

Monograph IE: Area-Based Rural Development Initiative¹

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1. General description of the Area-based Rural Development Initiative

The purpose of mainstreaming LEADER was to continue with that model as the most appropriate for a territorial approach to rural development. LEADER II was perceived as a highly successful initiative and accordingly the intermediary Department decided to continue with the model in all its features as a mainstream programme with the same vertical and horizontal structures and actors. The programme was therefore initiated by government with the aggregate body of Groups involved. It can be concluded that the government decision of 1999 was the main vector for the programme.

The duration of this sub-measure, the Area-based Rural Development Initiative (ABRDI), is 2000 – 2006. The managing authorities are the two regional assemblies concerned. The implementing body is the Department of Community, Rural and Gaeltacht Affairs and the paying authority is the Department of Agriculture and Food, under which the sub-measure was first initiated. It should be noted that the Rural Development Division was transferred from the latter Department to the new Department of Community, Rural and Gaeltacht Affairs in June 2002.

Funding is provided for area-based local groups for groups who are area-based and tripartite in structure and who submitted local development plans for their areas to carry out approved business plans, covering administration, animation, networking, including women's networks, training, rural tourism/agri-tourism, local crafts and services, small scale food processing and small scale environmental activities. The sub-measure essentially aimed to mainstream LEADER II activities for Groups and Collective Bodies whose operations in the past were funded by LEADER, as the new Community Initiative (LEADER +) is focused on a very limited range of areas.

The sub-measure supports the following priorities of the NDP:

- Rural Development
- Employment and Human Resources Development
- Balanced Regional Development
- Social Inclusion

The specific objectives of the sub-measure are to mainstream the LEADER type of initiative so as to give local groups an opportunity to contribute to the development of their areas. The sub-measure puts particular emphasis on the environment, equality, rural development and poverty.

A major emphasis of the Programme is put on innovation. Innovation in products and processes must be continuously sought, and needs and solutions should be defined at the local level. Networking and co-operation should be emphasised, encouraged and facilitated. There is also a major emphasis on economic activity and enterprise, i.e. the creation of new and expansion of existing enterprises, the creation of new jobs and sustaining existing jobs as well as the generation of additional and alternative incomes in rural areas.

Financial aid is given for supporting the following measures;

- Training
- Analysis and Development
- Innovative rural enterprises, craft enterprises and local services/facilities

- Exploitation of agriculture, forestry and fisheries products
- Enhancement of natural/built/social/cultural environment
- Environmentally friendly initiatives
- Animation and capacity building

Budget 2000 –2006, (€million)

	EU	Government	Total
S & E region	12.70	21.70	34.40
BMW region	<u>19.05</u>	<u>22.23</u>	<u>42.48</u>
	31.75	43.90	75.68

The Groups may offer aid only at the rates available to comparable projects under other grant aid schemes operated by Government Departments and State agencies. Subject to this underlying principle, the maximum rate of public funding as a general rule is 50%, with the following exceptions,

- Administration up to 100%
- Animation up to 100%
- Training up to 100%
- Analysis and Development for community based projects up to 80%.

The programme has linkages with LEADER +, Area Partnership programmes, the County Enterprise Boards and Clar. The two other local development programmes which operate alongside the LEADER- type programme are the Area Partnership and County Enterprise programmes. The importance of a local dimension to local development was emphasised in experiments in the late 1980s and early 90s in integrated rural development and in an area based response to long-term unemployment. The latter led to the introduction of Area Partnerships. The number of Partnerships was increased for 12 to 38 (20 in urban areas and 18 in rural). Each operates in an area designated by the Government as being disadvantaged. In addition ADM supports 33 Community Groups in non-designated areas which carry out functions similar to those of Partnerships. The actions of Partnerships and Community Groups are targeted at people who were long-term unemployed or who were otherwise socially excluded. The Board of each Partnership formulates a strategic plan, which is appraised and then funded by Area Development Management Ltd. The Board of the partnership then implements the plan in consultation and in participation with the local community.

The County Enterprise Boards have a responsibility for local development principally through the provision of a range of business supports which comprise advice, financial assistance and management training to micro-enterprises (10 employees or less). A sectoral agreement operates between the County Enterprise programme and LEADER whereby in general the former has primary responsibility for supports in the manufacturing and service areas while the latter focuses on rural tourism, community enterprises and social-economy enterprises.

