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LEADER

- an approach to innovative and suitable solutions in rural areas?

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LEADER

- an approach to innovative and suitable solutions in rural areas?

Schnaut, Gitta; Dr. Pollermann, Kim; Raue, Petra Schnaut

Annotation: The research presented is part of the evaluation of Rural Development Programmes (RDP) in seven German “Länder” (federal states). Innovation is often mentioned as an important pillar of the development of rural areas. One part of Rural Development Programmes, which explicitly addresses innovation, is LEADER: a bottom up-oriented, participatory approach with cooperation by local actors in rural areas. In LEADER, a Local Action Group (LAG) with stakeholders of different institutions and origins comes together as a kind of a public-private partnership and decides about the financial support for regional projects.

The LAG can be seen as a kind of new “network of practice.” In this context it is important for the LAGs to assemble people with various backgrounds and to foster a good communication and cooperative climate. A survey of LAG-members shows positive results: there are improvements in the “cooperation beyond administrative borders” (respectively, narrow village boundaries), in the “improving of understanding views from other groups” and in the „cooperation between different groups.” Thus LEADER is an example of how an external programme can connect actors from different interest groups who would, without this programme, in part not have met.

In addition, LEADER offers the possibility to try out new approaches, as the regions have access to their “own” funding budget to implement their ideas. But in practice the possibilities of funding experimental or innovative projects via LEADER depend very much on the extent to which the RDPs are able to provide a suitable framework to fund projects outside the standard menu of measures. The assessments of the LAG-managers show that the real possibilities are limited, particularly compared with the former funding period (LEADER+). But despite these limitations, we found LEADER- projects fostering innovation in very different fields.

Key words: LEADER, Innovation, Evaluation, Funding

1. Introduction

1.1 Challenges in rural areas and innovation

With the “New Rural Paradigm,” the OECD (1996) put forward the concept of territorial dynamics to denote a set of specific regional and local factors, structures and tendencies. These include entrepreneurial traditions, public and private networks, work ethics, regional identity, participation and attractiveness of the cultural and natural environment.

Thereby the challenges and problem situations in rural areas are very different. On the one hand, possibilities for attractive employment opportunities are small in disadvantaged regions and inhabitants can feel less connected to their area. Also, their willingness to invest time and capital to improve the „liveability“ of their habitat deteriorates. Highly educated persons are often the first to leave, causing a so-called ‘brain-drain’ which leads to rural areas with low potential (Stockdale, 2006, Wellbrock et al 2012). On the other hand, there are rural regions successful in seizing the opportunities arising from globalisation and thus referred to as ‘hot-spots’ of development (Wiskerke, 2007; BBR 2008). In both cases, however, it is argued that in order to enhance rural economies, producers and consumers need to be reconnected within the region, products need to be re-embedded in the region, economic activities diversified and non-economic and economic activities entwined (Wiskerke, 2007; Wellbrock et al, 2012).

Also the EU’s innovation policy states that regional policy would be an important route for encouraging innovation. (EU-COM, 2003). It refers to the goal of the Lisbon strategy of „becoming the most competitive and dynamic knowledge-based economy.“

From the literature, there is a hypothesis that the factors behind the different economic performance in rural regions are related to an interplay of local and global forces, in which territorial dynamics, population dynamics and the current globalization process are thought to be main determinants (Terluin, 2003). By analysing differences in the economic performance Terluin (2003) proposes a kind of general guideline for economic development strategies in rural regions. This guideline recommends improving „the capacity (knowledge, skills and attitude) of local actors to establish and sustain development within the region” as one of the key issues (Terluin, 2003). Successful development approaches therefore include human skills, capacity-building and innovation as a crucial element (Tomaney, 2010). Thereby the commitment and creativity of the local people play a crucial role for the development and viability of rural areas (Kröhnert et al, 2011).

Innovation (in different senses) is mentioned in various pieces of literature as an important pillar for the development of rural areas or as a rescuer from problems in rural areas.

For example Neumeier (2011) states, that „innovation” is an essential aspect of finding suitable solutions for problems of rural development. Especially against the background of demographic change in rural areas, social innovations are regarded as one of the important aspects of successful rural development (Papageorgiou 2011, Neumeier 2011). In addition, innovation has been identified as one of „the five key drivers of productivity,“ so it is one of the key determinants of the relative economic performance of rural areas (Agarwal 2009, HM Treasury, 2001). Also the theories governing territorial innovation models highlight the diffusion of innovations as an important engine behind growth (Morgan, 1997; Terluin 2003).

It became apparent that the context of innovation as an insight into the driving factors behind the economic performance of rural regions is not only of scientific interest, but also of high political relevance (Terluin, 2003). This knowledge can reveal how the rural development could be supported by state driven opportunity structures.

Expectations on the policy are that it should be able to foster very different problem situations, because the support required for innovation in rural areas is highly context dependent and problem specific¹ (Tovey, 2008; Wellbrock et al, 2012). According to Asheim (2007) and Florida (1995), the success of support for regional learning and innovation depends on the arrangement of effective, co-operative and operational partnerships between actors of the different strings (Wellbrock et al, 2012).

