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# THE RELATIONSHIP BETWEEN MUNICIPAL DIPLOMACY AND LEADER INTERNATIONAL COOPERATION

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**ABSTRACT -** The LEADER programme is a rural development programme of the European Union with more than three decades of history, in which international cooperation – within the framework of cooperation network building activities – is an important element of this development method. At EU level, 280 such cooperation projects were supported during the 2014-2020 programming period. Our research was based on the premise that, on the one hand, local authorities are particularly important actors in the LEADER programme and, on the other hand, specific cooperation and development activities always take place in one or more municipalities. We therefore examined how LEADER international cooperation contributed to the establishment and development of international relations between local authorities. The research involved a comprehensive analysis of 22 international cooperation projects launched in Hungary during the 2014-2020 period, using questionnaires and in-depth interviews. The research results confirmed our hypothesis regarding the role of local governments, which we further refined, based on the strength and subject of their involvement. The research analysed the driving forces behind cooperation, its continuity and innovative nature, and identified the most important constraints that may hinder the wider application of LEADER international cooperation. The research results also suggest that, uniquely within the EU development policy system, there exists a method that provides otherwise disadvantaged rural local governments with the opportunity to participate in international cooperation not only on a point-to-point basis, but also on regional scale.

**Keywords:** LEADER programme, international cooperation, networking, innovation, administrative barriers

## INTRODUCTION

The emergence and development of international cooperation among local governments are significantly influenced by local ambitions, motivations, shared interests, and visions for the future, the embeddedness and participation of local actors, the degree of organization, as well as the established institutional background, capacities, and acquired skills. Taken together, all these factors can exert considerable influence on the sustainability of cooperation, the opportunities for the assertion of interests, their available instruments and channels, and ultimately on the outcomes. Their impacts can be interpreted and measured at varying local and territorial scales.

It is also well known that metropolitan areas, large cities, and smaller settlements – particularly villages in rural regions – may "line up at the starting point" under very different conditions. According to empirical findings *(Brucker 2023; Egyed et al. 2024; Horeczki et al. 2023; Pálné 2025)*, the larger the population of a settlement, the more pronounced can its networking activities be, which, at the international level, will enhance the visibility of these cities and metropolises. This, in turn, facilitates the stronger articulation and representation of their specific interests in transnational organizations. However, within the framework of the research titled 'Municipal Diplomacy', attention has also been directed to examining whether, in settlements and regions often addressed under the subject heading of 'geography of discontent' or labelled as 'places that do not matter,' *(Pose 2018)* there exist instruments, initiatives, or policies specifically aimed at fostering the international cooperation of these (primarily rural) localities.

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## THE LEADER PROGRAMME AS A TOOL FOR NETWORKING AND INTERNATIONAL COOPERATION

At first sight, the European Union and its policies may appear primarily concerned with economic growth and competitiveness, rather than with fostering international relations between local governments. A closer look naturally will outline a more detailed picture, as without social and territorial cohesion, even the integrated economic development of the European space may remain nothing more than an illusoric dream. This explains why EU development policy – initially through independent Community Initiatives and later within cohesion policy – has long supported cross-border cooperation, with local governments as one of its key actors.

This initiative launched at the end of the last century is known as *Interreg*. While *Interreg* became widely recognised in this context, the early 1990s also saw the launch of another initiative under the name of LEADER Programme (*Liaison entre actions de développement de l'économie rurale* – the acronym stands for Community Initiative for the Development of Rural Economy) which is less famous among regional and urban policymakers and rarely associated with international cooperation. LEADER brings together local entrepreneurs, municipalities, and civil organisations within defined territories (10,000–100,000 inhabitants) to develop shared visions for regional development, grounded in local needs and characteristics and to implement them for the prosperity of the entire region through adequate funding assistance. It is a bottom-up, multi-actor, participatory model, often contrasting with the sectoral, centralised, and territorially insensitive mainstream of EU and national development policy.

Of this over more than three decades, there have been various stages (*see Lukesch 2025*) that highlight the importance and recognition of this approach, particularly within EU development policy. LEADER I and II (1992–1999) allowed for experimentation with minimal constraints (local ideas, local cooperation, local decision-making, etc.), which has generated innovative outcomes unattainable by centralised interventions (*EC 2024*). This successful period was followed by LEADER+ (2000–2006) programme which marked a transition toward integration into mainstream policies (cohesion policy, CAP etc.) (However, it could only serve as a supplement, i.e. it could only provide solutions for purposes that were not addressed by the major programs.) During the 2007-2013 period it became a part of the four Objectives of Common Agricultural Policy (Axis 4). Integration, however, diluted its original strengths just because of the above-mentioned characteristics, to which it owed its success, as funding rules tied mostly to quantitative measures (hectare, quantified livestock) left less room for locally driven innovation. *(Navarro et al. 2016)*

The period between 2014 and 2020 shows a mixed picture. It is a significant achievement that the LEADER approach has been incorporated into cohesion policy under the label of Community-Led Local Development (CLLD), and that the main principles have already been laid down in cohesion legislation for LEADER in the context of agricultural policy. At the same time, LEADER has slipped significantly down the hierarchy of priorities within EU agricultural policy. In the 2021-2027 planning period, agriculture once again got into the focus of Common Agricultural Policy (CAP), while rural areas, namely rural development objectives, together with LEADER, have a marginal role only *(Finta 2019)*.