In general, there is a fair degree of complementarity between LEADER and these Initiatives even though only the Area Partnership has LEADER-like features. There is little association between the ABARDI and the other 1257/99 measures.

The CLÁR programme launched in October 2001 is a targeted investment programme in rural areas. CLÁR complements both the Rapid programme for disadvantaged urban areas and RAPID 11, the programme for provincial towns. It is designed to tackle the problems of depopulation and decline and lack of services in rural areas.

2. Starting conditions and evolution

The LEADER II programme formally ended in December 2000 with Groups allowed to complete payments for projects until June 2001. During 1999 and 2000 preparations were being made for the new National Development Plan, 2000 – 2006. A draft Operational Programme was prepared by the then Department of Agriculture Food and Rural Development during 2000 in response to the invitation from the EU Commission for Member States to submit detailed proposals under the LEADER + Initiative. After the selection of the 22 LEADER + Groups it was decided that rural areas not supported by LEADER + were to receive support under the National Rural Development Programme to be operated under the Regional Operational Programmes. Networking on a national basis was to apply among LEADER + Groups and the other Groups.

This programme is based on the LEADER II Programme (operational from 1995 to 2000). The ex post evaluation of the LEADER II Programme found that: *“The experience of LEADER II was that all sectors contributed to the development of the areas to a greater or lesser degree, depending on the perceived needs and variation in resources in respective areas, and therefore it is appropriate that this multi-sector feature is retained in the proposed area-based initiative. ...With the growing emphasis on the quality of life and the environment, it is appropriate also that a multi-dimensional aspect of the programme, incorporating social and environmental features, be retained”*.

The ABRDI maintains the key features of the LEADER Programme:

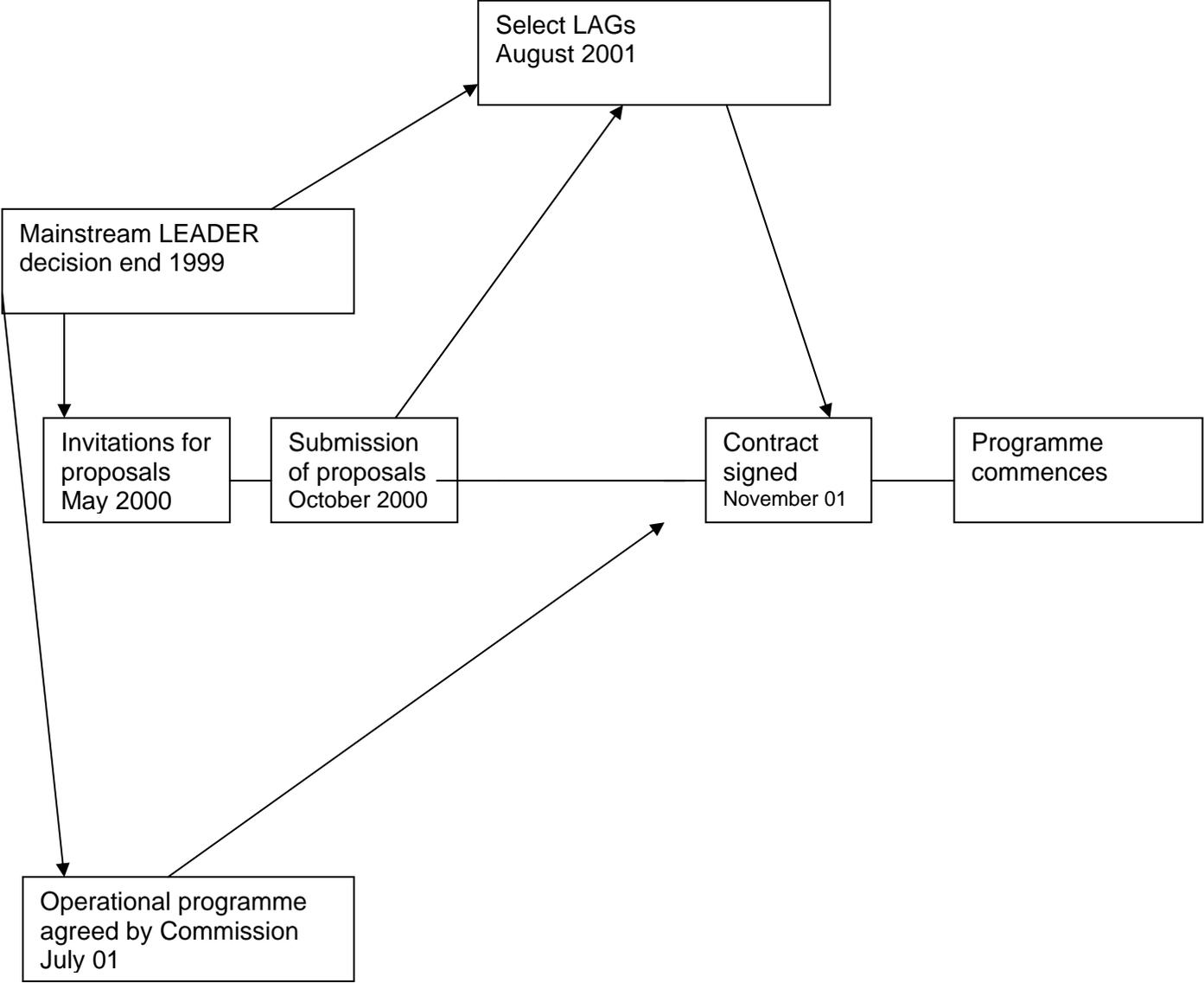
- An area-based and bottom-up approach
- An integrated– i.e. multi-sectoral business plans
- And partnership and decision-making authority at local level – in relation to business planning and implementation.