1.2 Support for innovation in Rural Development Programmes

Facing the challenges in rural areas like economic problems, demographic changes or matters of renewable energy, a crucial issue in Rural Development Programmes funded by the European Union (RDP) is “innovation.” One part of Rural Development Programmes, which explicitly addresses innovation, is LEADER: a bottom up-oriented, participatory approach with cooperation by local actors in rural areas. Its intention is to cover all the above-mentioned aspects for a locally- based economic development.

The practical implementation is carried out through Local Action Groups (LAG). In these groups, stakeholders of different institutions and origins come together as a kind of a public-private partnership and make decisions about the financial support for regional projects. Those projects must contribute to the objectives of the Local Development Strategies (LDS), which were compiled by the members of the LAG.

¹ “We have not tried to identify ‘best practices’ but rather to locate some ‘good practices’ for rural sustainable development, that is, practices that are context-bound and that are ‘good’ because of the way they help to embed sustainable development in local contexts. ‘Best practices’ are identified with a view to making them transferable from one location to another, but ‘good practices’ are not easily transferable: what is good in one context needs to be continually reinvented in new forms for other contexts” (Tovey, 2008).

History of the LEADER approach

From 1991 to 2006, Leader I, Leader II and Leader+ were conceived as a laboratory to encourage the emergence and testing of new approaches to integrated and sustainable development and to influence, complement and/or reinforce rural development policy in the Community (LEADER Guide, 2011).

So the LEADER approach disposes over broad experience in implementing innovations in rural areas, and has been a constitutive part of the RDP since the year 2007. In that funding-period (2007 – 2013), LEADER was extended to all European rural areas. But now, as LEADER is subject to the mainstream regulations of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (Council Regulation (EC) No 1698/2005), there are concerns about losing the innovative character of the LEADER axis, based on the whole design and consequences in the regional implementation and the character of the projects (European Network for Rural Development, 2010).

For further improvements the lessons drawn from the three previous stages of LEADER should be used together with examinations from the current stage (Nardone et al, 2010).

1.3 Theoretical Framework of Innovation

Basically Rogers (2003) described innovation as an idea, practice, or object that is perceived as new by an individual or other unit of adoption.

Neumeier (2011) comprehends “innovation” in context of rural development in an economic sense with new products and services as well as in a social sense (Neumeier, 2011) which contents new ways of organising infrastructure and participation. These elements can also be found in the context of LEADER. Several definitions exist on different levels, in general they all fit into Rogers’ concept, but differ slightly in two aspects: the innovation itself and who perceives it as new.

The most common understanding of the „innovation itself“ in the LEADER context is very broad:

- It includes products and processes as well as organizational, social and institutional and communication matters (i e., the RDPs of the federal states as an example here: HMUELV (2007), Neumeier (2011), OECD (2011), LEADER Guide (2011), Dargan and Shucksmith (2008))

And the most common understandings of the question “Who must perceive it as new” in the LEADER context are:

- The unit of adoption of the innovation at the local level,
- it is not enough if it is only new for the one who carries out the innovation.

But rules are lacking on who decides on “newness” at the local level.

Rogers’ definition is embedded in the theory of the diffusion of innovation, which seeks to explain the spreading of ideas and technologies through cultures. It is similar to Schumpeters (1911) economics-related definition which sees innovation as not only the invention itself but only fulfilled if it is taken over in the real (production) process.

The connecting factor to the LEADER approach is the intended diffusion of ideas and solutions between regions. It must be understood not only as a “new project,” but as an approach to solve specific challenges in new ways.

Rogers described many factors for analysing “innovation”:

- a. The characteristics of the innovation itself (by relative advantage, complexity/simplicity, trailability, observability)

- b. The personal innovation-decision process (with the steps: awareness, interest, evaluation, trial, confirmation/adoption)
- c. The relative speed with which an innovation is adopted by members of the social system (Rate of adoption)
- d. The social system² as a set of interrelated units that are engaged in joint problem-solving to accomplish a common goal and the communication channels of these units, through which innovation is communicated between the members of the social system.

The differences between the stakeholders of the LAG play an important role, referring to theories of networks and communication. We know, that communication is more effective between individuals which are similar in certain attributes (origin, beliefs, education,...) or which share the same implicit knowledge (so called “communities of practice”) (Wenger, 1998), but it can lead to redundant information because there is less new information to exchange. A heterogeneous communication network holds much more potential for new information. But at the same time a certain degree of similarity is required for communication and diffusion of innovation.

Several scientists observed and analyzed this phenomenon and labeled it with different terms. To mention only a few: similarity and dissimilarity, social closeness and social distance, co-linear and non-linear, homophily and heterophily (Rogers 1970). Rogers (1970) states “Therefore, an ideal situation would involve two individuals who are homophilous in every way, except in knowledge of the innovation.” Manger (2009) expatiates two ways out of the dilemma: either the existence of “Boundary spanners” who are socialized in different communities and play the role of a translator. Or the development of new “networks of practice”, with members from different “communities of practice”, bringing in the heterogeneous aspects of their communities, but developing social bonds and common communication rules through regular meetings and exchanges.

