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Supplementary Guidance note for LEADER Local Action Groups and their Administrative Bodies – COVID-19 and the LEADER Scheme



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yflwr Datblygu Cwledig**
Europe on Sustainable Rural Development
**European Agricultural Fund for
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Europe Investing in Rural Areas



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1. Introduction

This Supplementary Guidance note is intended for the use of Welsh LEADER Local Action Groups and their Administrative Bodies. It should be read alongside and does not replace the Welsh Government's existing LEADER Scheme Guidance <https://gov.wales/leader-guidance> or that provided by Rural Payments Wales, for example: <https://gov.wales/rural-payments-wales-rpw-service-update-coronavirus-COVID-19-and-rural-development-programme#section-38775>

2. Welsh Government policy context regarding COVID-19 response and recovery

The Welsh Government publishes the latest guidance and news about Coronavirus on the website which is regularly updated:

<https://gov.wales/coronavirus>

The following documents provide a useful overview from the point of the initial response.

“Leading Wales out of the coronavirus pandemic - A framework for recovery”:

<https://gov.wales/sites/default/files/publications/2020-04/leading-wales-out-of-the-coronavirus-pandemic.pdf>

The “Coronavirus Action Plan”:

<https://gov.wales/sites/default/files/publications/2020-03/coronavirus-action-plan.pdf>

The Welsh Government sets out how decisions will be made about easing lockdown in the document “Unlocking our Society and Economy – Continuing Conversation:

<https://gov.wales/unlocking-our-society-and-economy-continuing-conversation>

Business-specific advice can be found on the Business Wales Website:

<https://businesswales.gov.wales/coronavirus-advice/>

Specific agricultural/farming initiatives in place include FarmWell Wales which was launched on 30 March 2020 <https://farmwell.wales/> The initiative aims to provide farmers with the most up-to-date information and details of support services, which can help them and their farm businesses stay strong and resilient through times of change and volatility. A Wales Farm Charities Partnership that is facilitated by Welsh Government has also been established to bring together rural charities with a direct link to agriculture in Wales. It is working to encourage collaborative working between Government and charities to better support farmers.

3. The European Commission's Information Note regarding COVID-19 and the RDP, including the treatment of Measure 19 LEADER

On 27th March 2020 the European Commission issued an information note on the use of the European Agricultural Fund for Rural Development (EAFRD) to help cope with the socio-economic impact of the corona virus outbreak in rural areas. The note outlines potential measures which could be quickly mobilised to offer an immediate response to critical situations such as the COVID-19 crisis. With respect to LEADER it is noted LEADER Local Action Groups (Art. 42) can support the development of basic services and health care facilities as part of their local development strategies, including the provision of care services.

The LEADER Scheme can be a useful socio-economic tool in both the immediate response to the emergency in rural areas and the longer-term recovery process.

The particular socio-economic vulnerabilities of rural areas were highlighted at the OECD Rural working group "Implications of Coronavirus (COVID-19) crisis for Rural Development: what policy responses?" held in April 2020:

"Rural businesses and dwellers are also vulnerable to economics shocks that may arise during the pandemic crisis and associated containment measures. Demographic characteristics (a higher share of elderly population) and geographic features (larger distances to access health care centres) coupled with reduced health care staff and facilities can hamper the ability of rural regions to respond to the pandemic. The expected global economic and trade slowdown can hit rural economies severely given their higher reliance on tradable activities and particularly those specialised in vulnerable sectors".

4. The Welsh Government's policy guidance for the LEADER Scheme, including practical steps.

There are some excellent examples throughout the UK and Europe of Local Action Groups already pro-actively supporting their rural communities during the COVID-19 pandemic (see Annex).