Within cohesion policy, Community-Led Local Development (CLLD) has been retained, and the rules governing LEADER continue to be defined by cohesion legislation, despite the fact that agricultural funds in 2021 were again excluded from the common regulatory framework that earlier had been applied to both cohesion and agricultural funds since 2014. At the same time, the administrative and regulatory constraints that have long hindered the effective implementation of the LEADER approach have unfortunately not been resolved, and without fine-tuning these provisions, the advantages of the method cannot be realized to the expected extent.

It is also important to emphasize that LEADER has always been interpretable only in the shadow of major policy frameworks. Until the *Agenda 2000* reforms, rural development appeared within the Structural (now Cohesion) Funds as part of Objective 5. Following the reform of the Common Agricultural Policy (CAP) – in which rural development emerged as a "second pillar" alongside direct agricultural subsidies – rural development, together with LEADER, was excluded from Structural Funds and from cohesion policy. However, since 2014, the CAP appears to have been returning increasingly

to its pre-2000 orientation, when it supported exclusively agricultural objectives. In parallel, the foundations of cohesion policy (in particular the European Regional Development Fund, which disposes of the largest financial resources) have become explicitly urban-centred. Consequently, rural areas – where agriculture provides only a fraction of the population's livelihoods – have become a kind of "no man's land" from the perspective of development policy. It is therefore not surprising that phenomena such as "places that do not matter" have emerged, as well as rural discontent that has significantly contributed, for example, to Brexit. At the EU level, responses – albeit delayed – also seem to be taking shape, recently reflected in the slogan "no one left behind," and, within policy frameworks, in the l *Long-Term Vision for Rural Areas (LTVRA)* announced in 2021 (LTVRA). The LEADER programme forms part of these long-term strategies and is assigned a role both achieving policy objectives concerning rural areas and in addressing related problems (*LTVRA 2021*).

Even the European Court of Auditors – often critical in its assessments – has not questioned the importance and effectiveness of this distinctive development method (*European Court of Auditors 2010, 2022*). Although even the often highly critical European Court of Auditors, does not question the importance or success of this specific development method (*European Court of Auditors 2010, 2022)*, the seriousness of EU development policy regarding LEADER can nevertheless be strongly questioned. This is because only 5% of CAP development funds (which themselves amount up merely to one-third of the resources of the Regional Development Fund) are mandatorily allocated to LEADER. This reflects an attitude whereby both at the EU and Member State levels a small "sandbox" is provided, in which local citizens may articulate their sometimes risky but innovative development ambitions without threatening large sectoral programmes or central decision-making competences either at national or EU level.

At the same time, political expectations and attention – both central and local – are far greater than what the available resources would justify or what the program is capable of meeting. The LEADER development method thus operates within the structure and policy environment outlined above, whose main limitations are the scarcity of resources, excessive bureaucracy, procedural frameworks disregarding the specificities of the method, and the lack of policy support in a context dominated by centrally controlled, sectoral approaches *(Masot-Alonso 2017)*. At the same time, its undeniable strengths lie in fostering such bottom-up, partnership, participation and multi-sectoral cooperation-based interventions that are often not only innovative but also capable of addressing problems and harnessing opportunities that central, sectoral programs fail to tackle *(Berriet-Soliec et al. 2015)*.

## THE LEADER PROGRAMME AND NETWORKING, CONNECTION POINTS OF INTERNATIONAL COOPERATION

The characteristics of the LEADER development method have been the subject of extensive *scholarly literature*, examined from diverse perspectives and with varying intensity over time. Arguably, it attracted the most attention among sociologists, with the bulk of studies published between 2000 and 2010, when LEADER was incorporated into the mainstream of EU development policy.

The core fields of this research included among others, LEADER's role in *multi-level governance* (*Pollerman et al. 2014*), analyses of its *integrated approach* (*Ferry et al. 2018*), assessments of its *innovative character* (*Kah et al. 2023*), questions of territorial justice in relation to LEADER (*Shucksmith et al. 2021*), evaluations of *partnership* within the LEADER framework (*Osti 2000*), as well as *comprehensive sociological characterizations* of the LEADER approach (*Kovách 2002; Furmankiewicz et al. 2021*)

Beyond the scholarly literature, *EU policy documents* – particularly the opinions and resolutions of the Committee of the Regions (CoR) and the European Economic and Social Committee (EESC) – the so-called Haken Reports (*EESC 2011, 2014, 2017*) is of particular relevance, as well as the CoR resolution addressing the post-2027 programming period (*CoR 2025*). Especially significant are the research reports commissioned by the European Commission, some of which focus explicitly on LEADER (e.g. The role of LEADER in balanced territorial development 2024), while others, in the context of broader analyses of rural areas, highlight the often lesser-known values or, conversely, the

limitations of LEADER (GRANULAR 2024; ESZA 2022). Reports by the European Court of Auditors (2022, 2010) primarily examine the financial efficiency and added value of LEADER, though the factual basis of certain findings has at times been called into question (*Finta 2023*).

If – beyond the evaluative perspectives of academic and policy sources briefly outlined above – we aim to examine the relationship between the LEADER programme and international cooperation through networking, it is necessary to return to the specific characteristics of this development method.

