

**RURAL DEVELOPMENT PROGRAMME  
(ENGLAND) 2007-13**

**Notes on the Implementation of  
the Leader Approach**

**Defra  
July 2007**

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## DOCUMENT CHANGE CONTROL

Change number	Date Issued	Description/Reason for change	Section(s) amended

## 1. Introduction

1.1 These notes are intended to assist organisations involved in the delivery of the Leader approach under Axis 4 of the Rural Development Programme for England (RDPE), 2007 - 2013.

1.2 They are aimed at seeking to ensure that:

- the requirements of EU regulations are met
- effect is given to the delivery approaches desired and endorsed by Ministers
- support under the Leader approach is given in ways that take account of, and reflect, the differing strengths and weaknesses of individual regions and rural areas within them

1.3 The 'mainstreaming' of Leader into being a delivery mechanism for Rural Development Programmes follows three 'rounds' of Leader as a programme in its own right - LEADER – I (1991-1994), II (1995-1999) and LEADER+ (2000-2006). All have been EU co-financed programmes focussed on the social, economic and environmental regeneration of rural communities. In each round of the programme, attempts have been made to learn from the previous experience and to incorporate that learning into the programme design.

1.4 **LEADER I** covered only parts of West Cornwall and the North Tamar area of West Devon. The Programme was very much a pilot programme, with funding to match – only 1.5 meuro.

1.5 **LEADER II** emphasised support for pilot projects that were innovative, sustainable and which had potential for transfer within the UK and Europe. It provided £26 million over the period 1995-99 and was specifically targeted at Objective 5(b) areas: South West; Marches (West Midlands); Midlands Uplands (Peak District); Lincolnshire; Northern Uplands (parts of Northumbria, Lancashire, Cumbria and North Yorkshire), and East Anglia.

1.6 The current **LEADER+** Programme builds on the two preceding programmes and it continues to focus on innovative, local area based development plans implemented by local people working in partnership. More emphasis has been placed on co-operation (both within the UK and Europe) and learning from others experiences.

1.7 The key difference in the new Programming period (2007-2013) is that the Leader approach is now a delivery mechanism for the RDPE, not a separate Programme. It must deliver at least 5% of the EU funds within the RDPE.

## 2. About Leader

2.1 There are a number of legal requirements concerning the Leader approach under Axis 4 of the RDPE. They cover the 'model' itself, the size of areas, selection, and finance and administration. These are set out in Article 61-65 of the Rural Development Regulation (RDR) and articles 37-39 of the Implementing Regulation<sup>1</sup>. As the approach will be used in, and across, all Member States, the European Commission will no doubt be keen to promote a reasonable degree of consistency in how it is applied across the EU.

2.2 Article 61 sets out the requirements that define the Leader 'model'. The core requirements that must apply in all cases are that:

- it should be area-based involving well-identified sub-regional territories;
- it should involve local public-private partnerships (Local Action Groups (LAGs)), which should each comprise at least half non-public sector members;
- it is a "bottom-up" approach with decision-making powers for LAGs. They will identify their areas' needs and then select the projects to be supported;
- the Local Development Strategy formulated by a LAG must be representative of a broad cross-section of the local economy;
- there should be networking of local partnerships, facilitated by a "National Rural Network".

2.3 It is another requirement that the Leader approach should support innovative approaches to rural development, and co-operation between organisations. These aspects will need to be demonstrated across the whole RDPE although not necessarily at individual LAG level.

2.4 It will be the role of Defra, as the Managing Authority for the RDPE, to ensure that the application of the Leader approach across England conforms to the requirements specified in the relevant EU regulations. That includes that the minimum spend requirement (expected to be approximately £105 million) is met over the period of the Programme.

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<sup>1</sup> The regulations are available at: [http://www.defra.gov.uk/erdp/rdp07\\_13/index.htm](http://www.defra.gov.uk/erdp/rdp07_13/index.htm)

### **3. The Leader model in England**

3.1 There are a number of matters relating to the operation of the Leader approach in England where Ministers wish to seek reasonable and sufficient concurrence of practice across the country. These apart, they will be keen to see appropriate flexibility having regard to local circumstances and priorities.

