



## Press Release

Luxembourg, 6 July 2022

# Auditors question the outcome of the EU's community-led local development approach

Introduced in 1991, the LEADER programme – the EU's participatory and bottom-up policy for rural development – has helped to facilitate local engagement. But its approach is costly and its approval processes are slow. More than a decade after a first audit was carried out, a special report published today by the European Court of Auditors (ECA) concludes that there is little evidence to suggest that the benefits of the LEADER approach outweigh the costs and risks involved.

The EU has used the LEADER (community-led local development) approach for projects in rural, urban and coastal areas, with up to €9.2 billion in planned funding in the 2014-2020 period. This approach is intended to take advantage of the expertise and experience of local communities to define their development needs. Local action groups are pivotal to this process: they contribute to the design of a local development strategy and are responsible for initiating and developing projects to meet real local needs. Although LEADER looks attractive on paper, the question remains whether this approach has been beneficial on the ground.

*“The LEADER approach was designed with a laudable goal: to facilitate local engagement and empowerment for the benefit of EU rural areas”,* said Eva Lindström, the ECA member responsible for the audit. *“This entails extra costs and risks, which could be justified if the approach brought additional benefits compared with other types of EU spending programmes. Unfortunately, we did not find tangible proof that this was the case: many of the projects we looked at could have been financed at a lower cost by other EU funds.”*

The auditors acknowledge that LEADER tends to facilitate local engagement. However, local action groups are often not representative, with women and young people still being only marginally present. LEADER's participative approach incurs high administrative and running costs. These include activities to engage the local community and support applicants, and entail extra administrative requirements compared with mainstream spending programmes. According to the European Commission, these costs reached a total of over €1 billion (i.e. a quarter of total spending) by the end of 2020. Project application and approval processes, which can involve up to eight steps, remain too complicated and too slow, the auditors say. As a result, only 39% of projects have been paid for by Member States, and one of them (Slovakia) has not financed any projects at all.

*The purpose of this press release is to convey the main messages of the European Court of Auditors' special report. The full report is available at [eca.europa.eu](https://eca.europa.eu).*

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In their report, the auditors also draw attention to the way funding is used. In some EU countries, such as Germany, LEADER or community-led local development money covers projects, such as village roads, street lighting or kindergartens, which are typically statutory tasks to be performed by national, regional or municipal authorities. Also, supported projects – for instance the purchase of tractors for farmers – could sometimes be better and more specifically addressed by non-LEADER rural development measures, and through other EU spending programmes.

All in all, the auditors conclude that there is little evidence to suggest that LEADER's additional benefits justify its costs compared to other types of funding. The European Commission is in the process of examining the relevance, effectiveness, efficiency, coherence and added value of LEADER. But its evaluation will not be published before next year at the earliest. In view of the additional costs and risks it brings and the continued lack of demonstrable benefits, the EU auditors call for a thorough and in-depth assessment of LEADER and the community-led local development approach.

### **Background information**

In the 2014-2020 period, LEADER was a mandatory part of all rural development programmes. From this point, EU legislation required EU Member States, except Croatia, to spend at least 5 % of their rural development funding on LEADER.

Special report 10/2022, *“LEADER and community-led local development facilitates local engagement but additional benefits still not sufficiently demonstrated”*, is available on the ECA website ([eca.europa.eu](https://eca.europa.eu)).

This audit also follows-up on previous special report *“[Implementation of the LEADER approach for rural development](#)”* that was published in 2010.

The ECA presents its special reports to the European Parliament and the Council of the EU, as well as to other interested parties such as national parliaments, industry stakeholders and representatives of civil society. The vast majority of the recommendations made in the reports are put into practice.

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