They were identified as the core principles of the LEADER approach as early as 1999. These core principles are as follows:

- bottom-up approach;
- area-based approach;
- local partnership;
- innovation;
- multi-sectoral integration;
- cooperation and networking;
- decentralized management and financing (*Saraceno 1999*)

During the transition from LEADER II to LEADER+, the European Commission modified these seven core principles behind closed doors. While their number remained unchanged, the principle of local governance – decentralised management and financing – was dropped, and cooperation was separated from networking (*Lukesch 2025*). Fifteen years later, however, the seemingly lost governance function reappeared in the provisions on community-led local development within the legislation establishing the Common Strategic Framework (*Lukesch 2025*). At present, the seven principles are defined as follows:

- bottom-up approach;
- area-based approach;
- local partnership;
- integrated, multi-sectoral strategy;
- innovation;
- networking;
- territorial cooperation.

From the perspective of our research, networking and territorial cooperation are of particular relevance. However, since these two features – originally treated together – are now distinguished, it is useful to briefly clarify their meaning.

Although there are very few examples of explicit scholarly or policy-based definitions for networking within the LEADER framework, it can be broadly understood as the effort to connect the widest possible range of local actors – most notably civil society, municipal representatives, and entrepreneurs – within a given territory. This process is built on partnership-based foundations that consolidate the participants' visions into a common strategy designed to support their implementation and strengthen cooperation among network members for the overall development of the area. Networking in this sense goes beyond simple information exchange: it facilitates collaboration by enabling actors to pool resources, share knowledge, and engage in joint projects. It promotes the circulation of good practices, ideas, and innovations among stakeholders, while also fostering the development of local actors' skills and capacities. In this way, networking contributes to capacity building, encourages innovation, and enhances the overall impact of LEADER initiatives.

In spatial terms – by the author's opinion – such networking activities can be performed on at least three scales:

- internal networking, performed within the territory of a Local Action Group (LAG);
- external networking within a Member State, (this refers to cooperation among LAGs across the country, potentially linking organizations and local actors even from its most distant regions);
- international cooperation, (where LAGs from different Member States collaborate, often in multi-party partnerships involving two, three, or even four groups.

Official terminology, however – less convincingly – distinguishes the last of these scales, classifying it as territorial cooperation instead of international. According to the official justification, cooperation goes beyond networking insofar, as it involves local residents and LAGs in joint projects together with partners from other regions (see: https://eu-cap-network.ec.europa.eu/networking/leader/leader-explained_en). This distinction, however, does not withstand scrutiny, since inter-territorial cooperation within Member States likewise exhibits the same characteristics. While it is true that international cooperation may differ from domestic cooperation in terms of content, objectives, significance, and resource requirements, but these differences do not in themselves constitute sufficient justification for treating the two cooperation forms separately – particularly not in the form of an independent principle.

*LEADER networking and international cooperation in the scholarly literature*

In the international literature, analyses of the various features of the LEADER approach have only rarely addressed networking, and even more rarely international cooperation. No study is known to have evaluated specifically the impact of international cooperation on municipalities.

Some studies assess networking – primarily from a sociological perspective – in terms of project success, depending on factors such as the strength of relationships among network actors and the quality of participation in local governance (*Chevalier et al. 2017, p. 321*). Others highlight trust, as a crucial element for building and maintaining networks, identifying it as one of the positive added values of the LEADER approach (*Wiesinger 2007, p. 416*). The relationship between rural community development and networking is interpreted in other works as an effort to strengthen communities by enhancing people's self-confidence, knowledge, skills, and capacity for cooperation. As one study observes, *"*this kind of approach has been successfully tested in the European Union under the LEADER Community Initiative*"* (*Lee et al. 2005, p. 280*).

There are, however, studies that explicitly examine the relationship between LEADER and networking. For example, one analysis argues that in Romania the community networks relevant to the LEADER programme have hindered its smooth implementation, owing to the programme's complexity, weak administrative networks, political influence, and the legacy of the socialist period (*Marquardt et al. 2012, p. 398*). Another study evaluating the impact of LEADER networking concludes that local actors' networks can play a key role in enhancing territorial adaptability and resilience – two fundamental qualities for withstanding major crises (*Aubert et al. 2025, p. 9*).

The academic literature also notes the role of the LEADER programme in developing tourism networks in France and Ireland. Although this research focuses on a single sector, it nonetheless incorporates an international comparative perspective (*Cawley et al. 2007, p. 409*). The internal dynamics of networking are further explored in an international comparative study that contrasts the long-standing French experience with LEADER against the newly established system in post-communist Lithuania *(Chevalier et al. 2017*). Finally, an additional but highly important role of networking – examined in more detail below – is highlighted in a study focusing on the supporting organizations established by the EU and Member States (*Mudri et al. 2010*).

*Organisational frameworks of networking and cooperation at member state and EU level*

EU policy has consistently emphasised the importance of establishing and maintaining networks. Within the framework of rural development, legislation has stipulated the creation of national-level networks. In Hungary, this took the form of the Hungarian National Rural Network (MNVH), which operated between 2008 and 2024. One of its principal tasks – albeit fulfilled with varying intensity and success – was to support LEADER networking and cooperation. Between 2010 and 2014 the organisation played an especially active role in assisting the LEADER programme, but subsequently most of its support activities ceased. From 2024 onwards, in line with EU regulations, the role of the MNVH has been taken over by the CAP Network, with concrete responsibilities in Hungary assigned to the Herman Ottó Institute, a background institution of the Ministry of Agriculture.