In this context the LAG can be seen as a kind of new “network of practice”. It is important for the LAGs to assemble people with various backgrounds and it is also necessary to protect and foster a good communication and cooperation climate which is prerequisite for an easy exchange of “newness” (information, ideas, ...).

1.4 Research topics of this paper

Within this paper only a few of the mentioned factors are further elaborated in the context of LEADER:

- The potential of innovation against the background of the various funding-frameworks
- Getting and creating innovative ideas and solutions as a „pre-“step of the innovation decision process
- Implementation in practice: occurrence of innovative and suitable solutions
- The inter-regional communication channels.

2. Methods

2.1 Framework of the study

The research presented is part of the evaluation of Rural Development Programmes in seven German federal states³ started in 2007 and ending in 2015. Therefore the Common Evaluation

² With focus on opinion leaders, theory of organisations (esp. collective and authority decisions) and the principles of homophily and heterophily

³ Hesse, Schleswig-Holstein, Mecklenburg-Pomerania, Lower Saxony incl. Bremen, North Rhine-Westphalia, Hamburg

and Monitoring Framework (CMEF) must be taken into account in choosing an appropriate research methodology. The seven federal states incorporate 98 LEADER areas and 23 other regions with Local Development Plans.

Concerning innovation, the main aims of our research are to identify the extent to which innovation happens in LEADER and what factors facilitate or hinder the occurrence of new approaches to address problems and challenges in rural areas.

2.2 Data collection tools

We used mixture of qualitative and quantitative methods depending on the specific question to be addressed. Until 2012 the main instruments for data collection were:

- more than 100 face-to-face interviews (project initiators, LAG-managers, LAG-members, governmental employees at different levels and responsibilities),
- two surveys with written questionnaires:
 - members of the LAG's decision bodies (N=2310, n=1430, response rate: 62%)⁴
 - LAG-managers of LEADER areas and other areas with local development plans and processes (N=121, n=114, reply rate 94%)⁵
- standardised annual requests of activities and organizational structures in the areas⁶
- analysis of funding documents and funding data.

A survey with written questionnaires (to project beneficiaries) is ongoing but not fully completed at the moment. First results will be presented in the session.

3. Results and Discussion

3.1 The potential of innovation against the background of the various LEADER funding-frameworks

The concept and constraints of innovation are not clearly defined in the Council Regulation 1698/2005 for the LEADER approach, it is only identified as one of the seven characteristics and the guidelines mention that the LEADER axis is meant to stimulate innovation. But innovation is not explicit mentioned as an eligibility criterion for project funding.

Projects

Within the LEADER context, the regulation (Art. 63 of Reg. (EC) 1698/2005) states that the possibility exists to fund innovative projects under the Leader axis, which need not correspond to the criteria of standard measures as regards Axes 1 – 3, but which contribute to the goals of one or several of these axes.

Here, especially the lack of a clear definition of innovation at the EU level produced different definitions which more or less restrict the selection of projects by the LAGs. In the beginning of this funding period, the RDPs of the seven federal states (included in this study) used the following designs to fund LEADER-projects:

- a. Restricted to the measures of (nearly) one axis;
- b. Restriction to the measures of two or all axes;
- c. Possibility of funding for projects which contribute to one or more objectives of all axes.

⁴ In the following text indicated as Pollermann et al (2010c)

⁵ In the following text indicated as Pollermann et al (2010a)

⁶ In the following text indicated as Pollermann et al (2010b)

It must be taken in account, that the axis-measures are subdivided into different components of measures, which can also be more or less innovative depending on the directive of the federal state. The crucial point is the restricted choice of projects by the LAGs, if the directive restricts to axis measures and there is no appropriate axis-measure for the special regional issue.

Other innovative elements

The general assumption in LEADER is that the networking and cooperation of stakeholders from different institutions, origins and sectors play an important role in creating new ideas, solving specific regional challenges and advancing innovation. Some conditions to assemble heterogenous partners in the LAG are set, as the following paragraph shows:

„A partnered local development approach shall be implemented by the local action groups satisfying the following conditions: (...) representing partners from the various locally based socioeconomic sectors in the territory concerned. At the decision-making 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; (...).“ (EC 1698/2005)

The stakeholder should come together to develop the regional strategies in a Local Action Group (LAG) as a kind of a public-private partnership and make decisions about the financial support for projects, in working groups to develop topics or projects in coherence to the local strategies. In these meetings the ideas and drafts are supposed to be evaluated, which can be seen as the of the next step of Rogers' innovation process.

For the further step „trying out new approaches,“ LEADER also provides opportunities as the regions have access to their own funding budget to implement their ideas.

3.2 Getting and creating innovative ideas and solutions as a „pre-“step in the innovation decision process

Rogers described the “awareness” of the innovation as the first step of the adaption process. This implies that the innovation itself already exists. The LEADER approach fosters the coming to light of existing ideas, but it also tries to start one step beyond by creating new ideas, actions and solutions within a region. As mentioned above, a general assumption in this approach is that networking and cooperation of stakeholders from different sectors play an important role in creating new ideas and advancing innovations.