3.2 Apart from the need for consistency in meeting specific EU regulatory requirements, the areas where concurrence of practice will, in Ministers' eyes, be important are:

- close working relations between regional delivery partners - RDAs, Natural England and Forestry Commission, and, as appropriate, all LAGs - to ensure an integrated approach to rural development across all Axes of the Programme; the Leader approach will be particularly important in this regard, in ensuring 'joined-up' approaches at the local level across the 'economic', 'environmental' and 'social' spheres
- broadly consistent approaches to the selection of LAGs
- development, and engagement of LAGs in ways that complement local and sub-regional governance arrangements, building in particular on the Government's 'place-based' agenda for communities and the growing significance of local leadership given effect through local strategic partnerships

#### Achieving integration

3.3 Integration across all the axes of the RDPE is a key objective of the Programme. Achieving this will require close working between all relevant bodies. Natural England and the Forestry Commission might, for example, assist in the setting up of LAGs, helping to build their capacity and encouraging their strategies to address environmental as well as socio-economic objectives. Natural England and the Forestry Commission are also being encouraged to look at how Environmental Stewardship and England Woodland Grant Scheme (EWGS) funds (plus other smaller partnership and innovation funds) can be used in ways that will prove to be complementary to, and supportive of the work of LAGs.

#### Regional design

3.4 There are five main areas where there is regional flexibility in order to reflect regional diversity, strengths and weaknesses. Regional decisions will cover:

- the total spend on Leader – i.e. how much beyond the minimum spend will be delivered through Leader;
- the extent of geographical coverage within the region;
- the size of the Leader areas;
- precise partnership arrangements with local authorities and others; and

- how Leader will contribute to meeting regional priorities for the Programme, as set out in RIPs

#### **4. Leader budget and apportionments**

##### Total Leader Approach expenditure

4.1 Overall expenditure in the RDPE through the Leader approach must be at least 5% of the EU funds within the programme. This is currently estimated at £105m but the actual figure may vary a little because of currency fluctuations. This figure excludes any co-financing. There is, however, flexibility for regions to spend more and to determine the balance between axis 1 and 3 as contributors to LAG budgets.

4.2 There is a limit on running costs (i.e. the basic administrative and financial functions to support a LAG of 20% of the total public expenditure allocated to the Local Development Strategy in question. Based on the experience of the Leader+ Programme, we envisage the total spend on running costs, “skills acquisition” and “animation” (the latter two headings meaning building the capacity of the partnership to develop and implement the strategy) being no more than 20% save in exceptional cases.

##### Pre-selection expenditure

4.3 Article 59 of the RDR allows activities that come under the “acquisition of skills” and “animating the territory” headings to be eligible for support in the pre-selection stage, as well as the implementation stage. Those activities are:

- studies of the area concerned;
- measures to provide information about the area and the Local Development Strategy;
- the training of staff involved in the preparation and implementation of a Local Development Strategy;
- promotional events; and
- the training of leaders.

4.4 There will be regional flexibility on decisions on how to fund pre-selection development work. But it will be important to ensure that it is funded only in those areas that have a reasonable prospect of selection and that a consistent approach is taken across England. It will fall to Defra to ensure that this happens. No Programme expenditure on the pre-selection stage must be committed in advance of Programme approval without the agreement of Defra though RDAs are free to use funding from other sources for this purpose if they wish to do so.

4.5 To meet the requirement to fund pre-selection development work only in those areas that have a reasonable prospect of selection, it will be necessary for the RDAs to arrange an “expressions of interest” stage, providing a means of identifying those groups with a strong likelihood of success. **However, this expressions of interest stage is not the selection process.** It is a stage that will allow RDAs to make clear to potential LAGs how their bids are likely to fit with the criteria including regional fit. This should ensure that those with little chance of success do not proceed to the next stage. Procedures set up in regions must comply with Article 37.1 of the Implementing Regulation, in particular ensuring that there is “competition between the local action groups putting forward local development strategies.”