The overall objective is the creation of employment and income in rural areas through the identification and promotion of innovative rural development projects. The final beneficiaries are project promoters. These promoters may be individuals, enterprises or local community based development groups and the means to achieve this are financial and animation & capacity building support offered by the Groups. Thirteen Groups and 3 collective bodies were selected for funding under the ABRDI and a further 22 LEADER+ Groups were also allocated funding under the Rural/Agri-Tourism sub-measure. Twelve of the 13 Groups that are allocated ABRDI funding were also allocated funding under the LEADER II Programme. These Groups are generally similar in size to those supported under the LEADER II Programme.

There is one new Group – Co. Carlow; this County was formerly part of the Barrow-Nore-Suir Group. The budgets are also broadly similar to those provided to the Groups under the LEADER II Programme.

The governance of the sub-measure in Ireland is identical to that under LEADER II with the same features, administrative structures, vertical and horizontal partnerships and representative networking association. The management and financing procedures are also similar

3. Time line reconstruction



4. Features mainstreamed in ABRDI

All features of LEADER II have been mainstreamed into the ABRDI as the requirements were established at the outset and the LEADER approach was to be the model for the programme.

With respect to co-operation with other agencies/bodies, the vast majority of Groups have sectoral agreements with the County Enterprise Boards (CEB) and most Groups also have cross-representation on County Enterprise and County Development Boards. There is also a considerable degree of cross-representation on project evaluation committees between LEADER Groups, the County Enterprise Boards and Area Partnerships where relevant. However, there tends to be a greater involvement of CEB staff in LEADER structures than vice-versa. LEADER staff are frequently represented also on CEB sub-committees. In addition to these contacts between agencies, there is a considerable degree of informal contacts also between the staff members of the respective local agencies.

As provided in the Contract Agreement, Groups are required to participate fully in LEADER networking arrangements:

- a) Nationally, by membership and participation in the Irish LEADER network and
- b) On an EU wide basis.

Neither of these agencies has yet been established so the bulk of the networking by Groups takes place under the aegis of Comhar LEADER na hEireann (A networking body representative of all Groups) with other Groups nationally and internationally. Apart from involvement with Comhar LEADER, most of the other networking will take place under a measure similar to Action 2 of LEADER + on national and international activity. Groups have the discretion to spend up to 10% of their allocation on inter-territorial and transnational co-operation. Such activity will involve:

- Co-operation with Groups within Ireland
- Co-operation with Groups within Member States (special attention will be given to co-operation with Northern Ireland)
- Co-operation with Groups outside the EU, particularly from the emerging countries.

