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Curricular Internship Report

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*Analysis of Rural Development Strategy Changes of the EU
Between 1990 and 2013 by Considering LEADER Programmes*

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ABBREVIATIONS

CAP	Common Agriculture Policy
CCDRC	Comissão de Coordenação e Desenvolvimento Regional do Centro
CEECs	Central and Eastern European Countries
EAGGF	European Agriculture Guarantee and Guidance Fund
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
ECU	European Currency Unit
EEC	European Economic Community
EMU	European Monetary Union
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
FEUC	Faculdade de Economia Universidade de Coimbra
FIFG	Financial Instrument for Fisheries Guidance
GDP	Gross Domestic Product
LAGs	Local Action Groups
LAP	Local Action Plan
LFA	Less Favoured Area
OCBs	Other Collective Bodies
SEM	Single European Market
SMEs	Small and Medium Enterprises
SPARD	Special Accession Programme for Agriculture and Rural Development

INTRODUCTION

The student Melis Kurucu, n.º 2008033035, conducted a training curriculum on International Cooperation and Inter-Regional Cooperation in the Comissão de Coordenação e Desenvolvimento Regional do Centro (CCDRC between 12/10/2009 and 11/06/2010, and the total 35 week and 1225 hours study in the institution. The internship was conducted at the Division of Cooperation and Promotion, part of the Department for Regional Development (DSDR). The Division is directed by Dr. Jorge Brandão, who was the Supervisor of CCDRC for the stage. The Advisor is Professor Ana Abrunhosa from FEUC.

The purpose of the internship was to analyze the European Union's Rural Development Policy under the consideration of LEADER programmes between 1991-2013 years. These analyses were based on the LEADER programmes' aims and objectives, application areas, budgets and funds. The analysis for the report is prepared by gathering information about the policies in question and each LEADER programme. The focus of the report is each LEADER programmes' objectives and the instruments to provide these objectives and their evaluation over 23 years. The study is not focused on specific countries or regions. It is composed by all the European Member States including the new Member States.

The report of the internship begins with the introduction which includes the objectives and motivation of the internship. It contains three parts. First part is the theoretical part which is composed by the European Union Regional Development Policy and Rural Development Policy. This part explains the objectives and the brief evolution of the policies. The second part explains the LEADER initiative of the Commission according to their aim and objectives, application areas, budgets and funds. The final part of the report is composed by the analysis of differences between the LEADER programmes and the evolution of LEADER initiative.

An internship allows the application of the knowledge acquired in University studies, providing a first work experience. This internship actually took place in an organism

whose mission is to implement regional development policies, specifically in a division that deals with territorial cooperation internationally. Thus it was possible to implement and develop the knowledge acquired, especially in what concerns knowledge about the European integration process.

PART I

1.1. Introduction

European Union is a mosaic compass with different cultures, languages, history and traditions. In the Union, of 27 Member States, there are important socio-economic differences and imbalances among the regions of the Member States. In order to decrease the social and economic regional disparities, the Regional Development Policy has been established.

To provide the EU's overall harmonious development, the Community's priority is to develop and to pursue its actions leading to the strengthening of its economic and social cohesion. In particular, the Community aims to reduce disparities between the various levels of development of the various regions and the backwardness of the least favoured regions or islands, including rural areas (EC, 2002). According to this, rural development has an important role to develop the regions and the Community needs to pay attention to rural development as much as regional development because there is an important relation between both policies. Rural Development Policy's purpose is to promote sustainable development in Europe's rural areas addressing economic, social and environmental concerns. The priorities of the EU's Rural Development Policy include an important contribution to economic and social cohesion, that are exactly the same of Regional Development Policy. By the development of the rural areas, the regional development would become more sustainable.

This part of the study explains the main objectives of the Regional Development Policy in Europe and its brief evolution period since 1975 until today. The evolution process of the Regional Development Policy is considered under the major revolutions of the Common Agricultural Policy (CAP). Afterwards the Rural Development Policy's main objectives are explained followed by the brief evolution of the policy.

1.2. Regional Development Policy

Regional policy was established in order to help economically backward regions on the Member States to develop. It is an indicator of the EU's unique success in developing as a political system, because it allows the transfer of resources between the Member States on the ground that they have an obligation to reduce the gaps between the richer and poorer regions of the Single Market (Lack, 2002).

Although over the years the EU Member States have developed their economical structures, with in the 27 Member States, there are major differences among the regions. The main target of the policy makers and of the Regional Development Policy is to determine the less developed regions and to discover social, economic or geographical reasons that block the development of the region in a question.

1.2.1. Main Objectives of the Regional Development Policy

The Regional Policy of the European Union is a policy to strengthen economic, social and territorial cohesion by reducing disparities between the levels of development of regions and countries of the European Union.¹ In other words, Regional Policy is an instrument of financial solidarity and a powerful force for cohesion and economic integration. According to the Treaty of Rome (1958) "Member States of the European Economic Community (EEC) are anxious to ensure their harmonious development by reducing the existing differences between various regions and the backwardness of the less favoured regions".

Large differences in prosperity levels exist both between and within EU Member States. Regional differences can occur by geographical conditions, climate conditions, socio-economic differences, traditional differences, etc... Every single difference can cause regional inequalities. The Regional Policy aims to decrease inequalities which caused by natural, economic or social reasons.

¹ http://europa.eu/pol/reg/index_en.htm

Regional Policy was formally established with the purpose of reducing the regional disparities among EU regions. Funding under this policy is provided by the EU funds, collectively known as “structural funds”.

Since the establishment of the Regional Development Policy, main economic and social indicators of the EU have changed over the years. The creation of new policies and the disadvantaged conditions on EU regions made some regions less developed, and some regions which were already backward due to the natural reasons, never had a chance to develop. Enlargement process of the EU over the years was played very important key role for the establishment of the new policies. By the 1981 enlargement, Greece and by the 1986 enlargement, Spain and Portugal brought large rural areas that had important rural disparities among their own regions and also among the EU Member States. During the integration and enlargement period of the EU, these rural regions and disparities among the rural regions have increased.

1.2.2. Brief Evolution of the Regional Development Policy

The Regional Development Policy has a long and important background history with five reforms in the EU. The policy’s principles were stated at 1975 by the establishment of the European Regional Development Fund (ERDF). ERDF covers programs involving general infrastructure, innovation and investments. Money from the ERDF is available to the poorest regions across the EU (Armstrong, 2000).

Over the years, Regional Development Policy was underwent totally five minor and major reforms. Policy subsequently underwent minor reform in 1979 and 1984, followed by a major reform in 1989 (EC, 1988). The 1989 reform was specifically designed to accompany the introduction of the single market and to integrate a number of previously separated EU funding mechanisms, renaming them as ‘structural funds’. These two major reforms are the most important reforms (Armstrong, 2000) and they are explained with more details in the next paragraphs.

The reforms were started by the Single European Market process. The EU economies were becoming increasingly integrated. The expansion of trade, the liberalization of capital and labour mobility within Member States were being stimulated by the EU

initiatives of the SEM. The SEM process created difficult and serious challenges for disadvantaged regions. After the integrations of 1981(Greece) and 1986 (Portugal and Spain), the EU rural areas and population increased. Because of the rural population, low incomes and the high unemployment ratios of the new member states, the SEM process and accordingly the EU solidarity were in danger. In recognition of the fact that joining the monetary union and single market poses particular problems for some weaker regions of the member states because economic well-being of citizens of one member state depends on the economies of the other members. The survival of the SEM process was related with the Regional Development Policy and ERDF. Incorporated into Single European Act of 1987, the commitment to social and economic cohesion was strengthened in the Maastricht Treaty (1993). In the Maastricht Treaty, the legal basis of the European Union were discussed in details and set the firmly context of EU efforts to achieve economic and social cohesion by adding the words “including the rural areas” (EC, 2002). Therefore, the Regional Development Policy is a mechanism which allows one Member State to become involved in policies which stimulate economic activities in the regions of other EU Member States.

The 1989 reform was also specifically designed to integrate the European Union’s fund functions which were previously separated, under the title of ‘structural funds’. The European structural funds contain the ERDF, the European Social Fund (ESF), the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF) and since 1994, the Financial Instrument for Fisheries Guidance (FIFG). The Cohesion Fund is not one of the structural funds when it established in 1994 but it acts like a structural fund in some programmes and actions.

The Regional Development Policy’s main element (ERDF) brought two other structural funds together. These two funds are European Social Fund (ESF) and the Guidance Section of the European Agriculture Guarantee and Guidance Fund (EAGGF). The ESF was designed to finance for vocational training projects such training, retraining, migration, anti-discrimination and other kinds of employment assistance, such as labor market policies, and job-creation programs. As with the ERDF, all EU Member States were eligible for ESF assistance. The EAGGF Guidance Section, which was much larger than the Guarantee Section, was used to encourage the restructuring of farming in the EU and the diversification into non-farming activities, such as tourism and manufacturing

in rural areas (Armstrong, 2002). Since 1994, the FIFG is the specific instrument to help fishing communities facing difficulties as a result of the common fisheries policy (EC, 2002).

1.3. Rural Development Policy

Rural Development Policy has always been one of the top topics of the EU policies and the policy is considered supplementary of the Common Agriculture Policy. At 1988, the Commission accepted that the rural areas shouldn't be considered just according to the geographical conditions but also as having an important role to all parts of the society (EC, 2002). Rural areas are important for the rural population, it is also important for the complexity of the social and economic activities of the rural areas which are concerning the ecological balance.

There is a circle of development between Rural Development Policy and Regional Development Policy. Regional refers to geographical areas within a nation state which are bigger than a town and have something in common about the socio-cultural, economic and natural characteristics. On the other hand, within the regions there are some more diversification among country, local and rural side. Therefore, the strategies and the policies that would imply need to be relatively different for each side of the regions.