The kick-off-meetings for developing the Local Development Strategies (LDS) are one of the first opportunities to meet and develop ideas. 75% of the LAG-members asked agree that there is a high compatibility of the strategy with the regional circumstances (Figure 1).

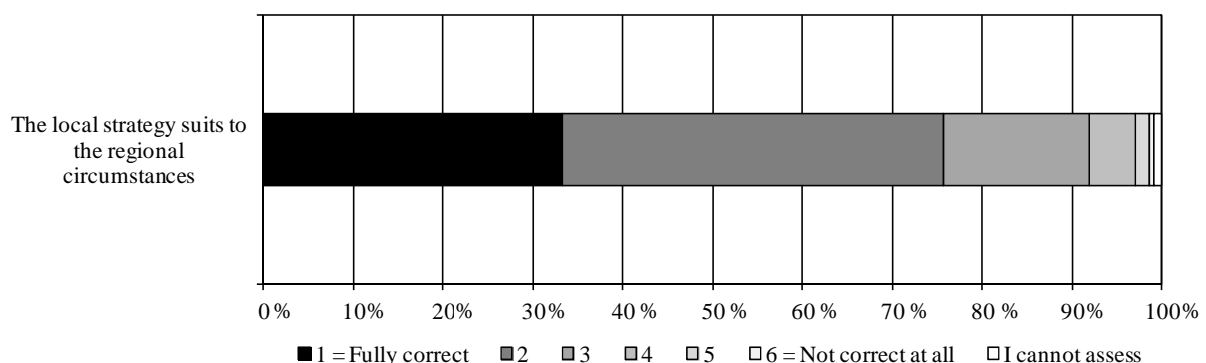


Fig. 1. Distribution of answers (in percentage of total) to the question “To what extent do you agree with the following statements?” by the LAG members (Pollermann et al 2010c)

Most of the projects implemented until 2010 were developed during or after the development of the regional strategies (Figure 2). In the old areas (which were already LEADER+) a few more project-ideas were already existent before developing the strategy, but all in all there is no significant difference between the old and new areas (which were selected as LEADER areas in 2007 for the first time).

It may be assumed that working together to develop or implement the strategies creates new ideas. It can also be realized that the development of a LDS brings about new actions and projects even if the regional actors had created the previous strategies seven years ago.

But the lists of ideas or concepts for projects in the LDS are often much longer compared to the projects carried out. As the analysis of the strategies shows, they either arose in working groups at the kick-off-meetings or individuals already had them in mind. However, the fact that they were made public is a step towards the awareness of innovation on a regional level.

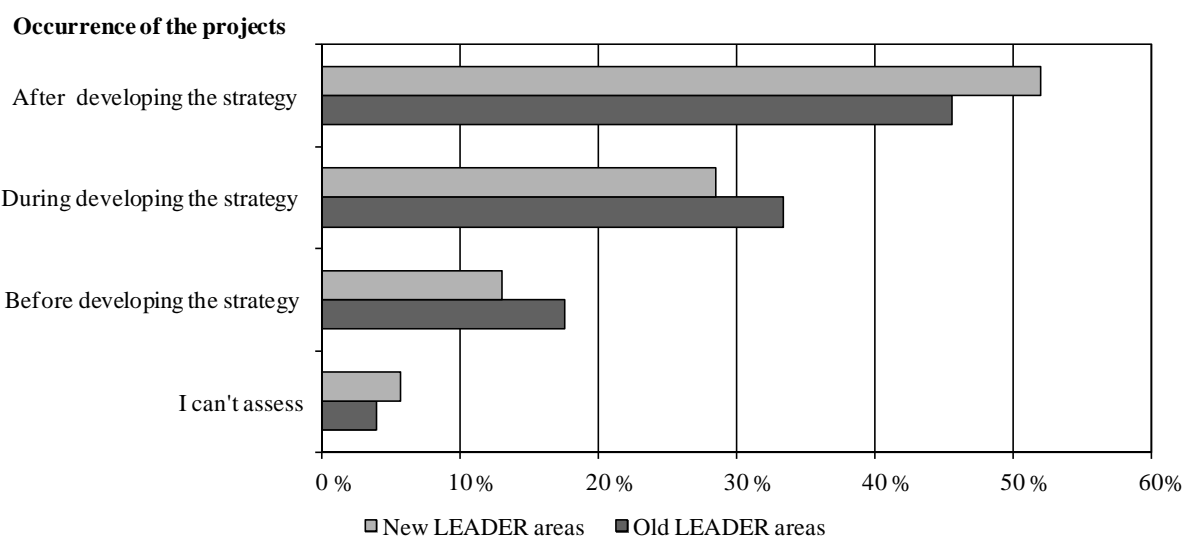


Fig. 2. Distribution of answers (in percentage of total) to the question “When did the ideas for the now LAG-confirmed projects occur?” by the LAG Managers (Pollermann et al 2010a)

Referring to the importance of heterogeneity some aspects were considered to assess the heterogeneity of the LAGs. On average the LAG may be seen as heterogeneous mixtures of people, but a closer look discloses wide ranges within the LAGs.

