

DIFASS GOOD PRACTICE FACT SHEET NO 21 Sardinia 19th – 20th June 2013
WORKSHOP THEME: MIXED GRANT/NON GRANT SCHEMES

PROGRAMME: The LEADER+ Initiative (LEADER+)

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1. SUMMARY OF GOOD PRACTICE

▪ **Overview & Aims**

One of four initiatives largely financed by EU structural funds, Leader+ was designed **to help rural stakeholders i.e. the local community, develop the long term potential of their local region.** Characterised by a bottom-up philosophy, LEADER initiatives are based on the principle of active participation of the local population and particularly local companies, associations, cooperatives and local authorities.

Encouraging the implementation of integrated, high-quality original strategies for sustainable development, the European-wide programme had a strong focus on partnership and transfer of practice and experience that may ultimately go on to influence future rural development policy. Operating from 2002 to 2009, the aims of the programme are:

- The improvement of local competitiveness, through the application of a range of local interventions responding to local needs, minimising disadvantages and reducing inequalities between areas
- The development of a sustainable social fabric through improved access to rural areas at all social and economic levels.

The **Greek National LEADER + initiative** had 3 main themes and priorities:

- Pilot strategies for rural development;
- Support for cooperation among rural areas
- Clusters.

The main theme was aimed at interventions for rural tourism and small business in the rural sector. Investments related to this theme rose to €236.4M, equivalent to 64% of LEADER+ investments.

▪ **Key Resources**

- **Programme Partners**

Ministry of Rural Development and Food, national i.e. overall management and supervision
ANKO (Development Agency of Kozani), intermediary/programme implementation.

The Local Action Group (LAG), collective of **regional stakeholders**; government, unions, municipal enterprises, agricultural cooperatives and other social and professional bodies appointed to set targets and manage the scheme at regional level.

Local decision makers (Local Development Companies) local communities, unions, cooperatives, chambers of commerce deciding on the specific targets in relation to local needs.

– **Funding: Funding Body & SME Contribution**

€13.5M EU and State Funded budget with SMEs contributing up to 40% from private funds. Supported by public finance, the LEADER+ has represented a substantial source of funding in the **less developed regions** of the rural economy for the Greek government.

▪ **Eligibility Criteria**

Programmes had to contribute to the economic and social cohesion, sustainable development, employment growth and environmental protection of the target regions.

Targeted at all SMEs in rural areas i.e. less developed regions; the mountain and island regions. Neighbouring communities able to demonstrate development prospects could also access funds.

▪ **Terms and Conditions**

No repayment terms were applied since the instrument is a grant. SMEs could apply for grants of up to €264K with **no minimum grant**.

The proportion of funding awarded to LEADER+ projects depended on the type of beneficiary; up to 60% for SME projects i.e., **investment subsidies - support for Entrepreneurship** with 40% from their own sources, rising to 75% for non-profit beneficiaries and 100% (75% from LEADER+ and 25% from the National Development Programme) for state/ public owned e.g. infrastructure projects.

2. IMPLEMENTATION

▪ **Key Steps – How it Worked**

Management and day to day operational activities associated with Western Macedonian scheme outsourced to ANKO, the intermediary agency, using a team of 10 staff.

Aimed at SMEs in the rural economy, LEADER programmes had to contribute to the economic and social cohesion, sustainable development, employment growth and environmental protection of the less developed target regions.

Directed by the regional and local authorities, the Western Macedonian district of Kozani used LEADER funds to develop the economy in two ways:

As investment subsidies in the form of grants for support for Entrepreneurship. 63% of the programme's total public expenditure was allocated to investment plans in the secondary and tertiary sectors and 56 out of 71 contracts (79%) dealt with activities to boost entrepreneurship. SMEs were awarded grants of up to 60%, with 40% of funds coming from their own resources. Eligible SMEs could also co-finance/top up their grant with a bank loan of up to a maximum of 30% of the total cost of the investment

Aid was allocated to three main activities:

- (i) to companies involved in the production of local organic and non-organic products;
- (ii) for construction and modernisation of industrial facilities;

(iii) for construction and expansion of small hotels where in **exceptional cases** grants of up to €440K were awarded for the construction of hotels in areas with untapped potential/no tourism facilities.

Helping young people into employment, encouraged through the support of 3 networks in the tourism, wine production and milk processing industry through a range of projects to help boost entrepreneurship and jobs. This included repair and restoration of cultural heritage projects.

▪ **Key Stats – results between 2002-9**

KEY MEASURE	TOTAL
Applications Submitted	119
Applications Accepted	76
Funding Granted (i.e. to successful SMEs)	€5.5M
Funding Invested (by SMEs)	€3.7M
New Enterprises Started	45
Jobs Created (the programme also helped to retain jobs).	60 F/T + 30 P/T

The application process was considered very difficult with decisions taking 4- 6 months Application costs incurred by SMEs ranged from €1,000 to €4,000 in cases where SMEs bought in expert help to prepare the application/business plan. Partner administration costs were €1.6M.

3. KEY LEARNING POINTS & OPPORTUNITIES

The programme empowered local entrepreneurship and also helped to promote and protect cultural heritage and is now superseded by a new programme (launched in 2009), that has the same philosophy i.e. community led development.

– **What worked well**

Local decisions i.e. decentralised implementation enabled faster funding procedures Encouraged connections and cooperation among local companies

Challenges/Weaknesses

The application process was considered very bureaucratic

▪ **Transferability**

- Opportunities: The local management of funding instruments
- Threats: Lack of EU or national funds

FURTHER INFORMATION:

You Tube: <http://www.youtube.com/watch?v=pXvYEK6qdA0>

EU Leader Plus: http://ec.europa.eu/agriculture/rur/leaderplus/index_en.htm