Rural areas have a significant share of EU's total population. This significant population that lives in rural areas in Europe plays very important role of source for food and for economic activity that is based on agricultural and stockbreeding. Additionally, these areas have the important role for the environmental resources.

Under the light of these explanations for a region to develop, the rural areas under the regions need to be developed. The development of the rural areas would increase the low incomes by creation of the new job opportunities and increasing of the life qualities. This result would affect all regions that include the developed rural areas. As a result, by the development of the rural areas, the regions would develop also.

1.3.1. Main Objectives of Rural Development Policy

Regional Development Policy aims to provide balanced development of Europe in social and economic areas, to balance the integration of regions and to reduce the unemployment and development disparities caused by regional disparities. In order to reduce the disparities among regions, the application point is starting from the rural areas.

Rural Development Policy is an increasingly important component of the Common Agricultural Policy (CAP). Rural Development Policy's purpose is to promote sustainable development in Europe's rural areas addressing economic, social and environmental concerns. With over 56 % of the population in the 27 Member States of the EU living in rural areas, which cover 91 % of the territory, Rural Development is a vitally important policy area.² The strengthening of EU Rural Development is an overall EU priority. Theoretically, individual EU Member States could decide and operate completely independent Rural Development Policies. However, not all member states in the EU would be able to afford the policies financial needs. Moreover, many of the issues addressed through Rural Development Policy do not divide up neatly at national or regional boundaries, but affect people further afield. Also, Rural Development Policy has links to a number of other policies set at EU level. Therefore, the EU has a Common Rural Development Policy, which nonetheless places considerable control in the hands of individual Member States and regions.

The measures of the Rural Policy should contribute and promote the economic and social cohesion in "regions whose development is lagging behind and regions facing structural difficulties" (EU, 1999). "Particular nature of agricultural activity which results from the social structure and natural disparities between the various agricultural regions" (Regulation, 1257/99), explains why the Rural Policy is directly related to certain regions and could be about more than agricultural aspects, although agricultural sector has a special place.

² http://ec.europa.eu/agriculture/rurdev/index_en.htm

The main underlying reason for Rural Development Policy is about existing socio-economic disparities among the Member State regions. According to this reason, the Rural Development Policy aims to improve the socio-economic levels of the regions and to create a balanced development in the rural areas (Depoele, 2006).

The Regulation 1257/99 quotes three objectives for Rural Development Policy (El-Agraa, 2007):

- 1- Improving the competitiveness of the agricultural sector;
- 2- Protection of environment and landscape;
- 3- Improving living standards in rural areas and support of diversification.

The policy is funded partly from the central EU budget and partly from individual Member States' national or regional budgets.

1.3.2. Brief Evolution of the Rural Development Policy

In the 1960s and 1970s the dominant preoccupation was about the agricultural modernization. Since the 1960s, the CAP has included an agricultural structures component to assist the workings of the common market through a process of agricultural modernization (Baldock, et al., 2001).

In the 1970s, it took on more of a social dimension, with measures added to support early retirement and young farmer schemes, and to provide compensation for farming in Less Favoured Areas (LFAs). The accession of Spain, Portugal (1986) and Greece (1981) to the European Community, as it was mentioned before, prompted a more fundamental rethink of the relationship between agricultural and rural development (Baldock, et al., 2001). Each of these countries had a large farming population and a clear need for investment in its rural areas.

At the same time it was apparent that the modernization of agriculture in Southern Europe would need to be accompanied by large-scale investment in infrastructures, services and non agricultural sources of rural employment. This view informed the major reforms to the Structural Funds in 1989 and 1993.

The reforms of the Structural Funds brought the combination of the different funds (EAGGF, ESF, ERDF) in regionally targeted and coordinated programmes.³ As part of this process there was a major expansion of the Guidance Section of EAGGF, most of which became part of a broader territorial approach to integrated development, with new partnership and decision-making arrangements for programme management put in place between the European Commission, Member States, and sub-national actors.

Alongside the main Structural Fund programmes, the Community also established a large number of much smaller ‘Initiatives’ for particular purposes. Community Initiatives are special instruments of Structural Policy that co-financed by the EU. They are based on guidelines drawn up by the European Commission on its own initiative and proposed by Member States.⁴ The LEADER Initiative is one of the Community Initiatives which has been implemented in rural areas at the local level in the least developed regions. This programme set up to promote ‘bottom up’, integrated and innovative approaches to rural development at local community level.

The mid-1990s saw increasing interest in combining the agricultural structures measures of the CAP with the partnership approach to rural development employed in the Structural Funds. In 1996, Commissioner Fischler convened a conference on rural development at Cork in Ireland to try to widen popular support for his ideas on the building of an ‘integrated rural policy’ (Baldock et al., 2001).

The Commission’s Agenda 2000 proposals of July 1997 included such a programme in the form of the new Rural Development Regulation (RDR), hailed as the CAP’s new ‘second pillar’. Through this measure, rural development has been swept into the lead of European policy, as a part of a policy model to be accepted in Central and Eastern Europe Countries too.

³http://europa.eu/legislation_summaries/regional_policy/provisions_and_instruments/l60014_en.htm

⁴ Currently there are four Community initiatives: INTERREG, Equal, Urban and LEADER.

Although the resources available for the RDR were widely regarded as disappointing, the arrangements for programming and implementing the policy represent a new model imported from the operation of Structural Fund Programmes. Each Member State is required to draw up seven year rural development plans ‘at the most appropriate geographical level’ for the period 2000–2006 (Baldock, et al., 2001).

The Structural Funds continue to be complemented by a Community Initiative on rural development, with LEADER+ (2000-2006) developing the approach of past LEADER I (1991-1993) and LEADER II (1994-1999) Programmes.

In the EU what constitutes ‘Rural Development’ has come to be understood as those activities eligible for support under the CAP’s new Rural Development Plans and LEADER across the whole countryside, and the new Structural Fund Programmes largely in designated rural areas. A parallel process is underway in the Central and Eastern European Countries (CEEC’s) through the Special Accession Programme for Agriculture and Rural Development (SAPARD). This is, of course, a highly particularized version of ‘rural development’ which reflects the current prevailing concerns of those responsible for EU agricultural, regional, cohesion and accession policy. It differs from other notions of rural development, which have either characterized past EU policies, or which continue to characterize national or local understandings of rural development in different parts of Europe (Baldock et al., 2001).

PART II

Introduction

This part of the study introduces the LEADER Initiative of the EU Rural Development Policy. It explains how the LEADER programme works for the development of the rural areas and rural communities, and also it sets some basic information about the rural development periods of the EU. The LEADER Initiative is explained by the programmes in years, the LEADER I (1991-1993), LEADER II (1994-1999), LEADER + (2000-2006) and the last LEADER which is the 4th axis of the Rural Development Policy (2007-2013).

2.1 What is the LEADER Initiative?

LEADER is a strand of the European Union rural development funding, which has promoted rural development in territories across Europe (Moseley, 2003). LEADER is the acronym derived from the French '*Liaisons Entre Actions de Développement de l'Economie Rurale*', which means in English "Links Between Actions for the Development of the Rural Economy". As it mentions, the LEADER Programme is a method of mobilizing and delivering rural development in local rural communities, rather than a fixed set of measures to be implemented (EC, 2006). LEADER can play an important role in encouraging innovative responses to old and new rural problems, and accordingly becomes a sort of laboratory for building local capacities and for testing out new ways of meeting the needs of rural communities.

Since the LEADER Programme launched in 1991, it has provided rural communities in the EU with the tools to play an active role in shaping their own future. It has evolved over time, together with the rest of the CAP. Information from evaluations and rural stockholders, indicate that the LEADER approaches a tool that works well, in quite different situations and types of areas (EC, 2006).

Since 1991, it has promoted local development through funding programmes based on consultation with local and national bodies in each participating country. The LEADER

Initiative aims to provide the conditions for innovative rural development actions to emerge that emphasize the engagement of indigenous financial and cultural resources to produce sustainable development (Farrell & Thirion, 2005).

LEADER is a European Community Initiative which has been implemented in the rural areas at the local level in the least developed regions. LEADER helps rural territories to explore new ways to be competitive and to remain competitive. In this way LEADER makes the most of their assets and overcomes the challenges that they may have. The challenges for the rural areas can be the lack of the business and employment opportunities, ageing population or poor levels of service provision. To face these challenges, LEADER encourages improving the quality of life in rural areas by using an holistic approach.

The "LEADER Approach" to rural development involves highly individual projects designed and executed by local partnerships to address specific local problems. And LEADER also assists sectors and categories of beneficiaries which often receive no support or only limited support under other programmes operating in rural areas. These projects may be cultural activities, rural tourism, improving the links between producers and consumers, enhancement of the natural environment or rehabilitation of architecture and heritage buildings.

LEADER aims to encourage a new approach to rural development from the bottom up, to create a network among Local Action Groups (LAGs) to share and exchange the know-how, to gain experience and to create new intervention ways for local needs (EC, 2006). In other words, the aim of the LEADER initiative is to encourage the implementation of integrated, high quality and original strategies for sustainable development. It is based on the selection of the best local development plans of LAGs representing public-private partnership. The EU supports the operating costs of LAGs, co-operation projects between them, experimental and pilot projects and the capacity building and animation necessary for the preparation of local development strategies (EC, 2004).

2.2. The LEADER Concept

The main concept of LEADER is to support the development strategies that are decided and implemented by local actors to local levels. LEADER initiative aims to reduce the diversity of the rural areas by the implementation of three basic steps: clear and transparent procedures, the relevant public administrations and the necessary technical assistance for the transfer of good practice (Depoele, 2006). By the consideration and the implementation of these three steps to the local levels and by the local actors, the development strategies and plans that compose the concept of the LEADER approach become more efficient and effective. According to this concept, it is clear the LEADER approach indicates ‘how’ rather than ‘what’ needs to be done and for the answers to the questions (EC, 2006). LEADER initiative uses seven specific features, in another words, the LEADER initiative has seven key features to answer the ‘how’ question. These specific features make the LEADER approach significantly important and different than the other more traditional Rural Policy measures.