There are LAGs with only seven members, some with no women at all and some with only three different institutions represented in their decision-making bodies (Table 1). Furthermore the analysis reveals a high proportion of members with an academic degree (i. e., 86% in Hesse), and almost half of the LAG members are more than 50 years old, while people under 25 are only occasionally represented.

Table 1. Heterogeneity within the LAGs by size and by sex, thematically and institutional origin of the members

| | Maximum | Minimum | Average |
|---|---------|---------|---------|
| <i>Number of members of the decision- making body of LAG</i> | | | |
| Hesse | 32 | 7 | 13.9 |
| Schleswig-Holstein | 27 | 10 | 16.7 |
| Mecklenburg-Pomerania | 52 | 12 | 21.7 |
| Lower Saxony | 53 | 11 | 24.1 |
| North Rhine-Westphalia | 77 | 12 | 26.0 |
| All of the five federal states | 77 | 7 | 20.5 |
| <i>Proportion of women in the LAG's decision-making body(%)</i> | | | |

| | | | |
|--------------------------------|----|----|-------|
| Hesse | 50 | 0 | 20,7% |
| Schleswig-Holstein | 44 | 5 | 20.2% |
| Mecklenburg-Pomerania | 78 | 15 | 44.4% |
| Lower Saxony | 54 | 11 | 29.6% |
| North Rhine-Westphalia | 33 | 8 | 17.0% |
| All of the five federal states | 78 | 0 | 26.4% |

| | | | |
|--|----|---|-----|
| <i>Number of thematical origins of the members of the decision making body of the LAGs</i> | | | |
| Hesse | 13 | 5 | 9,5 |

| | | | |
|---|---|---|-----|
| <i>Number of institutional origins of the members of the decision-making body of the LAGs</i> | | | |
| Hesse | 8 | 3 | 5,1 |

Source: Own calculation based on standardised annual requests (Pollermann, 2010b)

Understanding LAGs as new “networks of practice” within innovative aspects can be exchanged, it is important to develop a good cooperation and communication climate.

Improvements in indicative aspects on quality of cooperation between the stakeholders in the LAG are found, shown in Figure 3.

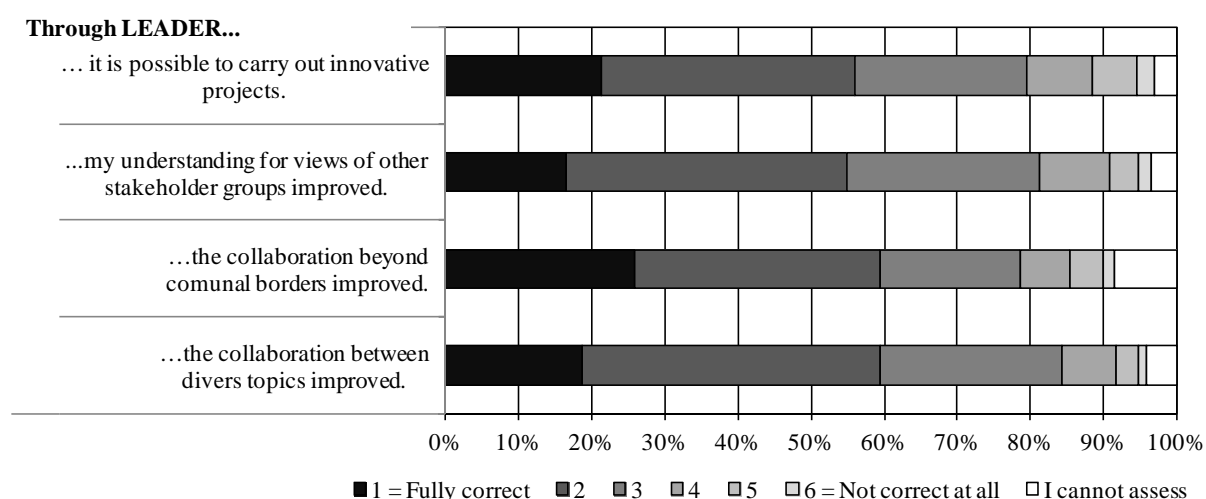


Fig. 3. Distribution of answers (in percentage of total) to the question: Including the whole work of the LEADER-process, in what way do you agree or disagree to the statements? (Pollermann et al 2010a)

The quantitative results are underpinned by qualitative data (verbal questioning and open questions⁷ in written questionnaires) through statements of the LAG-members on “new positive effects beyond the LEADER process, but induced by the LEADER process”:

- Improved cooperation between the municipal authorities
- Improved cooperation beyond administrative borders
- Improved cooperation between different groups

But not only improvements in the quality of networking were mentioned but also aspects of the innovation-process itself:

- transfer of knowledge between people
- inspiration for projects and actions
- improved sense of acting jointly in and for the region

Similar results were found for the question on advantages and disadvantages of the LEADER-approach (only the advantages are shown in Figure 4). But the summarized answers highlight

⁷ One question they were asked: Which positive effects beyond the LEADER process but caused by LEADER (new ideas stimulation for own activities and joint activities with other LAG-members) did you recognise?

more the circumstances for innovation (networking/cooperation) than the aspects associated with innovation themselves (innovation, learning).