#### Other sources of public funding

4.6 Although there is a requirement to set co-financing rates at the outset of the Programme, the European Commission has said that there can be some flexibility on additional (i.e. non-Leader) funding to deliver Local Development Strategies. This additional funding must, however, be compliant with State Aid limits applicable to individual measures. That may include some types of funding from other public sector bodies, including local authorities and NDPBs. But it will be important for LAGs to keep a record of any additional public sources of funding they have levered in – and ensure it is included in their annual reports. If and when there is doubt about the whether, and if so how, other public funding may be used, Defra should be consulted.

## **5. Local Action Groups and Local Development Strategies**

### LAG areas

5.1 The regulations specify that the area within which a LAG will operate must be coherent from a geographical, economic and social point of view and offer sufficient critical mass in terms of human, financial and economic resources to support a viable development strategy.

### Population limits

5.2 The Implementing Regulation requires, as a general rule, the population within a LAG area to be greater than 5,000 but not more than 150,000. These limits may, however, be relaxed in properly justified cases.

5.3 In the Programme Defra has indicated its expectation that any case for a relaxation of the upper or lower population limits is likely to be where the exclusion of a given settlement, such as a market town, would have an impact on the coherence of the area, or, at the other extreme, where there is a very clear case on the basis of an area’s coherence being compromised. Each individual case will need to be justified to the Commission.

## Administrative structure

5.4 LAGs are required to select an administrative and financial lead actor (i.e. an accountable body) to take responsibility for the funding and the operation of the partnership. Alternatively, the LAG members may come together in a legally constituted common structure, the constitution of which would provide assurance on the operation of the partnership and its ability to administer public funds. In the current LEADER+ Programmes a range of approaches has been used. In the majority of cases a principal council has taken the lead but there are examples where a regeneration company or a Third Sector organisation has taken on the role.

5.5 The lead role is crucial, since it involves an assumption of responsibility for regulatory compliance, including state aid rules. The structural form of the LAG will need to be set out in the Local Development Strategy.

## Local Development Strategies

5.6 Each LAG will be required to draw up a Local Development Strategy, to cover the full period of the RDPE. The LAG will choose projects to be supported under the Strategy and its allocation of funding resources will be used to:

- operate and build the capacity of the Local Action Group, including acquiring skills;
- implement their Local Development Strategy; and
- implement co-operation projects.

5.7 Co-operation involves LAGs undertaking a joint action with another Leader group, or with a group taking a similar approach in another region, Member State, or even a third country.

5.8 Defra's current expectation is that the balance between expenditure upon the implementation of strategies and on capacity building is likely to be similar to that under the current LEADER+ Programme, in which around 2% of budgets has been spent on the latter.

5.9 In order to ensure equal treatment of potential LAGs across the country there will need to be some consistency in the contents of Local Development Strategies. They should all contain:

- details of the partnership (including sectors covered and whether public or private);
- a description of the area – including its characteristics based on socio-economic and environmental analyses;
- the overall objectives of the strategy (and how these fit with National Programme objectives and those of the Regional Implementation Plan);
- details of how integration will be achieved;

- details of the accountable body and roles and responsibilities of partners, including how financial issues will be managed;
- the planned activities and projects;
- identification of the targets that the LAG intend to deliver; and
- details on how the proposed arrangements for the LAG will fit with other mainstream regional/local governance structures;
- full details of local selection criteria for projects.

## **6. Selection**

### LAG selection

6.1 The Implementing Regulation requires the procedures for selecting the local action groups to be open and there needs to be competition for selection (Article 37.1 of the Implementing Regulation must be satisfied).

6.2 Regions will have the flexibility to target specific areas. Ideally, this should be on the basis of socio-economic criteria aimed at those areas with particular structural difficulties. Such flexibility on targeting will allow the use of Leader to focus on particular areas of need or priority, as identified in RIPs.

### Selection processes

6.4 Individuals and groups will need to be made aware of the opportunity to apply to be selected as a LAG. The Local Development Strategies to be supported through Leader should then be selected on the basis of evidence-based criteria. It will be important to widely publicise the selection criteria, including the regional fit criterion (see below).