2.3. The Key Features of the LEADER Approach

LEADER represented an experimental approach for the development of rural areas. The approach is coined “The LEADER Method”⁵ and this method is described as the combined application of 7⁶ LEADER features. These features summarize the LEADER approach.

In this section the LEADER features are described individually, but in the action programs each feature complements other features. The complementation process is composed during the implementation process, in order to solve the problems and prevent the negative effects on the rural area dynamics.

⁵ The expression came up when the evaluation team for LEADER I and the European LEADER II Observatory tried to conceptualize the difference of what was going on in LEADER compared to other “mainstream” Structural Funds Programme.

⁶ The LEADER method has eight features but in the LEADER literature they are mostly referred to as «seven» features, because «networking» and «transnational cooperation» are put together.

The LEADER method is embodied in its “specific features”, a set of behavioral practices and principles. There are seven main features to determine the question “how” rather than “what” needs to be done correspondingly with the LEADER concept. These LEADER features are divided by three main groups: local features, trans-local features and vertical features.

The local features are represented by the local group and by the local development strategy. There are five local futures (ÖIR, 2003):

Area based approach: Entails a development policy on the basis of an area’s own particular situation (Depoele, 2006). An area based approach takes a small, homogenous, socially cohesive territory as a target area for policy implementation. The chosen area needs to have enough coherence and critical mass in terms of human, financial and economic resources to support a viable local development strategy. Having such an area as a reference facilitates the recognition of local strengths and weakness, threats and opportunities for sustainable development (EC, 2006).

Bottom-up approach: Means that the active participation of all interested people and organizations in planning, decision making, strategy and the selection of the priorities to be pursued and implementation of social and economic development in their local area (Depoele, 2006). Its objective is the development of local players, including the community as a whole, economic and social interest groups and representatives of public and private institutions. There are two major activities in this approach: facilitation of activities (animation) and training of local communities (EC, 2006).

Partnership approach and the LAGs: Aims temporarily coalition of individual people or collective bodies, based on a contract binding all partners under the same conditions and the same purpose. In this case the LAG is an original and important feature of the LEADER approach. The LAG has a task of identifying and implementing local development strategy, making decisions about the allocations of its financial resources and managing them (EC, 2006). In other words, LAG decides the direction and the content of local rural development strategy, and makes decisions on the different projects to be financed. Actual payments are often made by a paying authority dealing with the

public funding rather than the LAG itself on the basis of project selection made by the LAG (Depoele, 2006).

LAGs should associate public and private partners in an equally and representative of existing local interest groups from the different socio economic sectors in the local – rural area. At the decision making level of the LAGs, the private partners and the associations have to make up minimum 50% (ÖIR, 2003) of the local partnership. The role and the responsibilities of LAGs have also evolved over time in some member states as familiarity with the LEADER as approach has grown (EC, 2006).

Innovation: In addition to the LEADER concept and its implementation in the field, the initiative also demands that the actions are innovative (Depoele, 2006). They may be actions to promote the local resources in new ways or actions that are of interest to local development but not covered by other development policies (EC, 2006). In other words, to give new answers to existing problems of rural development that provide added value and increased territorial competitiveness.

Integrated approach: the local development strategy must have a multi-sectoral rationale, integrating several sectors of activity (Depoele, 2006). Integration may concern actions conducted within a single sector, all programme actions or specific groups of actions or, most importantly, links between the different economic, social, cultural and environmental actors and sectors involved in the area (EC, 2006).

The trans-local feature emerges from interactions between local groups and their respective strategies. The networking feature is the trans-local feature (ÖIR, 2003):

Networking: The LEADER network aims to limit the isolation of LAGs and to create a source of information and analysis of the actions by facilitating the exchange and circulation of information on rural development policies and the dissemination and transfer of good practice and innovative strategies and actions (EC, 2006). There are two types of networks. The first one is institutional networks that were funded by the European Commission and are focused on LEADER but just from 2007 (LEADER+) and a broader range of rural development issues. The second type of network is national, regional and local networks that are associations or networks of LEADER groups, more

informal and established at local, regional and national level in some member states (ÖIR, 2003).

The vertical feature is represented and implemented by programming authority. It provides the governance frame in which the local groups carry out their activities. Cooperation feature of the LEADER initiative is the vertical feature (ÖIR, 2003):

Cooperation: this feature has the similar aim of the networking feature (ÖIR, 2003), but goes further than networking. It involves a LAG undertaking a joint project with another LEADER group in another region, member state or in non-member state countries.

The cooperation feature allows the LEADER groups to solve certain problems or add value to local resources (EC, 2006). Cooperation projects are not just for simply experience changes. They have to involve a concrete joint project, ideally managed under a common structure. There are two types of cooperation under LEADER. The first one is inter-territorial, which means cooperation between different rural areas within the member state. The second possible cooperation under LEADER is trans-national cooperation, which means cooperation between LEADER groups from at least two member states or with groups in third countries.

The seven key distinctive features explain what LEADER approach is about. The features of the LEADER Programme have been leading all the LEADER Programmes. Putting these principles into practice means local people designing local strategies and participating in activities. Next section describes the basic information about LEADER Programmes' aims and objectives, application areas, budget and funds in each development period.

2.4. LEADER Programmes

The economic situation in 1989 and the common standard problems all around Europe forced the decision makers to create new ways of solutions and to make important modifications on some policies. Right after the enlargement of Spain, Portugal and

Greece, the rural areas in Europe increased; accordingly the differences between rural areas also increased.

There were three main standard problems in rural areas in Europe which caused to high unemployment ratio, slow economic growth and heavy budget deficits in many member states (EC, 1988):

- The pressures on modern development whereby rural areas adjacent to, or near, big conurbations are in competition with urban interests;
- The problem of rural decline associated with high dependence on small scale low income farming, lack of alternative employment and persistent emigration;
- The third standard problem is the accentuated version of the second one, except that the areas concerned are more remote, rural decline and depopulation are more marked and the potential for economic diversification is much more limited. The basic infrastructural development needed for diversification is also much more costly.

All these three standard problems increased the disparities among European rural areas, accordingly the Rural Development Policy needed to support the farming population to continue extensive farming, strengthen local business, encourage forestry and protect their natural environments and cultural assets with a view to the gradual development of tourism.

The thinking outlined in the “Future of the Rural Society” is reflected in the identification of rural development as a priority objective in the reform of the structural funds adopted by the Council in 1988. Since then the Community takes the following steps to put its new Rural Development Policy into place (EC, 1988):

- Reform of the structural funds;
- Adaptation in 1989 of the basic agricultural structures regulations;
- Introduction in 1989 of direct income aids to farmers;
- Adjustment of market regulations to target help towards small producers;
- Community initiative for Rural Development (LEADER);
- Proposal for a scheme for information about rural development initiatives and agricultural markets (MIRIAM).

2.5. LEADER I (1991-1993)

European Commission policy orientation towards rural areas underwent considerable change in 1992. Shifts in policy emphasis began with the recognition of the need to reform Common Agricultural Policy (EC, 1988). This reform, although primarily promoted by mounting surpluses and spiraling costs was also influenced by the realization that price support measures and guidance schemes have not succeed in bringing about significant development in the more disadvantaged regions of the Community. Moreover, it was finally realized that the solutions to the rural area problems must encompass support for a range of activities besides farming. In this review of the CAP, the Commission emphasized the need to see agriculture as part of a broader integrated Rural Policy (O'Hara, 1990).

The Commission's approach to rural development is guided by three fundamental considerations (O'Hara, 1990):

- 1) Economic and social cohesion, in enlarged Community of very pronounced regional diversity;
- 2) The unavoidable adjustment for farming in Europe to actual circumstances in the markets and the implications of this adjustment not only for farmers and farmer workers but also for the rural economy in general;
- 3) The protection of the environment and the protection of the Community's natural asset.

2.5.1. Aims and Objectives

The LEADER Programme agreed by the Commission in late July 1990 is as yet in draft form but is expected to be formally initiated at the end of 1990 (EC, 1988).

After the discovery of the standard problems of Europe and the solutions to make interventions, LEADER I initiative's aims took shape to help the Rural Development Programme 1991-1993 (EC, 1988). In other words, the LEADER I program as an

initiative of Rural Development Policy was established with the aim to improve the development potential of rural areas by tapping local initiatives, promoting the acquisition of knowledge on rural development and disseminating this knowledge. Besides the long term expectations and plans, the short term target of the LEADER I initiative was to put the Community's ideas about integrated rural development into practice.

To accomplish these aims, LEADER I had five objectives and actions. The most important action of LEADER I was "preparation of programmes, assessment of local needs, measure to raise awareness of rural development possibilities". By this activity the LEADER Programme became more known in Europe and gained significant attraction and trust. After this introduction time of the LEADER I Programme, the objectives tuned through the farmers and to tourism. The other four actions of the LEADER I are (EC, 1988):

- Vocational training for rural residents and for group organizers and instructors;
- Rural tourism, including investment aids, small infrastructure, heritage, market research and promotion and reservation systems;
- Establishment and development of small firms, enterprises and local services particularly in conjunction with part time farming;
- Exploitation of local farm, forestry and fisheries products, especially marketing, technical assistance, technology transfer and quality.

The LEADER I Programme also provided funds for the establishment, equipment and management of the selected agencies and telecommunication facilities for linkages between them (EC, 1988). The objective was to link all groups in a Community-wide network. This use of new information technology was a key element of the LEADER Programme and each agency was envisaged as a model which should have a multiplier effect. The experimental approach proposed by the European Commission rests on three elementary principles (EC, 1988):

1. Elaborating and implementing a "local action plan" in rural areas between 5.000 and 100.000 inhabits. This plan defines a limited number of strategic development axes and corresponding measures, which had to be put in action within a period of three years;

2. The local action plan was designed and implemented by local partnership as the final beneficiary of the initiative;

3. Multi-sectoral and systematic interlinking of development actions embedded in an overall vision and strategy;

For the management of the LEADER I objectives in local level, the Local Action Groups (LAGs) were established. The chosen groups were needed to be local in character and cover population areas ranging from 5.000-100.000 inhabit, in homogenous areas where an integrated Rural Development Plan based on local activities can be established and implemented. For LEADER I Programme during the 1990-1993 period, totally 217 LAGs were chosen and got into an action (EC, 1999b).