At the EU level, the European Network for Rural Development (ENRD) was established in 2008 as a support body of the European Commission. From the perspective of this research, one of its core activities has been to facilitate cooperation among national LEADER organisations, for which it also

operates a dedicated platform. In addition, the European LEADER Association for Rural Development (ELARD) should be mentioned. This organisation brings together the leaders – or their delegates – of voluntarily established national LEADER associations within Member States. (Operating solely on membership fees, ELARD primarily functions as an advocacy body, with varying degrees of success according to experience.) Finally, a less formal, bottom-up initiative known as LINC also exists, organising annual conferences for European LEADER organisations to foster international cooperation.

## MUNICIPAL ROLES IN LEADER INTERNATIONAL COOPERATION – EVIDENCE FROM EMPIRICAL RESEARCH

Between 2014 and 2022, a total of 280 LEADER international cooperation projects were supported across the Member States of the European Union. If distributed evenly among the 27 Member States, this represents an average of 10 projects per country. In Hungary, 22 international cooperation projects were implemented during this period. While this figure is double of the EU average, it nonetheless represents less than half the number of international projects implemented in the 2007–2013 programming period.

An examination of the partner countries provides some explanation for Hungary's relatively high figures compared to the European average. Ten international projects were directed towards Romania, three of which focused specifically on the Székely Land, while the remaining seven targeted neighbouring cross-border regions. In addition, one project was implemented in a cross-border region of Slovakia. A common feature of these areas is that they are largely composed of settlements with significant Hungarian populations. Consequently, these projects can be interpreted less as conventional international collaborations and more as initiatives to revive and strengthen Hungarian–Hungarian relations disrupted by the Treaty of Trianon – albeit without any political undertones.

If the 11 projects primarily involving Hungarian–Hungarian cooperation are excluded from the total of 22, the remaining 11 international projects correspond almost exactly to the European average.

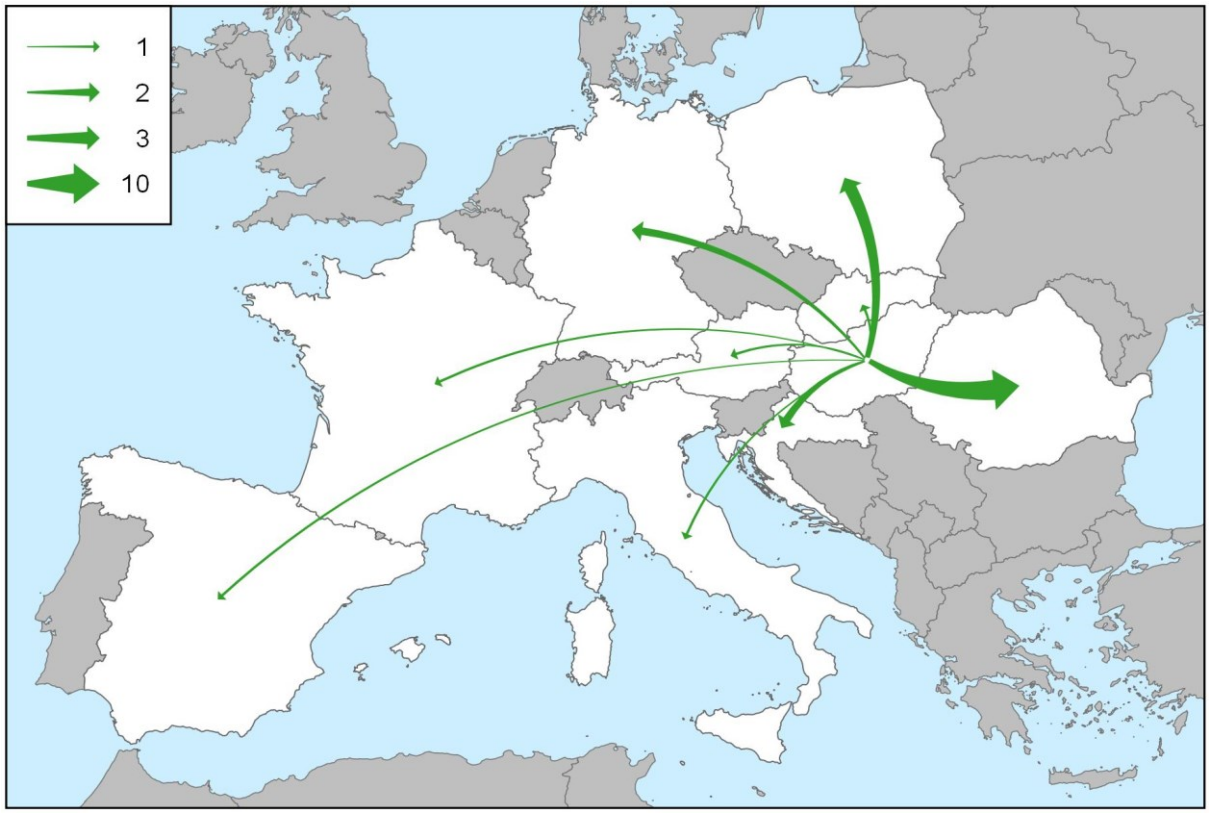


**Figure 1.** *Target countries of LEADER international cooperation projects*
Source: own compilation

## THE RELATIONSHIP BETWEEN MUNICIPAL DIPLOMACY AND LEADER INTERNATIONAL COOPERATION

When presenting the LEADER development method, we indicated that the LEADER development method involves the joint shaping of territorial programs by three spheres: civil, entrepreneurial, and municipal. However, it should be emphasised that in rural areas, municipal involvement is often particularly significant, as civil and business actors may be absent or weak in certain settlements. We hypothesize that municipalities play a key role in shaping international collaborations, both due to their prominent position within LEADER organizations and because such collaborations occur in specific settlements, where municipal influence varies.