In accordance with the Commission Guidelines for LEADER +, Local Action Groups must include a balanced and representative selection of partners drawn from the different socio-economic sectors in the area of operation. At decision-making level, the economic and social partners and associations must make up at least 50% of the local partnership. Referring to the Commission Guidelines, there must be “original forms of organisation and involvement of the local population in the decision-making process and in implementing the project.” The board should be tri-partite in structure comprising representatives of the local community and development associations, private sector business interests and the local state agencies including County Council representatives. The composition of local action group boards must contain community/development group representation of at least 25%. The approach should be innovative and two groups have been identified for priority attention which are considered to represent the key to the development of rural areas, women and young people (under 25 years of age).

The Groups are required to maintain records on each project approved for aid. The key indicators to be applied are set out in Annex to the operating rules. The Groups are required to maintain records and progress reports by reference to each of the specific indicators so as to facilitate assessment and

evaluation of the programme on an on-going basis. The Groups may wish to supplement the key indicators with indicators specific to their own area or special interest. In relation to job creation in particular, it is important that accurate and verifiable data is available to record the specific achievements of the ABRDI.

The measures in ABRDI are essentially the same as in LEADER II. In general the projects are similar to LEADER II but there would be a number of instances where there has been a scaling up of innovative results from LEADER II, especially in the IT area. An example of this, for a particular Group, is where an audit of IT resources in a single local community was undertaken in LEADER II. Under the ABRDI this has been scaled up to a countywide audit of IT resources involving all local communities and schools in the county.

5. Furthering and hindering factors

What furthered mainstreaming was the perceived and acknowledged success of the two previous LEADER programmes. This is evident in the priorities in the CAP Rural Development Plan and in the National Development Plan 2000 –2006 where one of the strategic areas is “developing rural services and rural enterprise support”. In the latter it was stated that income-generating opportunities from off-farm incomes are vital if rural populations are to benefit from economic growth. A key task has therefore been given to ABRDI in helping to achieve this objective.

All of the features of LEADER have been included and have aided mainstreaming the programme. Indeed the operating rules for the programme are identical to those for LEADER+ with the exception of the rural tourism measure, which is not in the LEADER + programme as such but the Groups concerned have been given the responsibility for delivering this measure in their respective areas. In fact this current programme is even somewhat more broad-based than LEADER + in that it now has been given the full brief for promoting rural tourism.

Moreover it was felt that it was strategically correct to apply the same rules to non-LEADER+ Groups as to LEADER+ Groups, so that they would not feel disadvantaged or in a less important development programme.

There is no particular problem to-date with respect to the manner in which the programme is mainstreamed and the experience has been very satisfactory so far.

There is less emphasis however on Trans-national Co-operation in ABRDI than in LEADER II. There is also a perception among Groups that there is a growing tendency to pull more decision-making to the centre, and more centralised management with regard to funding decisions and management by Groups.

One factor which may hinder mainstreaming is the issue of critical mass especially with respect to the area-based approach, where the Group area may not be of sufficient size to achieve economies in the operation of the model. Also insistence on innovation may limit the application of the approach in some instances.

6. Synergies between ABRDI and local development initiatives

There is a considerable degree of synergy between ABRDI and other local development initiatives. It is not the intention that Groups operate as the exclusive development agencies in their areas nor compete with the official State bodies. Accordingly, Groups must operate in harmony, and maintain close liaison, with all State agencies and local authorities and other official structures within their operational areas. The Group is required to participate fully and be represented on the Boards of the County Development Boards established in each county. These arrangements are designed to:-

- (a) achieve an integrated approach to local development delivery and
- (b) avoid overlap and duplication of resources, particularly insofar as grant aid for projects is concerned.

Co-ordination is ensured by representation of the official local bodies at board level on the Group. In the case of CEBs, sectoral agreements must be in place between Local Action Groups and these Boards. It is also mandatory for CEBs and LAGs to have cross representation on each other's Boards and Evaluation Committees.

In other relevant areas, arrangements for co-operation with other development agencies should also be put in place. These arrangements should include cross representation at Board level. All projects relating to the environment should be undertaken in co-operation and consultation with the relevant local authorities.