2.5.2. Application Areas

The areas involved for the action plans for the LEADER I initiative were the regions eligible under the objective 1 and objective 5b areas in the EU12. These two objective areas were defining the regions that needed to have the characteristics to work with LEADER I Programme.

Objective 1 regions are those whose per capita GDP is less than 75% of the community average and the regions with serious difficulties with (EC, 1997);

- Unemployment rate higher than the EU unemployment rate;
- Lack of services for businesses and individuals;
- Poor basic infrastructure.

Objective 1 areas for LEADER I were: Spain, France, Portugal, Italy and Greece. These countries were the major recipients of funds (EC, 1999b).

Objective 5b areas are the regions with a low level of socio-economic development, assessed on the basis of per capita GDP, with additional three main criteria:

- High share of agricultural employment;
- Low level of agricultural income;
- Low population density and/or significant depopulation trend.

Eligibility of the objective 5b was extended to other areas that were not covered by Objective 1 with a low level of development rate, if they would meet one or more of the secondary criteria - remoteness, sensitivity to trends in the agricultural sector and the restructuring of the fisheries sector, the structure of agricultural holdings and the structure of the agricultural working population, the environment, the countryside, mountain areas, etc..

Objective 5b areas were composed by Belgium, Luxembourg, Germany, Denmark, Netherlands, Scotland, England and some parts of France (EC, 1999b).

The economic activities of the LEADER areas were primarily oriented towards agriculture. In most cases tourism was appeared as the other major activity, if other economic diversification had already been achieved (EC, 1999b).

Under the light of this information, LEADER I Programme reached an area of 367.000km² in the EU15 countries (EU, 2006).

2.5.3. Budget

The total budget spending of the LEADER I Programme was just for EU12 countries, for the objective 1 and 5b areas and with 217 LAGs.

The LEADER I Programme's budget was relatively limited and restricted compared to other LEADER Programmes. The reason it was limited and restricted is that the LEADER I initiative was the first initiative that Rural Development Policy used. Accordingly, the establishment of the LAGs, the recognition of the rural needs and to set the programme needed some adjustment time. And also LEADER I Programme was applied for three years which makes the LEADER I Programme the shortest initiative among the other LEADER Programmes, especially the number of the LAGs (217) is four times less than the next LEADER Programme (LEADER II). The population which was approximately 11 million people and the areas covered by the LEADER I received 0.6 MECU per year and per LAG (EU, 2006).

The analysis of business plan were based on a classification according to the final allocations to the different eligible measures, as they were defined in the Notice to Member States by the Commission (EC, 1999b):

Measure 1: Technical assistance of rural development;

Measure2: Vocational training and assistance for recruitment;

Measure 3: Rural tourism;

Measure 4: Small and medium enterprises, crafts and local services;

Measure 5: Exploitation and marketing of agricultural products;

Measure 6: Other measures.

The weight of each measure was evaluated excluding the LAG operating costs which never exceeded 15.3% from the total cost. There was a great diversity in the share of funds allocated to each measure. For all of the LAGs, the highest share of funds was used for rural tourism, amounting to 45% of the budget (198 MECU), followed by agricultural products and SMEs which was 17% for each (75 MECU). There was a huge concentration of actions in rural tourism. The most widely used measure (100% of groups) was rural tourism followed by SMEs, crafts and local services (96%); exploitation and marketing of agricultural products (88%); technical assistance (82%); vocational training (80%) and other measures (38%) (EC, 1999b).

The number of operations were estimated in about 22.000, of which 8.500 concerned tourism, 3.500 SMEs, and 3.300 agricultural projects. On the whole these concerned mostly small projects and immaterial investments, rarely realized previously in rural areas (EC, 1999b).

As a result, the total budget of the LEADER I Programme was 442 MECU. For the 217 LAGs, 0.6 MECU was spent per year and during the three years Rural Development Programme this value reached 1.8 MECU. With the LAG expenses, the cost of the LEADER I for one year was 130 MECU (EC, 1999b).

2.5.4. Funds

The LEADER I Programme was supported by Member States and by the Community. The LEADER I initiative used the structural funds, European Agriculture Guidance and Guarantee Fund (EAGGF), European Social Fund (ESF), European Regional Development Fund (ERDF). Structural Funds supported 400 MECU, an important part of the LEADER I budget (Saraceno, et al., 1998).

In this case the structural funds were financing the LEADER initiative at the light of Rural Development Policy needs and rules. There were five main budget titles of the Structural Funds for the LEADER I Programme (O'Hara, 1990):

- 1) Promoting the development and structural adjustment of the less developed regions;
- 2) Converting regions seriously affected by industrial decline;
- 3) Combating long-term unemployment;
- 4) Facilitating the occupational integration of the young people;
- 5) With a view to CAP reform;
 - Spending up the adjustment of agricultural structures;
 - Promoting the development of rural areas.

2.6. LEADER II (1994-1999)

The LEADER II Initiative was implemented for the programming period 1994-1999, for six years, on the basis of the Commission's decision of June 1994. The LEADER II Initiative was the follow up of the very successful LEADER I Initiative. In other words, LEADER II had to be understood as a continuation of LEADER I, marked by an effort to decentralize and adapt it to the programming structures of the Member States (ÖIR, 2003).

Although LEADER II was the continuation of the LEADER I Programme, in contrast to LEADER I, the Commission chose a decentralized approach:

“...in keeping with the principle of subsidiary, the implementation of LEADER II will be as decentralized as possible, respecting the competences of each local collective body.

The Commission will negotiate, in partnership with the member state, the content of regional or national programs and will no longer intervene directly in the selection of projects and beneficiaries (action groups and other collectible bodies) except where the partners responsible fail to act.”⁸. With this change, the LEADER Program became more dependent on the local areas instead of the Commission. The LAGs were able to make more specific projects for the rural areas for the specific needs (ÖIR, 2003).

The evolution of the LEADER I was carried out during the implementation phase of LEADER II. In the part of this evolution, the “LEADER method” was formulated distinguishing this Community Initiative from other structural funds measures and initiatives.

In 1995, the EU enlarged by three new countries, Finland, Sweden and Austria. Accordingly, the membership of the Community was increased from 12 to 15. Enlargement promoted the addition of a new priority objective for the Structural Funds, and in March 1993, the Council established the cohesion instrument, replaced in May 1994 by the Cohesion Fund. As its name suggests, the new fund is also designed to foster economic and social cohesion within the Union.

2.6.1. Aims and the Objectives

The main aim of the LEADER II was to facilitate innovation transfers and exchanges of the experiences and know-how between territories and rural area players in the EU.

To ensure the innovation transfers and exchanges, LEADER II needed to use a network which concerned all countries in the European Union and whose role was to facilitate relations between numbers of diverse organizations. This network was one of the main actions of the Program. Apart from the networking operations, the main objectives of the LEADER II program were (EC, 1998):

- To ensure support for exemplary local initiatives involving local development continues from LEADER I;

⁸ Notice to Member states, point 15.

- To support operations that are innovative, suitable as a model and transferable, and that illustrate new directions that rural development may take;
- To step up exchanges of experiences and the transfer of know-how through a European rural development network;
- To back transnational cooperation projects developed by the local bodies in rural areas which reflect their solidarity.

In order to implement the objectives, LEADER II had the instruments to plan. Unlike the LEADER I program, LEADER II had more groups to work with. These groups were (EC, 1998):

- Local Action Groups (LAGs), whether experienced or new (between 600 and 800 rural «micro-regions», of which 150 benefited from LEADER I, are involved in LEADER II), between 1.000 and 10.000 inhabitants;
- Other Collective Bodies (OCBs) whose action, based more on themes, is in keeping with the logic of territorial development;
- Administrations and institutions participating in the implementation of LEADER II;
- Various bodies involved in rural development.

Local partnership was supposed to reflect the diversity of rural actors and facilitate the creation of an integrated and multi-sectoral development strategy. In reality the public actors played a predominant role. The 92 other collective bodies were mainly centered around themes related to agricultural value added chains (wine, grains, wood) and on social criteria (mutual help, rural women); their intervention space was mostly not just local, but regional or even national. Their number of individual members was usually higher than that of LAGs (ÖIR, 2003).

Operational Programs put up according to the Notice of Member States which stipulated four eligible measures (ÖIR, 2003):

Measure A: Acquiring of skills, allowed funding actions for gathering information and the improvement of these information, for motivating and training local people for analyzing their area's needs to draw up strategies.

Measure B: Rural innovation programs, allowed funding innovative development strategies.

Measure C: Trans-national cooperation, supported common projects initiated and carried out by several LAGs and OCBs operation in at least two different member states, in order to meet similar challenges or to enforce their capacities by complementing each others strength.

Measure D: Networking, Evaluation, supports the development of active solidarity between rural areas and exchange of knowledge and experience among the member states rural areas.

2.6.2. Application Areas

LEADER II Programme applied to lagging areas in EU15 during the 1994-1999 development period. During this period, the objectives of LEADER II applied to three different objective areas in Europe. Two of the objective areas were the same as LEADER I. The objective areas for LEADER II were; Objective 1, Objective 5b areas and Objective 6 areas according to the EU's areas that had priority to develop.

Objective 6 areas are: regions corresponding or belonging to regions with population density of eight inhabitants per km² or less and, subject to the requirement of concentration, some adjacent and contiguous smaller areas fulfilling the same population density criterion (Andrew, 2004).