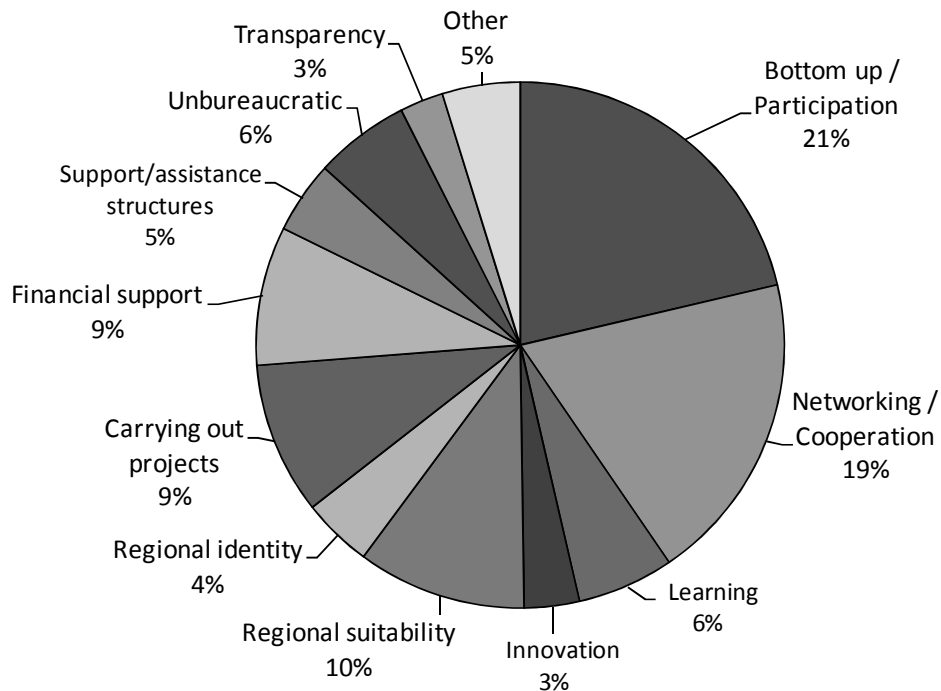


Fig. 4. Distribution of answers (in percentage of total) to the question “What essential advantages and disadvantages does the LEADER approach offer?” by the LAG members (only the advantages are shown here) (Pollermann et al 2010c)

As a boundary effect the image shows that other associated characteristics of LEADER, like bottom up and regional identity are also realized by the LAG-members.

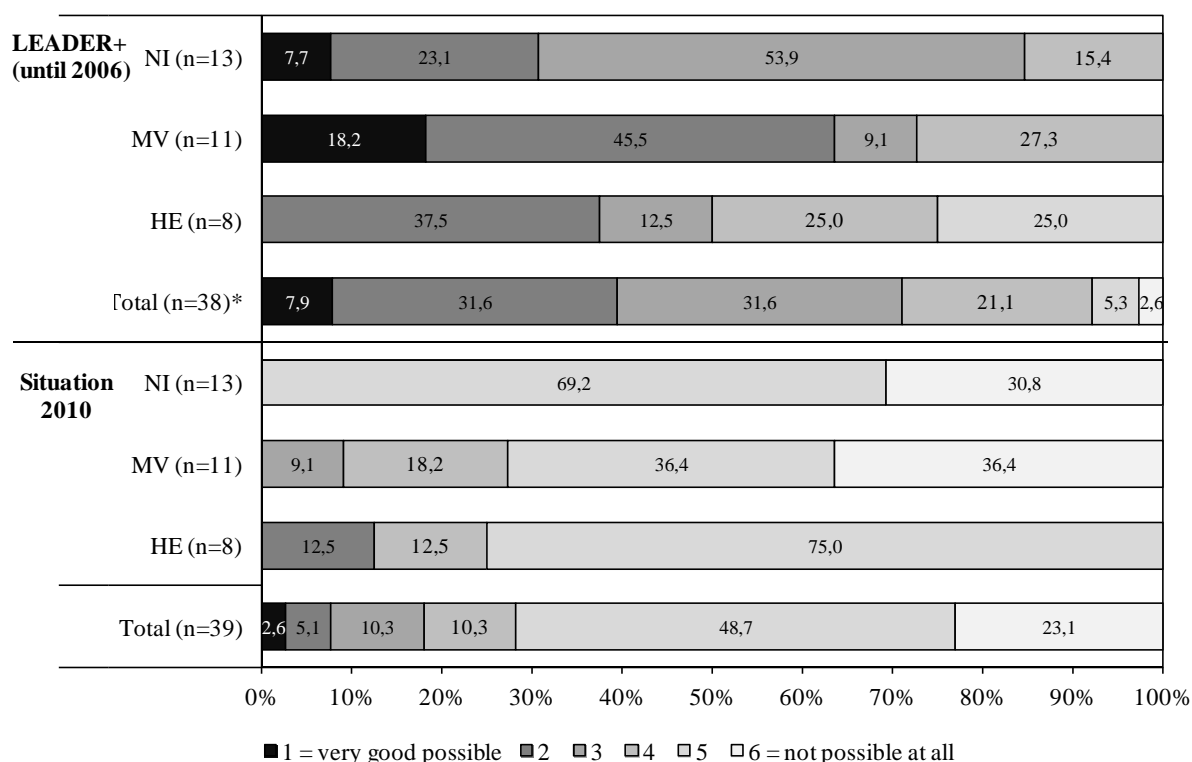
Furthermore, it should be noted that the understanding of the process of social capital formation, its determinants, and the effects of its impacts go beyond its measurement (Nardone et al, 2010).