6.5 There may be some cases where cross-regional bids are appropriate. Such bids are eligible for support through Leader. The processes for publicising the opportunities to apply should, therefore, be designed in ways that ensure there are no barriers to such bids, or disadvantages to those who wish to put them forward.

6.6 Each region should draw up its own selection procedures. These will include the arrangements for inviting applications (including related publicity), the detailed scoring and decision making processes and appeals procedures. The scoring and decision making processes must, however, be based on the national selection criteria set out below.

6.7 Arrangements for selection panels, including roles and responsibilities, are subject to regional discretion. But, as a minimum, panels should at least comprise the three delivery partners. In line with the environmental report on the draft Programme document carried out in February 2007, it is important that panels include members with appropriate environmental expertise.

6.8 In order to ensure consistency across the country, the Government Office (GO) will be tasked with ensuring that the requirements for the

application of the criteria are applied. The GO will not be involved in selection but will be expected to be in attendance at panel meetings (and may chair the panel). They will submit a statement to Defra following the selection processes to confirm that the processes were appropriate and consistent with these notes.

### Selection criteria - national

6.9 The following selection criteria must be applied in each region across England and all regions will be expected to apply them in a consistent manner, using the broad descriptions set out below as a guide. Proposed Local Development Strategies will need to be assessed against these criteria.

- **appropriateness of the partnership**  
The partnership's purpose is to deliver an integrated rural development strategy. It is therefore important that, as well as satisfying the private/public sector split in terms of membership, the partnership has a broad representation across social, environmental and economic interests. The bid must provide sufficient assurances that the partnership can define and implement a development strategy for the area (or has the potential to do so with appropriate capacity building support).
- **coherence of the area**  
The area must be sufficiently coherent from a geographical, economic and social point of view. The bid should be precise on the geographical area to be covered, including wards and parishes.
- **quality of the proposed Local Development Strategy**  
There should be socio-economic and environmental analyses, with objectives and proposed actions that follow clearly from the evidence.
- **financial and administrative capacity**  
The strategy will need to demonstrate that appropriate resource exists to implement the strategy. There must be clear evidence supporting the partnership's suitability and competence, including: the capacity of the individuals; and its ability to administer public funds and implement the strategy.
- **fit with National Programme objectives**  
Partnerships must show how their development plan contributes to the overall objectives of the Rural Development Programme for England.
- **integration of sustainable development principles**  
Proposed strategies should take account of the need to:
  - support and enhance the social, economic and environmental sustainability of the area to be covered;
  - ensure that resources will be used in such a way that options available to future generations are not impaired: strategies

supported must demonstrate that they do not have any significant negative environmental impact.

- **commitment to integration across the objectives of the three axes**  
Proposed strategies will need to demonstrate how the partnership has the expertise to achieve this integration and what it would mean in practice.
- **commitment to co-operation**  
It is not a regulatory requirement for all Local Action Groups to carry out co-operation but Article 37.4 of the Implementing Regulation states that Member States “shall seek to ensure that a priority is given to the selection of local action groups which have integrated co-operation into their Local Development Strategies.” Co-operation could be with another group in England, in another part of the UK or in another Member State. Co-operation may take the form of a specific project, or complementary actions such as joint marketing by Leader groups that share a common interest. An example may be the development of joint tourism initiatives based on a shared cultural heritage.

#### Selection criterion - regional fit

6.10 Each region will have the flexibility to target the use of the Leader approach in their region, through a regional fit criterion defined by the regional panel. Any regional fit criterion will need to:

- be evidence based;
- have regard to economic under-performance and disadvantage; and
- link with relevant the regional and sub-regional strategies and Programmes.

#### Timing of selection

6.11 It is a requirement of the Rural Development Regulation that initial calls for proposals take place within two years of Programme approval, although additional, later calls are permitted.

6.12 Experience from previous Leader Programmes shows that it takes a considerable time for LAGs to reach a point where they are able to implement their strategies. So it will be important to carry out the selection processes as soon as possible – and well in advance of the two year deadline. However, care will need to be taken to ensure that new and existing groups are treated equally. In particular, the likely greater development needs of new LAGs will need to be borne in mind when deciding timescales.