The reasons for the LEADER II implementation at those objective areas were:

Objective 1 areas were to promote the development and structural adjustment of regions whose development is lagging back.

Objective 5b areas were facilitating the development and structural adjustment of rural areas.

Objective 6 areas were for promoting development and structural adjustment of regions with an extremely low population density.

In principle, the initiative LEADER II was eligible in all rural zones of the Objective areas 1, 5b and 6. Without further definition of what has to be understood as rural area. As a definition, objective 5b areas are rural areas but objective 1 areas cover whole NUTS II

regions, including the urban zones whose exclusion or not was not precisely defined. Therefore there is the fact of extreme heterogeneity of eligible areas, both concerning their size and population (ÖIR, 2003).

The number of LEADER II areas were increased considerably compared to LEADER I areas. The new initiative brought new partners, not only in the new Member States but also in regions that had been familiar with the initiative. Countries that belong to Objective 1 areas were Greece, Ireland and Portugal. Objective 5b countries were Denmark, Finland, Sweden and Luxemburg. But Finland and Sweden were managing the initiative at a national level but were classified between 5b and 6 objective areas (ÖIR, 2003). The other countries - Austria, Belgium, France, Germany, Spain, England, Italy and the Netherland, had chosen the regional level which became the focal points for implementation. This approach led fragmentation of the programmes on one side, but on the other side it brought the administrators closer to the local actors (ÖIR, 2003).

2.6.3. Budget

For the LEADER II initiative programming period between 1994 and 1999, the European Union had a budget of 1.755 MECU⁹ for the LEADER II Programme (ÖIR, 2003). This amount was composed of the initially contracted budget and additional 230 MECU taken from the “Community Initiatives Reserve”, allocated in October 1995. The reason for this unexpected increase was caused by the high co-financing needs of the states, with few exceptions such as Luxembourg where the share of the private funding had been higher than expected, in the initial plans: up to by +13% in Portugal had the highest unexpected co-financing increase, and +5 to +10 on average in the other member states. The leverage effect of European funds on national public and private money was nearly 200% against 150% in the initial previsions (ÖIR, 2003).

LEADER II Programme consisted in four measures as it was mentioned before. The measures that were specific for the LEADER II Programme were funded by the Commission. In this co-financing period, Measure A, acquisition of skills, had 3.4% of the budget share with 131.391 ECU. The biggest share of this measure belongs to France with 58.209 ECU (ÖIR, 2003).

⁹ Based on the exchange rates in 1995.

Measure B, rural innovation programmes, had 92.1% of share from the budget with 3.561.667 ECU. The biggest budget share belongs to Spain with 1.131.227 ECU (ÖIR, 2003). Measure C, trans-national cooperation, had 3.6% of share with 138.620 ECU. Finally Measure D, networking, had 0.9% of budget share with 36.659 ECU. The total budget for these four measures was 3.868.337 ECU¹⁰, and the most intensive point of the budget was focused on measure B (rural innovation programmes). That means on innovative, model-like and transferable development actions. Measure B cost between 71% and 98% of the fund programme budget which is 3.561.667 ECU.

2.6.4. Funds

LEADER II Programme was co-financed by three structural funds just like LEADER I Programme. These structural funds were EAGGF, ESF and ERDF (table 1).

The CAP accompanying measures, arising from 1992 reform, and the compensatory payments for less favoured areas and the areas subject to environmental constraints were co-financed by EAGGF Guarantee Section. For the other rural measures, the source of Community funding varies according to the regions concerned. Objective 1 areas were co-financed by EAGGF-Guidance Section, and the outside objective 1 regions co-financed by EAGGF- Guarantee Section. As an addition, the EAGGF also covers the measures for the development and structural adjustment to areas not financed by the ERDF in areas eligible under objective 1 and objective 2.

The table 1 explains the each spent structural funds per each objective area. The three structural funds had participated in the initiative, the ERDF represented a share 46.5% of the budget, 834.025¹¹ and the EAGGF Guidance Section represented a share of 44.7% of the budget, which was 802.053¹². ESF represented just the 8.8% part of the budget which was 158.809¹³ (ÖIR, 2003).

¹⁰ Source: European Observatory data base.

¹¹ European Regional Development Fund, administrated by the DG REIGO (former DG XVI).

¹² European Agriculture Guaranty and Guidance Fund, administered by the DG AGRICULTURE (former DG VI).

¹³ European Social Fund, administered by the DG EMPLOYMENT (former DG V).

Table 1-EU part-funding per Structural Fund and per Objective area LEADER II (Unit: ECU)

	EAGGF	ERDF	ESF	TOTAL	%
Obj. 1	509.529	477.081	83.597	1.070.208	59.6
Obj. 5b	253.967	350.153	72.600	676.720	37.7
Obj. 6	7.112	6.791	2.612	16.515	0.9
Networks	31.444	0	0	31.444	1.8
Total	802.053	834.025	158.809	1.794.887	100.0
%	44.7	46.5	8.8	100	

Source: European Commission, DG AGRI 2003.

2.7. LEADER + (2000-2006)

Globalisation of world trade, consumer-led quality requirements, EU enlargement: these were the new realities and challenges facing European agriculture. The challenges affected not only agricultural markets, but also local economies in rural areas. The future of the agricultural sector was closely linked to a balanced development of rural areas, which cover 80% of European territory in EU15. The Community dimension in this relationship was therefore clear: agricultural and rural policy have an important role to play in the cohesion of EU territorial, economic and social policy (Zervoudaki, 2001).

This was the reason why the Agenda 2000 reforms follow the development seen in recent years: alongside the market measures and the requirements of a competitive European agriculture, the varied needs of the rural world must also be recognised, together with the today's society expectations and environmental requirements. The new Rural Development Policy, the "second pillar" of the CAP, met these needs (Zervoudaki, 2001).

In July 1997, the European Commission launched the "Agenda 2000", a proposal to reform significant community policies and to prepare for the Central and Eastern European Countries (CEECs) enlargement. It was adopted by the Council 1999 and included a reform of the Common Agricultural Policy, putting a stronger emphasis than

before on rural development (EC, 2001). On the other hand, relatively to the reform of the common policies, the LEADER program had an evaluation progress. The EU reinforced the decentralized approach to allow programmes to be drawn up the geographical level, after consultation with economic and social partners, agricultural and environmental authorities. Moreover, the Community Initiative for rural development, LEADER+, was based on a bottom up approach and LAGs had an important role to play.

LEADER+ was an European Community initiative for assisting rural communities in improving the quality of life and economic prosperity of their local area, and was co-financed by the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF). LEADER+ was preceded by LEADER I and LEADER II.

The LEADER+ Programme was applied within the structural funds period from 2000 to 2006. It aimed to encourage and support rural actors and it sought to encourage the implementation of integrated, high quality, original strategies for sustainable development designed to encourage experimentation with new ways of: enhancing the natural and cultural heritage; reinforcing and diversifying the economic environment, by contributing to job creation and improving the organisation abilities of the Community (EC, 2002).

Seventy-three operational programmes were approved by LEADER+, setting the frame for 893 LAGs in the EU15. New Member States had the possibility to dedicate the parts of the Rural Development Programme budgets to LEADER. As an addition, this option was actually chosen by Czech Republic, Poland, Hungary, Latvia, Lithuania and Estonia (EC, 2006b). There were 893 LEADER + Local Action Groups in Europe before the 2004 enlargement. In some of the Member States which became member of the EU in 2004, LAGs were working under a LEADER-type measure (EC, 2001).

2.7.1. Aims and Objectives

The LEADER + as a Community Initiative for Rural Development was designed to encourage pilot approaches to integrated rural development in selected areas (Elena, 2007). These selected areas in the 2000-2006 period were with 10.000-100.000 inhabitants areas (EC, 2001). It aimed to contribute to more sustainable social, economic and

environmental development for rural areas with particular emphasis on four priority themes (EC, 2002). These priority themes are:

- Making the products and services of rural areas more competitive;
- Improving the quality of life in rural areas and communities;
- Know-how and new technology;
- Adding value to local products and making the best natural and cultural resources.

LEADER + was designed to help rural actors, considering the long term potential of their local region. It had a strong focus on partnership and networks promoting the exchange of experience (Elena, 2007). LEADER + was implemented by LAGs and private-public partnerships that were responsible for drawing up and implementing a development strategy for the local rural areas they represented.

As an addition LEADER + also put a strong emphasis on simulation of joint-cooperation projects among LEADER groups within the EU and on networking to encourage the exchange of experience, sharing ideas and approaches among rural areas.

On the basis of expertise from LEADER I and LEADER II, LEADER + aimed to complement the mainstream to Rural Development Programmes by promoting integrated schemes conceived and implemented by active partnership operating at the local level. As stated in the Commission's communication (EC, 2002), the aim of LEADER+ was to encourage and support rural actors in considering about the long term potential of their area by encouraging the implementation of integrated, high quality, original strategies for sustainable development. To succeed this aim, the LEADER+ Programme structured around three specific actions (table 2) (EC, 2002). These actions were covering all the needs of the rural and local areas (in general terms) and helping to find the solving point of the problem, and at the end by the implementation of plans and projects of the LAGs, the areas had been reaching a solution. These three subjects that LEADER + Programme was structured around were (EC, 2006b):

- 1) Support for territorial development strategies of a pilot nature;
- 2) Support for cooperation between rural territories;
- 3) The Networking for all rural areas in the EU;

The first subject provided support for integrated territorial rural development strategies of a pilot nature based on bottom-up approach and horizontal partnership (EC, 2002). Accordingly, this support would be given to rural areas which showed willingness and ability to devise and implement an integrated and sustainable pilot development strategy based on partnership and structured around a strong theme typical of the identity, resources and know-how of the territory concerned. For the implementation of this support, the principle of innovation was combined with the principle of “sustainability” in order to sustain more integrated development strategies (Elena, 2007).