In Wales, as in the rest of the UK, there is a need to support the most vulnerable citizens and communities. Immediate priorities on the ground include:

- securing and distributing food and medical supplies to all, including the most rurally/socially isolated
- Identifying local resources including co-ordinating volunteers and supporting short supply chains,
- Networking and collaborating to ensure an informed and appropriate approach to meet local needs

There will also be a need to work with rural communities as we move forward from the response to the recovery period to help address the socioeconomic and other societal effects of the lockdown, such as the economic impact on certain socioeconomic groups of not being able to work, impacts on businesses of being closed or facing falling customer demand, psychological harms to the public of social distancing and many others.

The existing 5 Welsh Themes for the LEADER Scheme are outlined below and they are considered relevant in supporting the response to the COVID-19 immediate priorities, especially Themes 1-3.

LEADER Scheme Themes:

- I. Adding value to local identity and natural and cultural resources
- II. Facilitating pre-commercial development, business partnerships and short supply chains
- III. Exploring new ways of providing non-statutory local services
- IV. Renewable energy at Community level
- V. Exploitation of digital technology

5. The 2020 Local Development Strategy review

Each LEADER Local Action Group (LAG) has a Local Development Strategy (LDS), this is the roadmap of LEADER implementation, providing an intervention logic for the LAGs from a Situational analysis through to activity on the ground.

The LDS is multi-annual document so to keep it current it must be considered a "living document" and updated regularly. These updates will include consideration of whether or not the situational analysis for the area needs to be changed in light of particular issues/crises. For example, in December 2015 the LAGs were asked to consider any necessary updates to their LDS in connection with the humanitarian crisis faced by refugees accessing the EU.

The Welsh Government requires the LAGs review their Local Development Strategies to take into account the current COVID-19 crisis and to reflect the current emergency "Ask".

To ensure support is available to the LAGs the Wales Rural Network (WRN) will convene a rural task and finish group to give advice on best practice and networking experiences and consider what is required as the COVID-19 pandemic moves into the recovery phase.

6. Reporting requirements for COVID-19

The Welsh Government's Indicator Guidance sets out the available Performance Indicators for use under the LEADER Scheme:

<https://businesswales.gov.wales/walesruralnetwork/sites/walesruralnetwork/files/documents/LEADER%20Indicator%20Guidance%20EN.pdf>

The existing Performance Indicators were selected to reflect the 7 key principles of the LEADER methodology so they remain relevant. It will be necessary, however, for Local Action Group Administrative Bodies to separate out achievements against the Indicators as a result of interventions connected with COVID-19 response and/or recovery for reporting purposes. LEADER Local Action Groups should report any COVID-19-related achievements from now on and they may also include any retrospective achievements since 27th March 2020.

The Indicators on the Programme and Project Information Management System (PPIMS) will not contain a breakdown into "COVID-19" and "non-COVID-19" so Administrative Bodies should continue to report as normal on PPIMS. However Local Action Groups will be required to submit a quarterly narrative report updating the Welsh Government on progress against financial and performance targets across all their LEADER projects and this will split out COVID-19-related activity. The Welsh Government will use this information to collate a LEADER Scheme-level quarterly and annual report.

7. Re-evaluations of LEADER Scheme projects

In light of COVID-19 and the proposed changes to the LEADER Scheme outlined above, the Welsh Government will permit each LEADER Scheme project to undergo one more Major re-evaluation to give LAG Administrative Bodies the opportunity to amend their approach or refocus their support to respond to the current situation. This is on the understanding that:

- a) all requests for a Major re-evaluation will be submitted (in the required format) to the Welsh Government no later than **24th July 2020**. No requests will be accepted after this date.
- b) this will be the final major re-evaluation the project sponsors will be allowed. There will be no further opportunity under the Programme period.
- c) With regard to salary costs, some Administrative Bodies may already have identified savings for 2020/2021 financial year if LEADER staff have been temporarily re-deployed to other non-LEADER roles (time which can't be charged to LEADER). Some LEADER staff may also have been furloughed under the UK Government scheme, receiving the 80% grant for wages, this also cannot be counted as eligible expenditure under the LEADER Scheme.