## **7. The main roles of the Local Action Group**

### LAG skills needs

7.1 The LAG is responsible for selecting projects which meet the objectives of its proposed Local Development Strategy. But in doing so, it will need to ensure that there is openness on calls for tender, the design of selection criteria, the analyses of project proposals and the selection of projects.

7.2 The LAG will also need to have the ability and capacity to certify that expenditure is compliant with its Leader funding agreement.

7.3 The European Commission's view, based on their experience across Member States, is that LAGs will normally require an experienced manager, with some administrative support. As a guide, the experience should include local project management, including budget management. Sharing functions with another LAG, or with a body engaged in similar work could reduce the burden and achieve efficiency savings.

7.4 One of the key roles of the LAG is building the capacity of those involved so that as many sectors of the community have the ability to participate in the delivery of the strategy. Such "animation" (as it is termed by the European Commission) includes informing, advising, training and co-ordinating the activities of stakeholders that make up their community. This is seen as an important means by which, in particular, under-represented groups can benefit.

## **8. Targets and indicators**

8.1 Each region will have a set of targets for the Regional Implementation Plan as a whole, on which the RDA will be required to report at regular intervals and in an annual report. There is no separate system for LAGs. It is important, therefore, that LAGs are clear on the targets for the RIP as a whole so that they can include within their strategy detail on how they will contribute to them. LAGs will need to provide RDAs with appropriate information so that it can be incorporated in reports on how RIP targets are being met.

8.2 LAGs will be required to report to RDAs on the outputs and results of the projects they support in a form which is similar to that to be used for reporting on axes 1 and 3. The broad scope of the measures in the axes mean that the bulk of LAG expenditure is likely to fit within one or more of the measures. But where that is not the case, LAG reports to RDAs will need to include an "other" category.

## **9. Equality between men and women and non-discrimination**

9.1 It is a requirement that Local Action Groups promote equality between men and women and shall ensure that any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation is prevented during the various stages of their Local Development Strategy's implementation. How that is achieved will be for each LAG to decide. But it would be valuable to capture in the relevant reports particular actions that address any such equality issues.

## **10. Communications Strategy**

10.1 In line with the requirement for openness, for example in relation to calls for tender, all LAGs should have a communications strategy, which should align, as appropriate, with the wider regional strategy for promoting the Programme.

10.2 The EU Implementing Regulation sets out various requirements relating to communications. For example it states that "an explanatory plaque shall also be installed in the locations of the local action groups financed by Axis 4". All LAGs will need to work with their RDAs to ensure that the requirements are met.

## **Annex A**

### **Contacts**

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## **Annex B**

Extracts from EU Regulations

Council Regulation (EC) No 1698/2005

Leader

Article 61

Definition of the Leader approach

The Leader approach shall comprise at least the following elements:

- (a) area-based local development strategies intended for well-identified subregional rural territories;
- (b) local public-private partnerships (hereinafter local action groups);
- (c) bottom-up approach with a decision-making power for local action groups concerning the elaboration and implementation of local development strategies;
- (d) multi-sectoral design and implementation of the strategy based on the interaction between actors and projects of different sectors of the local economy;
- (e) implementation of innovative approaches;
- (f) implementation of cooperation projects;
- (g) networking of local partnerships.

21.10.2005 EN Official Journal of the European Union L 277/25

Article 62

Local action groups

1. A partnered local development approach shall be implemented by the local action groups satisfying the following conditions:

- (a) they must propose an integrated local development strategy based at least on the elements set out in Article 61(a) to (d) and (g) and be responsible for its implementation;
- (b) they must consist of either a group already qualified for the Leader II (1) or Leader+ (2) initiatives, or according to the Leader approach, or be a new group representing partners from the various locally based socioeconomic sectors in the territory concerned. At the decisionmaking level the economic and social partners, as well as other representatives of the civil society, such as farmers, rural women, young people and their associations, must make up at least 50 % of the local partnership;

(c) they must show an ability to define and implement a development strategy for the area.

2. The Managing Authority shall ensure that the local action groups either select an administrative and financial lead actor able to administer public funds and ensure the satisfactory operation of the partnership, or come together in a legally constituted common structure the constitution of which guarantees the satisfactory operation of the partnership and the ability to administer public funds.