The second subject applied only to rural territories that selected under action 1 of the initiative. It would be implemented under the responsibility of the LAG coordinator. In this action, LEADER+ Programme supported cooperation within one Member State, between several Member States and third countries. To receive the support, LAGs needed to have the supported cooperation and this cooperation had to demonstrate genuine added value for the territories (EC, 2006b).

The last subject, networking, was supported by LEADER + contact point in Brussels, by national networking bodies co-financed and by the European Commission. The networking for all rural areas, whether or not beneficiaries were under the initiative, all organizations and administrations involved in territorial development, such as the Rural Carrefour, received support with a view not only to the exchange and transfer of experiences but also stimulating and achieving cooperation between territories, and providing information and drawing lessons concerning territorial rural development (EC, 2002).

There were seven main groups for funding and measuring the rural development under the LEADER Programme (EC, 2004). The following rural development measures were supported by the EAGGF:

Measure 1: investments in farm business. The first measure dealt with the problems in farm business. The main aim of this measure was modernization of farming machinery, equipments and systems to improve incomes as well as the living standards and production conditions of farmers.

Measure 2: human resources. The second measure supported to transfer of farm business from one generation to another was provided through the setting up the young farmers and through encouragement of early retirement.

Measure 3: less favoured areas and areas subject to environmental constrains. Certain rural areas designed as less-favoured because the conditions for farming were more difficult, due to natural handicaps which increased production costs and agricultural yields, thereby threatening the long term survival of farming and the management of open spaces. Farmers in these areas would therefore continue to receive compensatory payments.

Measure 4: forests. Support for forestry was part of the recently adopted forestry strategy, aimed at ensuring the protection and sustainable management and development of forests in the EU.

Measure 5: processing and marketing of agricultural products. Adapting production to market developments, reaching new commercial outlets and adding value to agricultural products were all important factors which contribute to increase the sector's competitiveness.

Measure 6: agri-environmental measures. Since 1992, the Community had supported agricultural production methods which respect the environment and biodiversity. Rural development policy post-2000 confirmed the essential role which farmers played in providing environmental services.

Measure 7: various measure for the general development of rural areas (article 33 measures). Lastly, article 33 of the new regulation groups together with a series of measures aimed to promote integrated rural development throughout the Community, inspired by the experience of programmes introduced in under-developed regions or rural areas with reconversion difficulties (Zervoudaki, 2001).

2.7.2. Application Areas

LEADER+ applied in all EU15 countries. The new 10 Member States were not included in the rural development period 2000-2006. However, the New Member States were given the option to implement LEADER+ type measures for the remaining period of the program since they joined the EU in May 2004. Six out of the ten new Member States decided to implement these measures in their Objective 1 programs (2004-2006): Czech Republic, Estonia, Lithuania, Latvia, Hungary, and Poland (EC, 2006b). These Leader+ type measures were mainly focused around the acquisition of skills such as training and building local development partnerships, called 'Scheme 1' measures (EC, 2006b). Once LAGs were selected they would be able to fund projects under local development strategies which will last until the end of the program.

The ranking of the total programmed expenditure between 2000 and 2006 showed the national programmes of Greece and Portugal are by far biggest (EC, 2006b).

2.7.3. Budget

The Community Initiative LEADER+ was designed to encourage the implementation of integrated, high quality and original strategies for sustainable development. In order to implement these strategies, LEADER + was structured around three actions (table 2). It had a strong focus on partnership and networking, promoting the exchange of experience. The total budget of the 2000-2006 period was cost totally 5.046 MECU, of which 2.105 MECU was funded by the EAGGF Guidance Section and remainder by public and private contributions (EC, 2006b).

The LEADER+ Initiative was jointly financed by the Member States and the Community. The total estimated contribution of the EAGGF Guidance Section for the period 2000-2006 was 2.020 MECU in 1999¹⁵. The final budget of the LEADER + Initiative cost relatively close to the estimation cost, the spent budgeted was totally 2.105 MECU (EC, 2006b).

¹⁵ European Community Measures- Agricultural Policy and Rural Development, 05/2000, available at <http://ec.europa.eu/agriculture/rur/leader2/rural-en/euro/p1-0.htm>

Table: 2 -LEADER + Actions (in ECU)

Actions	ME UC	Share (%)
Action 1: Support for integrated territorial development strategies of a pilot nature based on a bottom-up approach	4.3 77,6	86, 75
Action 2: Support for cooperation between rural territories	504 ,8	10, 00
Action 3: Networking	68, 7	1,3 6
Technical assistance	95, 4	1,8 9
Total	5,0 46.5	100

Source: <http://ec.europa.eu/agriculture/rur/leaderplus>

2.7.4. Funds

The LEADER+ Initiative of Rural Development Policy was funded by the EAGGF. In this period of development, the strategy was different from the prior LEADER Programmes. LEADER I and LEADER II Programmes were funded by three structural funds. In this initiative, the ERDF and ESF were not used. EAGGF programmed expenditure of 2000-2006 development period was (EC, 2006b):

- Group 1 actions – restructuring/competitiveness- were composing the 38% of the EAGGF;
- Group 2 actions –environment/land management- were composing 52% of the EAGGF;
- Group 3 actions- rural economy/rural competition- were composing 10% of the EAGGF.

2.8. LEADER (2007-20013)

Maintaining economic activity in rural areas was a priority in the Agenda 2000 reform, principally because of the CEECs enlargement. The new 10 Member States were more dependent on agriculture for employment and economic activity than the EU15. The EU had always provided funds for Rural Development, but the 2003 reform emphasized

the EU's renewed commitment to Rural Development Policy was introduced in Agenda 2000 as second pillar of the CAP, by increasing the rural development budget substantially.¹⁶

During the evaluation time of LEADER + and the CAP, the Rural Development Policy strategy was changed from market oriented approach to territorial based approach. This means the agriculture and rural economy became more important. Accordingly the strategies and actions to promote rural territory became more significant. During the CAP reform in 2003 and 2004, the aim was to strengthen Rural Development by transferring funds from first pillar which is market support, to second pillar which is Rural Development. On the other hand, the Rural Development Policy scope was expanded in order to respond growing public concern on food quality, environmental protection and animal welfare. These changes in the agriculture sector not only affected agriculture, but also affected the local economies in rural areas. The future of the agriculture sector was closely linked to a balanced development of rural areas which covers 80 % (in EU15) of the European territory.

Since the CAP reform in 2003-2004, Rural Development has been playing a significantly important role to help rural areas. Rural areas make up 92 % (in EU27) of the territory after the EU CEEC enlargement and the new regulation expands the possibilities to use rural development funding to boost growth and create jobs in rural areas.

2.8.1. Aims and Objectives

The new Rural Development Policy for period 2007-2013 is to build around four priority axis, including LEADER axis and “On support for rural development by the European Agricultural Fund for Rural Development (EAFRD)”¹⁷ lays down the operational framework for transforming the new orientation into programmes (Courades, 2006). The first axis of the Rural Development Policy is to increase the competitiveness of the agricultural sector by supporting the human capital, physical capital and quality aspects for restructuring. The second axis is to enhance the environment and country side through support for land management by complying with certain standards in the field of environmental protection, public health, animal and plant health and animal welfare.

¹⁶ CAP Reform of 2003-04 Economic Research Service/USDA.

¹⁷ Council regulation 1698/2005 of 20 September 2005.

The third axis is to strengthen the quality of life in rural areas and promote diversification of economic activities by farm sector and other rural actor measures. The last and the 4th axis of the Rural Development Policy is the LEADER Programme for local development in rural areas (EC, 2006b).

During the establishment of these four axis of the Rural Development Policy, the preferred implementation method was through the local development strategies, which were targeting the sub-regional entities, and through the bottom-up approach. Accordingly, each axis was supposed to contain a LEADER axis to finance the implementation of the local development strategies of LAGs built on the three objectives.

LEADER Initiative has three measures for 2007-2010 Rural Development period. These three measures help to the LEADER Initiative to apply the three specific axis that prepared for the Rural Development Programme (Regulation, 1698/05):

Measure 1: implementing the local development strategies to achieve the objectives of one or more of the three Rural Development axis;

Measure 2: implementing cooperation projects;

Measure 3: running the local action group, acquisition of skills and animating the territory.

2.8.2. Application Areas

LEADER as the 4th axis of the Rural Development Policy is applying to all Member State Countries. After the 2004 enlargement, new 10 Member States¹⁸ can use the EAFRD and participate to the LAGs (Courades J. M. 2006). There was one last enlargement in 2007, when Bulgaria and Romania were joined and EU became EU27.

These last two members are also able to use the fund and participate in the projects and actions under LEADER Programme. In this development period, the Local Action Plans are focused on the new 10 Member state countries. By the new enlargement of the EU in 2004, the Central and Eastern European Countries increased the rural area averages in the EU.

¹⁸ New Member states according to 2004 enlargement: Poland, Czech Republic, Estonia, Lithuania, Latvia, Hungary, Slovakia, Slovenia, Malta and Cyprus.

2.8.4. Funds and Budget

The European Agricultural Guidance and Guarantee Fund (EAGGF) is replaced by the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) on 1 January, 2007 (Regulation, 1290/05). The new Regulation (1290/05) provides for the creation of two new funds, in 2007, each financing one of the two pillars of the CAP:

- the European Agricultural Fund for Guarantee (**EAFG**) for Pillar 1;
- the European Agricultural Fund for Rural Development (**EAFRD**) for Pillar 2.

EAFRD financing rules will differ to a degree from those offered by the EAFG. Whilst the EAFG finances its part of the CAP on the basis of monthly declarations, financing by the EAFRD includes pre-financing, intermediary payments and final payments.

Rural Development is now financing by a single fund: the European Agricultural Fund for Rural Development and relatively, the LEADER programme has been funding by a single fund. According to this new funding system, every Member State (or region, in cases where powers are delegated to regional level) must set out a Rural Development programme, which specifies what funding will be spent on which measures in the period 2007 to 2013.