Collaboration intensity depends on both the topic and the participating actors. When the cooperation directly aligns with municipal responsibilities (e.g., cultural projects), and local civil organizations are not involved, municipal engagement can be exclusive or very strong. In tourism development, municipalities typically provide infrastructure and organizational support, while businesses increasingly contribute. Municipal involvement is usually weakest when projects primarily target businesses, such as international cooperation among local product producers, where municipalities may only offer venues or logistical assistance. This underscores the need to study municipal roles across all cooperation types.

A further hypothesis assumes that cooperation occurs at a regional scale rather than solely through point-to-point links, reflecting the LEADER programme's territorial scope, which serves entire regions rather than single settlements. This regional approach not only strengthens municipal international cooperation but also highlights the significance of rural territories and supra-local scales in municipal diplomacy.

To test these hypotheses and better understand LEADER-supported international collaborations, the study employed a multi-method approach: The first phase involved an analysis of project proposals. This was followed by a comprehensive survey, and targeted interviews to explore and better understand the characteristics of atypical cases.

*Content of cooperation*

The content of international LEADER cooperation was targeted at three primary areas, although in some programmes, two areas were addressed simultaneously, with comparable emphasis. These areas included tourism development, production and marketing of local products, and cultural cooperation between municipalities, as well as the provision of municipal public services. Quantitative analysis indicates a relatively balanced distribution of these topics across the projects, with some overlap. Specifically, nine partnerships focused on tourism, eight on local product development, and nine on cultural cooperation.

A key research question concerned the intensity of local government involvement in these projects. Of the 22 examined projects, only three indicated that local authorities did not play a significant role in project implementation. In these instances, project activities were carried out exclusively through cooperation between local producers and accommodation providers, coordinated by the LEADER Local Action Groups. One illustrative example is a Hungarian-Spanish collaboration in which two local action groups jointly developed a programme aimed at sharing and further enhancing the operational experience of an existing regional trademark system for locally produced products. This initiative supported quality-enhancing activities for over 200 local entrepreneurs and producers, and reached approximately 50,000 individuals through events promoting the "Quality of the Countryside – Balaton Uplands" trademark, as measured by event attendance.

Municipal involvement can be considered particularly ***strong*** in cases where the primary objective for both cooperating regions was the identification and promotion of local values and tourist attractions, as well as the mutual understanding of cultural heritage traditions. In such instances, local inventories of cultural assets were compiled, primarily provided by municipalities, which later formed the basis of tourism programs. A specific example of cultural cooperation includes joint events of brass bands recognized on both sides (e.g., the brass band of Máza in Hungary and the brass brand of Oroszhegy in Székely Land). Within the framework of folk art and fine art collaborations, partners from Székely Land built several traditional Székely gates in Hungarian partner municipalities, while

Hungarian municipalities showcased local handicraft products (such as pottery and woodcarving) reflecting their diverse cultural heritage (including Swabian and Völgység traditions) in Székely Land. Municipal engagement was also notably strong in partnerships that included the development of public services. An example of this is a German-Hungarian program where Hungarian municipal representatives examined the possibilities of adapting German methods for renewable energy use and waste recycling. (Summaries of most partnerships are still available on LEADER organization websites, such as: https://bsve.hu/bsve/nemzetkozi-projekt-bsve https://www.mvh-hacs.hu/leader-egyuttmukodes)

***Moderate*** municipal involvement was typically observed in "mixed" programs where, in addition to local values, public services, and cultural collaborations, elements of tourism or local product development were also present. One such example is a French-Hungarian partnership, during which municipalities contributed by providing infrastructural support for the establishment of a local product exhibition centre. This facility enabled the long-term organization of conferences, lectures and workshops. Furthermore, the acquisition of specific equipment allowed interactive demonstrations of simplified production processes modelled after French practices. These tools were also intended to foster behavioural change among school-aged children through large-scale "local product" board games and fruit presses, which demonstrated, for instance, the production of 100% fruit juice.

It is important to distinguish between municipal involvement in implementation and the program management activities during the execution of these initiatives. While municipalities often played a significant role in collecting local assets, the organizational and liaison functions were typically performed not by individual municipalities but by the management body of the LEADER Local Action Groups (LAGs), which covered the entire region rather than a single settlement. Based on the questionnaire survey, liaison and organizational roles can be evaluated on a three-level scale, similar to municipal involvement. In rare cases (only two), municipalities carried out the entire organizational activity, with the LAG responsible solely for submitting the application; in these instances, municipal organizational involvement was particularly strong. In the vast majority of cases, however, these activities were undertaken by the LAGs' management structures, with municipalities intervening only when necessary, which is classified as weak municipal organizational involvement. In some cases, the organizational and liaison roles were relatively balanced between LAGs and municipalities, particularly when partner regions already had established twinning relationships between individual municipalities. It should be emphasized that a low level of municipal involvement in organizational functions did not imply reduced success for any program. Given that LEADER is a territorial program, it is natural for organizational and liaison activities to operate primarily at the regional level.