3. The area covered by the strategy shall be coherent and offer sufficient critical mass in terms of human, financial and economic resources to support a viable development strategy.

4. The local action groups shall choose the projects to be financed under the strategy. They may also select cooperation projects.

## Article 63

### Measures

The support granted under the Leader axis shall be for:

(a) implementing local development strategies as referred to in Article 62(1)(a), with a view to achieving the objectives of one or more of the three other axes defined in Sections 1, 2 and 3;

(b) implementing cooperation projects involving the objectives selected under point (a);

(c) running the local action group, acquiring skills and animating the territory as referred to in Article 59.

## Article 64

### Implementing local strategies

If the operations under the local strategy correspond to the measures defined in this Regulation for the other axes, the relevant conditions shall apply in accordance with Sections 1, 2 and 3.

## Article 65

### Cooperation

1. The support referred to in Article 63(b) shall be granted to inter-territorial or transnational cooperation projects. 'Inter-territorial cooperation' means cooperation within a Member State. 'Transnational cooperation' means cooperation between territories in several Member States and with territories in third countries.

2. Only expenditure relating to the territories within the

Community shall be eligible for support.  
3. Article 64 shall also apply to cooperation projects.  
L 277/26 EN Official Journal of the European Union 21.10.2005

## Commission Regulation (EC) No 1974/2006

### A x i s 4

#### Article 37

1. For the implementation of Axis 4 as referred to in Section 4 of Chapter I of Title IV of Regulation (EC) No 1698/2005, Member States or regions may opt to cover either their whole territory or part of it by adapting accordingly the criteria for selecting the local action groups and the areas they represent. The procedures for selecting the local action groups must be open to the rural areas concerned and ensure competition between the local action groups putting forward local development strategies.

L 368/28 EN Official Journal of the European Union 23.12.2006

2. Calls for proposals for the selection of rural areas for the implementation of local development strategies referred to in Article 62(1)(a) of Regulation (EC) No 1698/2005 shall be organised no later than two years after the approval of the programmes. However, Member States or regions may organise additional calls for proposals, especially where Leader is open to new areas, in which case a longer time period may be needed.

3. The population of each area referred to in Article 61(a) and Article 62(3) of Regulation (EC) No 1698/2005 must as a general rule be not less than 5 000 and not more than 150 000 inhabitants.

However, in properly justified cases, the limits of 5 000 and 150 000 inhabitants may be lowered or increased respectively.

4. Member States of the Community as constituted at 30 April 2004 shall seek to ensure that a priority is given to the selection of local action groups which have integrated cooperation into their local development strategies pursuant to Article 62(4) of Regulation (EC) No 1698/2005.

#### Article 38

Running costs of local action groups as referred to in Article 63(c) of Regulation (EC) No 1698/2005 shall be eligible for Community support within a limit of 20 % of the total public expenditure of the local development strategy.

#### Article 39

1. Cooperation as referred to in Article 65 of Regulation (EC) No 1698/2005 shall involve at least one local action group selected under the Leader Axis. It shall be implemented under the responsibility of a coordinating local action group.
2. Cooperation shall be open to public-private partnerships as referred to in Article 59(e) of Regulation (EC) No 1698/2005 and to other rural areas organised with the following features:
  - (a) presence of a local group in a geographical territory, which is active in rural development, with the capacity to draw up a development strategy for that territory;
  - (b) the organisation of that local group is based on a partnership of local actors.
3. Cooperation shall include the implementation of a joint action.

Only expenditure for the joint action, for running any common structures and for preparatory technical support shall be eligible for support under Article 65 of Regulation (EC) No 1698/2005. Expenditure on animation may be eligible in all the areas concerned by the cooperation.
4. The cooperation projects shall be selected by the competent authority of the Member State where such projects borne by the local action groups have not been integrated into their local development strategy pursuant to Article 62(4) of Regulation (EC) No 1698/2005. In that case, the cooperation projects may be submitted by the local action groups to the competent authority by 31 December 2013 at the latest.
5. Member States shall communicate to the Commission the approved transnational cooperation projects.