3.3 Implementation practice: the innovation-process

As mentioned above, LEADER offers the possibility to try out new approaches, as the regions have access to their “own” funding budget to implement their ideas.

The assessments of the LAG-managers show that the possibilities for implementing innovative projects are limited, particularly compared with the former funding period (LEADER+) (Pollermann et al 2010a). The differences between the federal states can be seen in Figure 5.

Not all of the federal states offered the measure “innovative projects”, explaining partly the poor results. Other explanations for this were the limited or vague conditions and administrative obstacles (time lags in the approval procedure, no payment in advance to the beneficiaries, paperwork) resulting mainly of the mainstreaming of LEADER (to the restrictive rules of EAFRD).



*The results of North Rhine-Westphalia and Schleswig-Holstein are included in the total but were not presented separately because of the small size of the subgroups (1 and 5 respectively).

Fig. 5. Distribution of answers (in percentage of total) to the question “How do you judge the possibilities to carry out innovative project?” by the LAG Managers (Pollermann et al 2010a)

But the LEADER-projects realized within the measure “innovative projects” are not so much different from regular measures under the other Axes, as the analysis of the project descriptions show.

Some federal states in Germany have already made improvements within this funding period because of these problems.

The findings will be supplemented by the current written survey of the beneficiaries. First results can be presented at the seminar, for example answers to the question: What were the starting points of innovative projects?

Although there are limitations, in practice LEADER brings forward projects on very different topics. So there are concepts for a sustainable usage of energy, youth projects for qualification, internet platforms (for education), but most of the projects are linked with touristic development. Other relevant topics for the rural development are underrepresented. As a matter of fact, the LAGs are forced to search for other ways to implement their ideas. Taking into account that not all ideas are worthy of implementation, as is also stated by the LAG-Managers either because it does not fit to the regional strategy or the quality of the project proposal is poor, there are a lot of projects which were (and will be) implemented on other ways (Source: Analysis of the Annual Reports of the LAGs). But some of the ideas are lost, due to the administrative restrictions mentioned before.

3.4 The inter-regional communication channels

Referring to Rogers’ innovation theory, since the rural regions can be understood as members of a social system, to communicate between them is necessary to foster the adaption process. This means circulating information on successful projects and sharing good practices. Even if

the new projects and ideas are not transferable as a whole to other regions, having heard of experiences might inspire participants to find appropriate solutions for their specific setting.

Various possibilities exist for the exchange between the actors of different regions. The LEADER-measure “cooperation” was established for the purpose of exchange and working together between the regions by carrying out joint projects, but the current status of implementation is poor, as the funding data from the federal ministries shows. It is remarkable that cooperation between different regions are carried out within „regular“⁸ projects. Hindrances are identified in the various administrative processes and forms (Pollermann et al 2010a, Pollermann et al 2010b, Pollermann et al 2010c).

As shown in Figure 6, the LAG-Managers prefer the personal informal means of exchange between regions, meaning meetings or phone calls with single managers. In the meantime, personal meetings of all managers in each of the federal states have been established at various institutional levels and different levels of involvement of the Ministries. These meetings are also perceived as an important exchange and assistance platform by the parties involved. The German National Rural Network as the institution for the exchange between the federal states is less important than the personal communication, but still more than half of the managers judge it as an important offer (Pollermann et al 2010a).

The biggest gap between the general importance and the practical implementation is found at the federal-state-wide meetings. It points out, that it may be necessary to strengthen more the federal-state-wide meetings (Pollermann et al 2010a). Exchanges between other stakeholders (except the LAG-Managers) have not yet been analysed.

By the current survey, information will be collected about the origin of ideas and interests on implemented projects from others, as well as desired support structures for the beneficiaries.