In general, basic information on other rural development activities/supports is given to local people through the ABRDI service and there are procedures to ensure that there is no duplication of activities on funding and that there is compliance with national objectives vis-à-vis agriculture and rural development policy. The operating rules put much emphasis on this matter.

7. Outcomes in respect to behavioural features

There was a seamless transition from LEADER II to ABRDI. The actors have remained the same and essentially there are no behavioural changes arising from the transition. The one possible difference is that while there was a tourism measure in LEADER II, the ABRDI has been given the role and responsibility of delivering the agri-tourism sub-measure, which was formerly in the National Operational Programme for Agriculture, Rural Development and Forestry, 1994 – 1999. The LEADER + Groups also administer this sub-measure in the remainder of the country. Also as noted earlier, there is also a perception among Groups that there is a growing tendency to pull more decision-making to the centre.

8. Added value

While a detailed Mid-Term Review of the ABRDI has not been undertaken in the same manner as that for LEADER +, the indications suggest value-added outcomes similar to that for LEADER II. The Groups have made progress in addressing the overall objective of the sub-measure, in that they endeavour to support the local contribution to the development of their areas. The level of expenditure on animation and capacity building suggests that Groups are actively pursuing this objective and the level of grant aid committed indicates progress in supporting project promoters. All Groups appear to have adopted the key principles of the 'LEADER type' or area-based initiative:

- bottom-up – partnership structure
- integrated – multi-sectoral plans
- decision-making authority at local level – project support.

The economic objectives of the Programme are clear enough, creation of employment and income in rural areas. The reported number of jobs created/sustained indicate progress in this area, however it was difficult to comment on more fundamental issues such as: sustainability and income generating capacity of these jobs, groups targeted/beneficiaries, and progress against business plan targets, since this data was not available by eligible area and detailed analysis of business plans was beyond the scope of the evaluation undertaken.

The implementation of the sub-measure seeks to achieve 2 outputs – development of innovative delivery mechanisms and specific project outputs. While the latter may provide some indication of usefulness of the mechanism employed, it is the experimentation with innovative development mechanisms that will be of more long-term importance to sustainable development of the area.

While provision has been made for transnational and inter-territorial co-operation, there have been few projects to-date. This has also been the experience with LEADER + also. The groups in ABRDI participate actively in the informal network operating in Ireland but no official networking has been established so far. Co-operation and networking would not rank as highly as other features in terms of the “adding value” to rural development approaches but it does influence local groups to look beyond their own area to a wider world.

The programme itself does not have a major effect on **agricultural adjustment and diversification**. The initiative is not concentrated on agriculture and is thus not a major funding programme for this purpose. It does however provide off-farm employment opportunities and some focus on alternative enterprises although the latter are largely under the ROPS.

The programme significantly enhances **employment**, through its project expenditure, and small enterprises, which are often overlooked by the larger state bodies, are identified and supported. Its effect on employment is proportionate to its resources, and its training and animation measures also indirectly support employment

The measure enhances the environment and LEADER is by nature environmentally friendly. There is an emphasis on the built environment, on heritage and culture, and coupled with rural tourism projects the initiative has greatly helped in protecting and improving the rural environment.

The **income situation** is improved through financial support and employment and access to locally provided training. The development of rural tourism and support for local enterprise have all

contributed to an improved income situation as have adding value in existing enterprises and the creation of new enterprises.

The programme has improved the situation in respect to **equal opportunities** through its focus on training which is utilised by a lot of women. The LAGS have also enabled local areas to access specific other Equal Opportunity Programmes.

The value-added with respect to horizontal and vertical **governance** can be seen in the manner in which the LEADER approach has brought peripheral and remote areas into the policy participation arena, extended knowledge into such areas and facilitated local areas in devising solutions for local problems which the top-down approach could never achieve. It is also an extremely effective and efficient mechanism in the manner in which it interlinks with other institutions in devising appropriate responses to local problems and has harnessed support across the political spectrum.