This strategic approach has been introduced by the EU Strategic Guidelines (EC, 2006c) and should help to:

- Identify the areas where the use of EU support for Rural Development adds the most value at EU level;
- Make the link with the main EU priorities;
- Ensure consistency with other EU policies, in particular those for economic cohesion and the environment;

- Assist the implementation of the new market-oriented Common Agricultural Policy (CAP) and the necessary restructuring. It will entail in the old and new Member States.

The measures of the EAFRD regulation are structured around four axes:

Axis 1: improving the competitiveness of farming and forestry. For this axis, min 10% of EAFRD total contribution is available;

Axis 2: environment and land management. For this axis the 25% of EAFRD is available;

Axis 3: improving the quality of the life and diversification. 10% of the fund will be for this axis;

Axis 4: LEADER Programme. This axis mainstreams the local development strategies that were previously financed under the LEADER initiative by bottom-up approach. For this axis at least the 5 % of the EAFRD total contribution is reserved. Which means for the LEADER 2007-2013 programme 4.800MECU is available.

PART III

3.1 Results

In each development period, the Rural Development strategies have been changing. Accordingly, the LEADER Programme objectives were changing. Meanwhile, the basic aim of the LEADER Programme and the basic aim of the Rural Development Policy have not changed, which is improving the life quality in rural areas.

During the last 20 years of the Rural Development Policy the most important initiative, the LEADER Programme, has been evaluated annually because of the EU enlargement strategies, the changes in the EU common policies and strategies and rural needs.

When LEADER Programme was initially established, there was a little pressure to coordinate LEADER Programme with other modes of funding Rural Development (Midmore, 1998). This situation has changed as the LEADER approach has become more established within European Rural Development Policy, and there has been a growing institutionalization of evaluation within the programme as a whole.

This change is so clear between LEADER I and LEADER II Programmes. When LEADER II started in 1994, it was not a new initiative. In 12 Member States, it had been implemented as LEADER I and proved to be quite successful taking into account the relatively small allocation involved. Member States became interested in integrating the programme features of the LEADER Programme into their governance structures (ÖIR, 2003).

From LEADER I to LEADER II the relationship between the Commission and the Member States had changed considerably. In LEADER I Programme, the EC had much more direct contacts with the groups. In LEADER II the relation of the EC with the

beneficiaries and the Member States including the regions was “much more formal and administrative. LEADER became a ‘normal’ programme with some distinctive features. But the way the EC was dealing with it was quite the same as for other programmes” (EC official).

Started in 1991, the Community Initiative, LEADER Programme, pursued a new and small-scale approach to rural development in lagging areas (objective 1) and in areas that were facing structural difficulties (objective 5b) with relatively limited financial resources. LEADER I was designed to revitalize the choose areas and to complement the existing European Structural Funds and national or regional development programmes (EC, 2006b).

With the LEADER II Programme as a Community Initiative for Rural Development Policy during 1994-1999 period, regions with population density of eight inhabits per km² or less and subject to the requirement of concentration (objective 6) were included to LEADER Programme application areas. The specific aim of the LEADER II in these objective areas was increasing the network web among the rural areas to exchange of know-how and experiences. By this way the Rural Development became sustainable and opened to innovative actions.

Table 3- LEADER Programmes Evaluation

LEADER Initiatives	Number of Local Action Groups	Area Covered	EU Funding
LEADER I	217	367 000 km	442 MECU
LEADER II	906	1 375 144 km	1 755 MECU
LEADER +	893	1 577 386 km	2 105 MECU
LEADER 4 th axis	-	EU 27	4 800 MECU

Source: EC, 2006

As we can see from the table 3, the number of LAGs between LEADER I and LEADER II Programmes were increased a lot (400%). During the LEADER I period, the total number of LAGs were just 217. At the LEADER II period, the number of LAGs increased to 906. However, this boom was not related with the new objective area that

was included to LEADER II Programme (Objective 6 areas). This increase also did not have anything to do with the EU enlargement¹⁹, because from the 699 new groups, 635 LAGs came from the old Member States having participated in the previous Community Initiative. For example, Italy passed from 0 LAGs to 203 LAGs. Greece, and Portugal, which were already actively participating in the LADER I, doubled the number of LAGs.

The increase of the LAGs from LEADER I to LEADER II, effected the areas that covered by the programme, the number of the Local Action Plans and relatively effected the budget of the LEADER II Programme. Total budget of the LEADER II was increased to 1.755 MECU from 442 MECU.

This important evolution of the LEADER Programme between the 1991-1993 and 1994-1999 periods taught the following lessons:²⁰

- **Strengths:** the mobilizing of local actors to take control of the future of their area; decentralized, integrated and bottom-up approach to territorial development; the exchange and transfer of experience through the creation of networks; the ability to include small-scale projects and support small-scale promoters.
- **Weaknesses:** delays in the selection of beneficiaries in some Member States, and consequently in the launching of programmes; fragile partnerships; the accumulation of disparate procedures and the dispersal of financial resources.

The primary framework for evaluation from LEADER II to LEADER+ was the European Commission Guideline on Evaluation (EC, 1999) for all Rural Development Initiatives supported through the European Agricultural Guidance and Guarantee Fund (EC, 1999):

“Rural development evaluation must provide information on the implementation and impacts of the co-financed programmes. The aims are, on the one hand, to increase the accountability and transparency with regard to the legal and budget authorities and the public and, on the other hand, to improve the implementation of the programmes by contributing to informed planning and decisions concerning needs, delivery mechanisms and resource allocation.”

¹⁹ In 1995, the EU enlarged by three new countries, Finland, Sweden and Austria.

²⁰ http://europa.eu/legislation_summaries/regional_policy/provisions_and_instruments/g24208_en.htm

As the state mentioned, LEADER+ Initiative was continued its role as a laboratory, which encouraged to the emergence of new approaches for reintegrated and sustainable rural development. These approaches complemented national development strategies and European Rural Development Policy in the context of the "mainstream" programmes.

By the enlargements of 2004, the EU Rural Development Policy and accordingly the LEADER + Programme were changed their focuses from Spain, France, Portugal and Greece to CEECs. At the end of the 2000-2006 programming period, the EU extended its Rural Development Policy to Hungary, Czech Republic, Slovakia, Poland, Slovenia, Estonia, Latvia, Lithuania, Malta and Cyprus (Hoek, 2005).

Table 4-LEADER Programmes

Programme period	LEADER I 1991 – 1993	LEADER II 1994 – 1999	LEADER + 2000 – 2006	LEADER as the fourth axis of RDP 2007 -2013
Principles	LEADER I addressed rural areas as designed under the EU structural funds objectives 1 and 5b., this programme intended to promote a new approach to rural development from the bottom-up and differentiating interventions according to local needs by Local Action Plan. This plan defines a limited number of strategic development axes and corresponding measures.	In this programme the principles of innovation become explicit. The main important actions are innovative actions, balanced partnership, cooperation and networking, identification of key features, emphasis on creating jobs and boom in the number of LAGs. In addition to LAGs, other Collective Bodies (OCBs) with a thematic focus are eligible as beneficiaries.	The thematic approaches such pilot strategies, environmental and quality of life issues, technological change, cultural heritage and emphasis on sustainable development gain more importance with this programme. LEADER + based on 3 actions. -Support for integrated territorial development strategies of a pilot nature based on a bottom-up approach; -Support for cooperation between rural territories -Networking	The initiative continues to support multi-sectoral, area based local development strategies, private-public partnership and bottom-up approach. It will be integrated into the mainstream rural development programmes as their fourth horizontal axis.
Areas	Lagging areas in EU12 217 LAGs 362.000km ²	Lagging areas in EU15 12 programmes, 906 LAGs, 92 OCBs 1.375.144km ²	All rural areas in EU15 893 LAGs All rural areas in EU25(EU27 from 01/01/2007) 1.577.386km ²	All rural areas in EU 25. (EU 27 from 1\1\2007).
Budget	ECU 390 m ECU130 m/a ECU 1.8 m/LAG ECU 0.6 m/LAG per year	ECU 1,795bn ECU 229 m/a ECU1.80 m/LAG resp.OCB ECU0.30 m/LAG resp. OCB per year	€2,105 bn €300.7 m €2.36 m/LAG €0.34 m/LAG per year	€3.46 bn (0.49 per year) for an unknown number of LAGs.
Funds	EAGGF, ERDF, ESF	EAGGF, ERDF, ESF	EAGGF	EAFRD

Source: Synthesis of mid-term evaluations of LEADER+, 2006.

Table 5- Objectives and Measures of LEADER Programmes

	Objectives	Measures
LEADER I (1991-1993)	<ul style="list-style-type: none"> -Preparation of programmes, assessment of local needs, measure to raise awareness of rural development possibilities; -Vocational training for rural residents and for group organizers and instructors; -Rural tourism, including investment aids, small infrastructure, heritage, market research and promotion and reservation systems; -Establishment and development of small firms, enterprises and local services particularly in conjunction with part time farming; -Exploitation of local farm, forestry and fisheries products, especially marketing, technical assistance, technology transfer and quality. 	<ul style="list-style-type: none"> - Technical assistance of rural development; -Vocational training and assistance for recruitment; - Rural tourism; - Small and medium enterprises, Crafts and local services; - Exploration and marketing of agricultural products; - Other measures.
LEADER II (1994-1999)	<ul style="list-style-type: none"> -To ensure that support for exemplary local initiatives involving local development continues from LEADER I; -To support operations that are innovative, suitable as a model and transferable, and that illustrate new directions that rural development may take; -To step up exchanges of experiences and the transfer of know-how through a European rural development network; -To back transnational cooperation projects developed by the local bodies in rural areas which reflect their solidarity. 	<ul style="list-style-type: none"> - Acquiring of skills; - Rural innovation programs; - Trans-national cooperation; - Networking.
LEADER + (2000-2006)	<p>It aims to contribute to a more sustainable social, economic and environmental development for rural areas with particular emphasis on four priority themes:</p> <ul style="list-style-type: none"> -Making the products and services of rural areas more competitive, -Improving the quality of life in rural areas and communities, -Know-how and new technology, -Adding value to local products and making the best natural and cultural resources. 	<ul style="list-style-type: none"> -Investments in farm business; -Human resources; -Less favoured areas and areas subject to environmental constraints; -Forests; -Processing and marketing of agricultural products; -Agri-environmental measures; -Various measure for the general development of rural areas (article 33 measures).
LEADER 4 th Axis (2007-2013)	<ul style="list-style-type: none"> -Restructuring support for increasing the competitiveness on agriculture sector, -Land management support for enhancing the environment and countryside - Strengthening the quality of the life in rural areas -Promoting diversification of economic activities. 	<ul style="list-style-type: none"> -Implementing the local development strategies to achieve the objectives of one or more of the three Rural Development Policy axis; -Implementing cooperation projects; -Running the local action group, acquisition of skills and animating the territory.