*The driving forces of cooperation and the question of continuity*

The effectiveness of cooperation is influenced by numerous factors, among which one particularly important aspect is the continuity and sustainability of collaboration, as opposed to ad hoc and time-limited relationships. At first glance, this may appear to conflict with the LEADER programme and its project-based nature, since international LEADER cooperation takes place within a framework that has a defined beginning and end, as well as planned and achieved outputs. However, this contradiction is only apparent. The majority of the local action groups surveyed considered the establishment and continuation of cooperation, joint thinking, and mutual understanding as one of the most significant outcomes. These are not activities tied to a specific timeframe or programme but rather part of an ongoing process that may experience peaks during project implementation and troughs at other times, without the cooperation itself coming to an end.

To understand the continuity and sustainability of these collaborations, it is essential to examine their underlying drivers. The responses indicate the existence of two main types: interest-driven and value-driven cooperation. Interest-driven collaboration typically characterises entrepreneurial actors engaged in economic development activities (e.g., production and marketing of local products), whereas value-driven cooperation is more often associated with municipalities and civil organisations, aiming to explore and preserve cultural traditions and heritage. In reality, however, neither form exists in a pure state; rather, the proportions vary. Entrepreneurs also convey values through their production and

marketing culture, while cultural collaborations may involve the purchase of traditional products (e.g., textiles, ceramics). These values and interests are connected to both individuals and organisations.

Research findings suggest that the sustainability of cooperation primarily relies on personal relationships. Within these, friendships – sometimes even family-level connections – tend to be stronger than purely business-oriented partnerships. In this respect, the LEADER programme appears to foster and strengthen value-driven cooperation. This is neither an advantage nor a disadvantage per se but a characteristic that can support long-term continuity.

Cooperation naturally manifests at an organisational level as well – partly between municipalities and partly at the level of local action groups – sometimes through formalised twinning agreements, other times informally without institutionalised frameworks. Nonetheless, the "personal dimension" remains critical. This is particularly evident after municipal elections, where changes in officeholders can either strengthen, weaken, or even terminate collaborations, depending on the personal attitudes of the newly elected representatives.

Among the drivers of cooperation, the availability of financial support within project frameworks also plays a significant role. Within LEADER projects, funding can typically be obtained for equipment purchases, infrastructure development, marketing activities, training, and event organisation. International cooperation as such does not fit neatly into any single category, which represents one of the limitations and barriers to implementation, as will be discussed later. Nonetheless, certain infrastructure developments – such as the renovation of the roof structure of the community centre in Érsekcsanád, which hosted joint events – can still align with the main objectives of international cooperation. Investments in equipment have also provided opportunities for cultural collaborations, particularly for civil organisations that otherwise would not have had the capacity to acquire them. Examples include the purchase of a tuba for a brass band – an item unlikely to receive funding under traditional municipal or state grant systems due to its high cost – or the revitalisation of traditional folk dancers' costume collections.

In the case of tourism-related collaborations, funding was primarily directed toward marketing activities (e.g., short films, brochures, websites), in which partner municipalities and local governments played an important role. However, the largest share of support was allocated to events (professional meetings) that enabled the establishment and strengthening of personal connections through face-to-face interactions. Both the funded activities and the development – or reinforcement – of personal relationships contributed significantly to the long-term sustainability of these partnerships.

It should be noted, however, that one-fifth of the LEADER organisations reported having no current contact with their former partners. While this does not necessarily imply the same situation at the municipal or community level, the absence of continuity at the level of regional coordinating bodies undoubtedly weakens the prospects for cooperation among actors at smaller scales.

Overall, the international cooperation opportunities offered by the LEADER programme have created significant benefits not only for municipalities but – perhaps more importantly – for local populations. These initiatives have facilitated the appreciation of each other's cultural values, brought market actors closer together, and, through strong personal relationships, ensured the long-term sustainability of partnerships, albeit with varying degrees of intensity over time.

*Assessment of the innovative nature of cooperation*

Innovation, or more precisely, the capacity for innovation, is one of the fundamental elements of the LEADER development approach (*Navarro et al., 2018; Dragan & Shucksmith, 2008*). Innovation can have a positive impact not only on the economy – although this is often the primary expectation of various development programs today – but it can also contribute to the renewal of social processes, including the international cooperation of municipalities. Representatives of the surveyed Local Action Groups (LAGs) likely responded to the question of whether any innovation was introduced in Hungary or at the foreign partner site within this context. In two-thirds of the cases, the answer was that the program did not result in a specific, tangible innovation. However, almost all respondents reported that some form of knowledge transfer took place among stakeholders. This included the presentation of best practices, exchange of experiences (particularly in development activities), and information sharing (for

example, on renewable energy sources or waste recycling), as well as the promotion of each other's values, attractions, or products.