All movements of RDP Grant between financial years under the LEADER Scheme are subject to the agreement of the Managing Authority and Paying Agency Senior Leadership Team (MAPA SLT). MAPA SLT will consider all LEADER Scheme re-evaluation requests “en bloc”. This will be the last opportunity to re-profile between financial years.

Here is a reminder of the list of changes that Project Sponsors can request in a Major re-evaluation:

- Add new additional expenditure headings to the delivery profile
- Move money between expenditure headings
- Move money between LEADER Scheme projects. All requests must respect the requirement set out in Paragraph 2 of Article 35 of Regulation (EU) No 1303/2013 that support for running costs and animation shall not exceed 25% of the total public expenditure incurred within the Local Development Strategy. Also, within that, the 10% cap on Running costs as per the Welsh Government’s LEADER Scheme Guidance.
- Extend project end date (last claim to be submitted by June 2023)
- Changes to indicator outputs and targets. This includes adding additional indicators to the delivery profile.
- Re-profile claim expenditure
- Change claim periods
- Decrease to project cost/grant award
- Changes to proposed project activities that meet the Scheme Guidance
- Changes to Unit Cost rates can be requested in the re-evaluation, however these will not be added to PPIMS until the required evidence has been received, verified and Quality Assured by Welsh Government and approval is given.

Financial re-profiling will need to be conducted on the following basis:

2020/2021 – Welsh Government will permit **only decreases** and no increases to RDP Grant profiled under the LEADER Scheme

2021/2022 – increases to RDP Grant profiled can be requested

2022/2023 – increases to RDP Grant profiled can be requested

2023/2024 – increases to RDP Grant profiled can be requested

The Welsh Government will permit Project Sponsors to request carry-forward of domestic underspends, after accruals, as at 31/03/2020, where these underspends can be re-profiled into the 2021/2022, 2022/2023 and 2023/2024 financial years only.

Project Sponsors who have previously submitted a re-evaluation request to Welsh Government under the 2019/2020 exercise that has not yet been approved and loaded onto PPIMS should re-visit their re-evaluation forms and Delivery Profiles and re-submit by the deadline **24th July 2020**. This will allow Project Sponsors to finalise Delivery Profiles for each remaining financial year of implementation. **Project Sponsors who do not spend/accrue RDP Grant forecast in any financial year, according to their approved Delivery Profile following this Major re-evaluation, will lose any unspent RDP Grant.**

Annex

How LEADER is supporting the COVID-19 emergency response:

The European Union's Council of Agricultural Ministers meeting was held on the 25th March 2020. With security of food supply the key consideration, Marija Vučković, Croatian Minister of Agriculture said:

“In order to ensure normal functioning of the food supply chain, it is crucial to identify critical obstacles caused by COVID-19 pandemic. We managed to identify it today. Main issues pointed out by most Member States were restrictions in movement of goods, changes in consumption patterns and in the operation of agri-food production systems, as well as insufficient workforce due to border closures, social distance requirements, mandatory isolation or quarantine. After today's exchange, we have a clearer idea of the situation.”

The following example, from the European Network for Rural Development (ENRD), shows how LEADER Local Action Groups in EU Member States are being mobilised to help in the COVID-19 crisis:

Spain

A Spanish rural community takes action against COVID-19

Over 3,500 families depend on the activities developed around the famous cherry of Valle del Jerte, Spain. Key economic sectors in the area include agriculture and tourism - the spectacular cherry blossom in the valley has become a national event. Easter is usually the peak season for rural tourism in the area but this year no tourist is expected. Even the packing of cherries is compromised due to the Coronavirus crisis.

In this community of 11 villages and about 12 000 inhabitants, the [LEADER Local Action Group](#) has taken a series of notable initiatives involving all the key stakeholders:

- The women's organisations and municipalities in each village are organising groups of volunteers to produce masks;
- They set up a pool of home helps for the most vulnerable in the community;
- They are looking at ways of offering jobs in the upcoming cherry season to people who have lost their jobs in tourism – thereby helping those in need and covering the shortage of workers caused by the confinement;
- They are helping the cherry sector to develop common protocols for the safety of workers.