Source: Own Construction

Table 4 and 5 show clearly the different principles, objectives and measures of the each LEADER Programmes with different budget and funding system. To understand the changes of the each LEADER Programmes, it is important to consider the reasons that caused to these changes. There are several reasons for the LEADER Programme's aim changes and accordingly the Rural Development Policy's aim changes. The enlargement is one of the most important reasons for those policy changes. In an enlarged Europe, regions are increased. Relatively the diversification between regions and rural areas increased also. In order to reduce these disparities, the common policies have been changed or evaluated according to the level of disparities and rural needs. These changes on the policies reflected in to the Rural Development Policy and accordingly the LEADER Programme. In each development period the objectives and the measures of the LEADER Programme are changing (table 5). But the main target of the programme is still stable which is reducing the disparities among the rural areas and providing a harmonious development of the Union by increasing the life quality in rural areas. At the first development period (1991-1993) the emphasis of LEADER I was on mobilisation and animation, the constitution of partnerships, learning about how to make local development strategies, with innovative actions defined quite modestly as actions that had not been implemented before or were already financed through other programmes. In these terms, local partnership has big importance for the programme. And also to support SME and agricultural products, the local partnership was playing the structural role for the programme. When LEADER I was applying, the three standard problems of the rural areas, as it mentioned at the second part of the report, were already discovered but not at the local level. LEADER I Programme focused on diagnoses of the problems or needs in rural areas at local level. After diagnoses of the problems, new strategies were created with 217 LAGs. During the tree years of implementation of the LEADER I Programme, the main measure for the Rural Development Policy was rural tourism activities and projects which covered the 45% of the programme budget.

With LEADER II the learning process of the spesific features of LEADER approach was better understood both by rural actors and at the various institutional levels. By the LEADER II Programme, the focus of the budget shifted to rural innovation programmes. This measure spent 92% of the budget (Table 1). Different from the LEADER I, this

measure includes all rural programmes in one measure for Rural Development: cooperation and networking between groups, the identification of the distinctive components of the LEADER approach, evaluation and self-evaluation of the performance of LAGs.

Apart from the measures, LEADER II Programme's main target was to increase the innovative action in rural areas for increasing the fertility in agriculture, stockbreeding and the creation of the marketing activities for rural products. As in the LEADER I Programme, for the LEADER II, partnership was also very important for exchange of know-how and experiences. The main objectives of the both LEADER I and LEADER II Programmes until LEADER + programme were mainly the same, the establishment of the network for partnership and support for rural tourism and agricultural production. From LEADER II to LEADER +, the importance of the partnership and networking were increased by the LEADER + programme's main target which was encouraging the implementation of integrated, high-quality and original strategies for sustainable development. A total of EUR 5 046.5 million for the period 2000-2006 was spent around three actions to provide the main target of the programme, including technical assistance, of which EUR 2 105.1 million was funded by the EAGGF Guidance Section and the remainder by public and private contributions (Table 2).

With the LEADER + Programme, the focus of the budget shifted to the support for integrated territorial development strategies of a pilot nature based on a bottom up approach. 86% part of the programme budget was spent for this action (Table 2). Mainly the objective of the programme was intensive around technological and innovational change in the rural areas. To provide this change pilot strategies prepared and applied to the EU 25 countries. On the other hand, environment was also one of the most important subjects at this programme as much as the life quality in rural areas. With Leader + a shift towards more specific thematic approaches (technological change, use of natural and cultural resources, quality of life in rural areas, adding value to local products) was chosen to focus on.

After the LEADER I and LEADER II Programmes, LEADER+ and LEADER, the 4th axis of the Rural Development Policy, became more general in terms of application areas. During the LEADER + (2000-2006) development period, all the EU25 countries were

able to apply the LEADER + Programme. There was no specific explanation or requirement to apply the LEADER Programme to regions. By the LEADER Programme for 2007-2013 period, the EU27 countries are also able to apply the LEADER initiative.

The LEADER Programme as the 4th axis of the Rural Development Policy has very important point that the other LEADER Programmes did not have. Since 2000, Rural Development Policy has become the “second pillar” of the CAP, supported by two important instruments, the Rural Development Programmes (Regulation, 1257/1999) and LEADER + Programme. EAFRD is a key instrument in achieving the targets under this pillar. Rural Development measures now cover a wide variety of themes from investments in agricultural holdings, agri tourism, agri-environmental and renovation and development of villages. The LEADER+, Community Initiative, was encouraged the implementation of integrated, high quality and original strategies for sustainable development; with a strong focus on partnership and networks of exchanges and of experiences. This was also important for tourism and environmental awareness, especially in terms of renewable energy and efforts being made to tackle climate change.

By the LEADER as the 4th axis, the Rural Development strategy was turned to supplement the market-oriented policy by a more territorial based approach was underpinned by the objectives to promote a multifunctional agriculture, to follow a multi-sectoral and integrated approach to the rural economy and to offer flexible aids for rural development. These aids in question are funding by the EAFRD. LEADER Programme as the 4th axis of the Rural Development Policy focuses on the competitiveness of the rural areas and rural sectors by diversification of economic activities in rural areas. By this diversification and competition skills, rural products are able to compete in international market. Accordingly, transnational cooperation has significant importance for this LEADER Programme. Yet the budgets for the measures are not final numbers and the Programme is still in progress but it is clear that the head of the budget will be the restructuring support for increasing the competitiveness on agriculture sector.

As much as the differences, LEADER Programmes have common points also. There are five main common points among the LEADER Programmes. They are:

- Organization of a local partnership -LAGs- with the participation of local players and implementation of an action plan;
- Development and implementation of Local Action Plan;
- Multi-sectoral approach and systematic search for links between actions as an part of an integrated global strategy;
- Co-financing of action plans by European Commission, the Member States and the regions in the form of a global financial allocation;
- Networking between the respective rural areas. Such networking takes a number of different forms, in particular the implementation of trans-national cooperation initiatives.

3.2. Conclutions

LEADER as a part of an integrated Rural Development strategy allows experiments with local (territorial based) small scale actions (pilot projects) using the endogenous potential of the area. The underlying assumption is that development processes involve a different mix of relevant factors that are unique and typical of a particular geographical space and time and therefore should be designed at local level. The actions are concerted and applied by local players and they are transferable to other territories. All this opportunities to develop rural areas is possible by LEADER Initiative of the Commission. The LEADER Initiative clearly plays an important role to develop rural areas and accordingly the regions. By reducing the regional disparities among Member States provides harmonious development for the Union.

On the one hand, evaluation serves to demonstrate whether or not public resources are being well spent and whether LEADER and related initiatives can be improved. Evaluation as a demonstration of public value clearly has a role to play, and maintaining the political capital of the LEADER approach supports a proven successful approach to Rural Development that seems in many ways to embody integrated rural development. And also, evaluation potentially forms an important part of the value delivered by LEADER, if it can be done in such a way as to valorize local social resources (Ray, 1999) and increase endogenous institutional capacity (Farrell & Thirion, 2005).

Since LEADER I to LEADER the 4th axis, each LEADER Programme brought rural areas development one step further. Accordingly it is possible to say that Rural Development Policy strategies and priorities shifted from rural tourism to agriculture, innovation and as the last shift to competition and cooperation.

Critical Analysis of Required Skills

To accomplish this internship it was necessary to have knowledge about the European Union, and especially on European Economy (particularly the Single Market Economy), its common policies such as Common Agriculture Policy, Regional Development Policy, Rural Development Policy and policies backgrounds. Language skills other than English were also helpful, because sometimes research on the Internet was necessary (especially to discover the origin of LEADER initiative and policy regulations of the EU), and the information was not in English. It was also required some knowledge about the preparation of surveys such as Information Technologies (including Microsoft Office Word, PowerPoint and Excel TM). Over time that the internship has lasted, it was possible to learn much about the Commission initiative of EU regional policy, as well as about the preparation of surveys. Although, undoubtedly, the internship has helped to understand these issues, there is still much to learn at the Division of Cooperation and Promotion. It is difficult to know in a few months not only the functioning of the Rural Development Policy and LEADER programmes but also the processes executed by the respondents to cooperate and to get the necessary support to it. The internship was therefore essentially an introduction to the subject, which could only be deepened with a lot more time and experience.

General Balance of the Internship

Actually, the internship was a real work experience, which may lessen the initial shock of entering the job market after graduation of university studies. It also allowed better understanding of some specific issues (especially the rural development policy, and for surveys), and also gain knowledge in general terms about the operations and applications in the European Community programmes, specifically the LEADER programmes which is a Rural Development Policy's initiative. One of the great advantages of doing an internship is precisely the integration in an environment that deals with specific issues, allowing interaction with people with experience in the area. This is a very important way of learning, since it is possible to access information which may not come "in the books," and therefore to get a better grasp of reality. It is also important to delegate tasks, which helps gain experience, which often can be won only trying to accomplish these tasks, making mistakes and learning by doing.

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