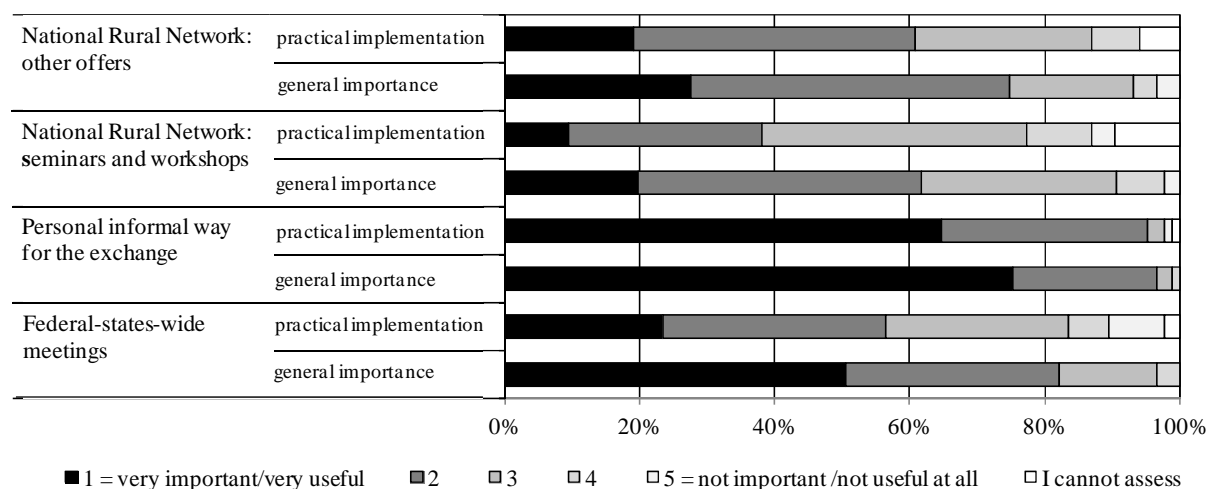


Fig 6: Distribution of answers (in percentage of total) to the question “How important are the following support structures and possibilities to exchange in general? How do you judge the practical implementation?” (Pollermann et al 2010a)

4. Conclusions

1. The LEADER approach intends to foster innovation and the adaption process. The conditions set offer the possibility to take the steps to the innovation-process. LEADER provides opportunities to realize innovative projects to try out new solutions and meet the specific needs in the region. The crucial point is the restricted choice of projects by the LAG due to the directives of the federal states in terms of the restrictions to axis

⁸ Not the measure with EAFRD Code 421

measures, as well as the narrow framework of EAFRD and the resulting administrative obstacles.

2. Referring back to the importance of having members with heterogeneous backgrounds in the LAGs to reduce redundant information it can be assumed that in most of the LAGs stakeholders from different sectors are working together. But the diversity within the LAGs (referring i. e. to number of members, theme or institutional origin, sex, age...) is sometimes close. Besides, it is also necessary to protect and foster a good communication and a cooperative climate which is prerequisite for the easy exchange of “newness” (information, ideas,...). From the view of the LAG members the quality of cooperation and communication within the LAG improves during the process. The fundamental aspects of the LEADER approach, like creating projects/actions suited to the specific region, connecting regional interests in common actions, innovative trials, learning/exchange of knowledge and cooperation can be observed. Altogether LEADER focuses on establishing the preconditions for innovation and not on implementing the innovations themselves.
3. The kick-off-meetings, working groups and elaboration process of the Local Development Strategy are sources for the production of a number of new ideas for the specific regional development in the beginning of the process. Looking at the implemented projects, it is obvious that tourism-related actions are most frequent and other relevant topics for the rural development are underrepresented. Compared to the ideas from the beginning of the process, apparently a lot of ideas get stuck before being implemented. Of the various determining reasons, two will be mentioned as follows:
 - The possibilities of funding experimental or innovative projects via LEADER depend very much on the extent to which the RDPs are able to provide a suitable framework to fund projects outside the standard menu of measures.
 - Caused by the mainstreaming of LEADER, a lot of administrative obstacles (time lags, advanced payment, paperwork) faced the beneficiaries compared to the former funding period.

Although in theory innovation plays an important part in LEADER, in the output of projects it has been quite limited up to now.

4. Not only the lack of possibilities to implement innovative projects but also other obstacles in the beginning of this funding period led partly to de-motivation of actors for further involvement and loss of confidence in the LEADER funding. Some of the (potential) beneficiaries have developed a somewhat negative perception of the programme.
5. Forums for exchange exist for the LAG Managers, but increasing the interstate exchange might be helpful. The exchange between LEADER areas through carrying out joint projects by the intended cooperation measure is low.
6. The following question might be taken in account for further investigations in the field of innovation within the LEADER approach as well as stimulation for a discussion about the prospective policy:
 - Is there any need to restrict the sovereignty of the LAG in their choice of projects?
 - How is an optimal „network of practice“ composed? What is a minimum of heterogeneity in a LAG – how can it be made measureable and implemented in the regulations?
 - What are the differences in the content of the actions and projects between LEADER Axis and other Axes?
 - How can the conditions for cooperation projects (EAFRD Code 421) be improved? How can the exchange between the areas be improved, but not only involving the managers?

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