Value-added is also evident in the degree of **knowledge** acquired across the spectrum of the model for the local communities and Groups right up to the level of the implementing agency. No other initiative brings together all the relevant actors in the development process and brings policymaking and policies relevant and close to the people for whom they are intended. There is no better way of developing the process or methodology of rural development for local Groups or for national or regional authorities than the LEADER approach.

9. Critical success factors

The over-riding critical success factor for mainstreaming is the presence of horizontal and vertical partnerships which have a common objective towards promoting rural development and in the role of LEADER type programmes in contributing to this objective.

The main internal factors for success are :

- Well representative and skill resourced partnerships
- A well developed strategy for co-ordination and linkages
- A strategic plan for each area with vision and adaptability
- To maintain the integrity of the LEADER features in the transition to mainstreaming. If some of the specific LEADER features are lost in the transition to mainstreaming, then the potential for success is undermined.

The main external factors for success:

- The need for continuity in programming and multi annual commitments
- Appropriate and adequate level of financing
- Well defined, constructive and progressive vertical partnership
- Trust in the local organisations by central government.
- **Good networking across local, national and EU spectrum.**

10. Recommendations

The experience to date with ABRDI is very positive. All of the particular features of LEADER are in the present programme and there would be widespread approval of retaining all of these features for future mainstreaming. There could however, be some relaxation or simplification with respect to decentralised management and financing whereby more autonomy could be given to Groups. In the experience to-date there are no particular aspects of the LEADER approach which have proven difficult, taking note of the reservation expressed in the previous point. A number of the agricultural diversification measures (in the OP) that are regarded as rural development supports could be incorporated into the ABRDI and LEADER+.

With respect to implementation questions and mainstreaming, the one issue which probably generates most comment now relates to project eligibility and the degree of autonomy Groups have with respect to this matter. Also, it has to be acknowledged that while the capacity to adopt the LEADER approach might be present, sufficient resources must be available for the approach to be effective. However, it is not appropriate to extend the LEADER approach to measures which facilitate or enable adherence to statutory requirements with respect to such issues as the environment, or food quality and safety, nor to measures which fund support services for the agricultural sector as a whole. Where funding is limited, the LEADER approach is the best strategy to identify particular problems and target resources to the resolution of these problems.

Neither are there any constraints or national strategy choices which impede the inclusion of the LEADER approach in mainstream programmes. However, the de minimis rule and ceiling on grant assistance which are included in the Operating Rules could impact negatively on the multi-sectoral aspect of the model in extending the mainstreaming approach in future.

11. Comments and personal impression

The interview was first conducted with the manager of the ABRDI Programme, who also manages the LEADER+ programme in the Intermediary Department concerned. The second interview was conducted with Dóirín Graham, the manager of the Rural Resource Development (County Clare) ABRDI Group in her capacity as manager of that Group and also giving a wider view from a representative perspective. Both of the interviewees found that as ABRDI was such a mirror image of LEADER II that many of the questions in the survey schedule were almost superfluous or unnecessary and at other times difficult to comprehend. Lastly the geographical researcher for Ireland took the responsibility for interpreting the balance of the experience in Ireland with LEADER programmes and the ABRDI, given the similarity of the latter to the former.

There are some nuanced differences in Ireland with respect to “Rural Development” type programmes. First, the designated “CAP Rural Development Plan” 2000 – 2006 is a national programme and comprises the specific measures: Early Retirement, Compensatory Allowances, Rural Environment Protection Scheme and Forestry. All other measures are included in the Regional Operational Programmes, and are referred to as Complementary Measures. Only two of the latter are co-financed, ABRDI and Farm Waste Management. This diversity in Programmes and nomenclature might have hindered the comprehension of the interviews, but the responses are a good representation of the Irish experience of the relevant programmes.

Finally, I consider that the overall approach taken in this study and in this report is a fair and accurate representation of the experience of mainstreaming LEADER in Ireland.

12. Table of interviews

Name of interviewee	Function	Date of interview
1. Tom Allen	ABRDI administrator, National Intermediary Department, Dublin	16/12/03
2. Doirin Graham	Chief Executive Officer, Clare LEADER Group and Council Member of Comhar LEADER na hEireann	18/12/03
3. Brendan Kearney	LEADER Evaluator and Evaluator of BMW Regional Operational Programme	20/12/03