If innovation is considered as a process – beginning with the acquisition or creation of new information and culminating in the development of a new product, process, or service – then activities such as promotion, experience sharing, knowledge transfer, and showcasing best practices can all be regarded as part of the innovation process. As one interviewee noted, without these collaborations, ideas would not emerge, and new projects between partners would not materialize. It is undeniable that these international partnerships often represent only the initial stages of the innovation process. The programs frequently lack the necessary conditions (e.g., timeframe, organizational capacity, or product development) required to achieve a fully developed innovation. Nevertheless, in their absence, even the seeds of innovative solutions could not take root.

In the less frequent instances where respondents explicitly considered the outcomes of the cooperation to be innovative, they referred to activities such as database creation, the production of publications, the development of tourism program packages (which previously did not exist in either LEADER territory), the establishment of joint community marketing strategies linked to regional trademarks, and presentations delivered to representatives of domestic companies involved in energy investments, where concrete adaptation opportunities were also examined.

The findings thus suggest that the majority of LEADER international collaborations do not culminate in a process that results in a specific, tangible innovation. However, these partnerships can lay the groundwork for recognizing and adapting novel solutions for place-based development on a European scale.

*Barriers and limitations to international cooperation*

Although the LEADER programme, during its existence of over three decades, has achieved numerous results unattainable by large-scale centralized sectoral programs (*Finta, 2024*), there remain factors – both in general and specifically concerning international partnerships – that significantly hinder or jeopardize the establishment and implementation of collaborations.

While the majority of questionnaire responses did not indicate major obstacles that critically impeded implementation, interviews provided a more nuanced picture, as respondents spoke more openly about encountered challenges. (In one instance, the questionnaire was not completed at all because the project was perceived so negatively that experiences were shared only verbally.) The main issues can be summarized as follows:

*1. Lack of international (EU-Level) project management and coordination*

It is well known that support for LEADER international cooperation projects is also provided within the framework of competitive calls for proposals (although under the original LEADER approach, this was not intended as the sole or primary method). However, these calls are announced at the Member State level without any formal coordination between countries.

In practice, this means that if the LEADER groups wishing to cooperate are located in Member States that do not announce calls in a synchronized manner, the chances of establishing joint activities are minimal. For example, during the 2007–2013 programming period, our Local Action Group was approached by Finnish and Spanish partners, offering the opportunity to establish a trilateral partnership. However, due to the absence of domestic funding support, the Hungarian group could not participate, and the project was realized only between the Spanish and Finnish groups.

Although the European Network for Rural Development (ENRD) operates an EU-level partner search system, it cannot compensate for the lack of temporal alignment. Furthermore, every call for proposals has an implementation period within which programs and investments must be completed. Therefore, it is not feasible to wait indefinitely for the corresponding call to appear in the partner's Member State. (Notably, in Hungary, international cooperation calls had still not been announced by late summer 2025 for the programming period extending to 2027.)

In the absence of international coordination, some collaborations occur by having each partner implement its program separately, often at different times, without simultaneous joint work. In other cases, the successful applicant simply finds a foreign partner willing to engage in limited cooperation

without having applied for or received funding in its own country. This may involve hosting and organizing visits for the foreign group, which finances these activities from its own resources.

This latter solution is reinforced by a partially understandable rule that investments can only be made within the applicant's national territory. In other words, Hungarian funds cannot be used to purchase assets, equipment, or real estate abroad. One rationale for this rule may be to prevent Member State resources from benefiting another Member State. However, this reasoning is questionable, as foreign capital investments that remain under Hungarian ownership could provide mutual benefits to both states without undermining national interests or property rights. It is noteworthy that in 2025 the Hungarian government allocated approximately HUF 60 billion to support such cross-border investments by Hungarian enterprises (see: https://nth.hu/hirek/uj-lehetosegek-a-nemzetkoezi-piacokon-60-milliard-forint-toke-a-magyar-vallalatok-kuelfoeldi-terjeszkedesere)

It is worth noting that in other EU-funded international cooperation programs (e.g., Interreg and EGTC), calls for proposals and project management are organized at the EU level. This approach inherently eliminates many challenges and enables more effective genuine cooperation. The European Commission indeed has a supporting institutional framework (ENRD) that could perform this function for LEADER. If, in line with the EU's long-standing objectives, the application process were simplified, even the volume of approximately 300 applications observed in the 2014–2020 period would not pose an insurmountable challenge for the managing body.

*2. Financial issues*

In the Hungarian context, the absence of pre-financing may deter most LEADER organizations from even submitting an application for support. This means that the full cost of cooperation must be pre-financed by the Local Action Groups (LAGs), where some relief may be provided by phased project settlements. However, the majority of LAGs – lacking their own resources – cannot even consider applying for such projects, and bank loans do not offer a viable alternative either, as Hungarian financial institutions typically do not provide credit to civil organizations, or only do so with significant collateral (e.g., real estate mortgage), which is generally not available. A potential solution – beyond own resources – could involve municipal guarantees or support from sufficiently capital-strong municipalities.

It is well known that the current Hungarian government, at its own risk, has provided 100% pre-financing in many cases for local governments and budgetary organizations when using cohesion funds. However, no such intention appears to exist toward civil organizations, at least not in the case of LEADER LAGs. Alongside the introduction of EU-level application management, the provision of pre-financing for international LEADER cooperation would significantly facilitate the establishment of joint programs.

