to put extra funding for 2021-22 in order to respect the minimum for the total period.
As usual, for budget negotiations, a track successful record of past actions, especially the added value of LEADER (innovation, cooperation, involvement of local resources) and its contribution to the new CAP objectives (it is a transition after all) can be used.
The decision is to be taken at the MS level and reflected in the RDP modification.
Note from Marion: We are continuing this dialogue with Croatian members