Closely related to financing is the issue of whether cooperation takes the form of a project or a programme. In this context, a programme implies a long-term, continuous collaboration – lasting more than two years – consisting of a series of interlinked and mutually reinforcing activities, whereas a project is a more limited, short-term operation involving only a few activities. The majority of respondents complained that once a project was completed, cooperation reverted to a "pilot flame" mode or – though less commonly – ceased altogether, at least temporarily. Providing operational costs for international cooperation – secured for the entire programming period – could eliminate such cyclical fluctuations in collaboration.

*3. Scope of eligible costs*

Both the questionnaire responses and the interviews highlighted the importance of the issue concerning eligible costs. As previously noted, the added value generated by LEADER – often assessable only through qualitative methods – fits less well within the Common Agricultural Policy's (CAP) framework, which is traditionally tied to quantitative units (hectares, tons, etc.), as do the various activities closely associated with LEADER.

This issue can be well illustrated by a specific example: during the 2014–2020 period, the Hungarian paying agency responsible for these tasks struggled to categorize study trips. In the absence of a separate category, study trips were not classified as events, even though their activities and cost types most closely resembled that category. Instead, they were – without much consideration – identified

as travel. However, travel expenses were to be accounted for through official travel orders and daily allowances. Legislation further specified that only private car usage or second-class public transport tickets could be reimbursed. Consequently, the rental of buses, catering, and even the provision of foreign accommodation – subject to three price quotations – proved far from straightforward. (By contrast, it would have been possible to prepare separate travel orders for each member of a thirty-person group.)

This example demonstrates how, in practice, the rules governing eligibility often shape and determine project content rather than the reverse – a clearly undesirable "tail wagging the dog" scenario.

*4. COVID-19 pandemic*

A significant portion of the implementation of international cooperation in Hungary was postponed to the end of the programming period, coinciding with the onset of the COVID-19 pandemic. In most cases, this circumstance effectively "solved" the travel-related challenges, or more accurately, transformed them into online events. This force majeure situation represented an additional constraint that influenced the successful implementation of international cooperation during the 2014–2020 programming period.

Nevertheless, the majority of respondents indicated that, independently of COVID-19 pandemic, they were able to realize the bulk of their international projects. They noted, however, that online events could not fully replace in-person meetings, while also expressing a desire to create opportunities in the future – following the announcement of subsequent calls for proposals – to address the gaps left by the pandemic.

*5. Linguistic barriers*

Finally, but not least, it is necessary to address linguistic barriers. In the case of Hungary, direct cross-border cooperation generally does not encounter such barriers due to historical ties, and similar observations apply to the LEADER organizations in the Székely Land region of Romania. Naturally, exceptions exist: for instance, in one Slovak-Hungarian cross-border cooperation, respondents reported that a previous key contact had passed away, and their successor did not speak Hungarian, which significantly complicated collaboration.

Similarly, linguistic constraints are rarely observed in cooperation between traditionally Swabian settlements in Hungary and German local action group territories. In situations where historical ties do not provide a shared language, a distinction must be made between cooperation at the operational/organizational level and at the municipal or community level. At the operational level, a common language (typically English) may exist, or professional interpretation is traditionally employed, particularly for French or Spanish partnerships. However, at the municipal and community level, the absence of a shared language can pose a much more substantial challenge, potentially hindering the deepening of cooperation.

The use of the conditional tense in this context is justified, as developments in artificial intelligence, the increasing availability of translation applications, and the widespread proficiency in English among younger generations are likely to substantially mitigate this barrier in the very near future.

Although it is true that many of these barriers are directly related to the LEADER programme rather than individual municipalities, it is equally evident that if regional cooperation encompassing multiple municipalities encounters difficulties or collapses, the primary losers are the local settlements themselves – their municipal authorities, civil organizations, and local businesses. It is also undeniable that a significant portion of these challenges requires intervention at the EU rather than the Member State level, which, with appropriate commitment and intention, the next programming period could provide an opportunity to address.

## SUMMARY

The results of the empirical investigations convincingly support the hypotheses formulated at the outset of the research. The international cooperation initiatives under the LEADER programme have, at the level of local municipalities, facilitated the establishment of partnership relations. The studies also enabled an assessment of the intensity of municipal involvement, revealing that, in most cases, local

governments play a significant role in international collaborations. The research further highlighted that the strength of these relationships is not constant over time; rather, it exhibits a cyclical pattern, whereby identifying and addressing the most salient factors – attitudes, motivations, financial and programming regulations – may provide opportunities for the development, maintenance, and stabilization of more predictable and robust collaborations.

The study also introduced new areas of inquiry, such as the potential for innovation within international collaborations and the identification of conditions conducive to successful innovation processes. Moreover, the research allowed for the mapping of the primary obstacles to international cooperation and the outlining of potential solutions.

Based on the findings, the hypothesis that there exists a development program capable of facilitating network-based international collaboration for rural municipalities – which, in terms of capacity, operate under considerably more modest conditions compared to urban settlements with traditionally stronger relational networks – appears to be confirmed. Emphasizing the regional scale is important not only because it can generate qualitatively distinct relational structures alongside point-to-point collaborations, but also because, in the absence of such a mechanism, the regional presence of rural areas on the international stage would likely be impossible.

The results obtained so far suggest that LEADER international collaborations continue to present numerous paths for further research. Among these, a multidisciplinary network analysis could, in the future, provide deeper insights into the economic, organizational-regulatory, and sociological dimensions of these cooperation activities.

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