



European Economic and Social Committee

NAT/724

Advantages of the Community-led Local Development approach

OPINION

European Economic and Social Committee

**Advantages of the Community-led Local Development (CLLD) approach
for integrated local and rural development**

(Exploratory opinion)

Rapporteur: **Roman HAKEN**

Consultation	Estonian Council Presidency, 08/08/2017
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1. **Conclusions and recommendations**

- 1.1 The European Union is on the threshold of negotiations on policy post-2020. The European Commission and the Member States are beginning to discuss the future financial framework for the European Structural Investment Funds (ESIF).
- 1.2 How can the European Union strengthen its ties with the Member States and regain the trust of its citizens¹?
- 1.3 The answer could be a well implemented Community-Led-Local-Development (CLLD) approach that enables integrated local development and the involvement of citizens and their organisations at grassroots level. The EESC is convinced that CLLD could have many advantages as a successful European local development tool.

The European Economic and Social Committee recommends:

- 1.4 establishing a clear vision for an obligatory CLLD multi-funds implementation in the European Union, assuring a CLLD approach is used for all types of territories: rural (incl. remote, mountain and island areas), urban and coastal,
- 1.5 urging the European Commission to explore and analyse in depth opportunities to create a reserve fund for CLLD at EU level. Irrespective of this, the European Commission will have to ensure that all Member States have a national CLLD Fund with contributions from all four ESI Funds (EAFRD, ERDF, ESF and EMFF),
- 1.6 defining a harmonised framework of all ESI Funds and setting up simple rules for CLLD Fund implementation at EU level,
- 1.7 recognising that CLLD, which constitutes a reinforcement of the LEADER method, gives Member States a unique opportunity to develop their areas in a more inclusive, sustainable and integrated way in partnership with local stakeholders. In order to achieve greater impact, enough financial means have to be provided for the implementation of CLLD in the programming period 2021-2027. To do this, we urge the European Commission to establish a mandatory requirement for Member States to allocate at least 15% from each ESI Fund budget to the CLLD Fund, which must also be supported with sufficient national resources,
- 1.8 avoiding any gap between programming periods and guaranteeing a better start to the 2021-2027 period;
- 1.9 a complicated legal framework and time-consuming procedures have caused a significant growth in the bureaucratic burden for all CLLD actors. To achieve efficiency in the future implementation of multi-funded CLLD, the EESC calls for a significant simplification of the CLLD legal framework, implementation procedures and model for the 2021-2027 programming period. The new political and economic context should be used to reduce bureaucratic burdens

¹ Following Priority 10: A Union of democratic change.

and launch a simple framework which is focused on opportunities and trust. A simple system has been created, for instance, in the evolution of global grants. Instead of focussing on preventing mistakes, there is a need for regulations which can truly support local action groups (LAGs) and local beneficiaries (end-users) when implementing their local development strategies and projects,

- 1.10 enabling a close dialogue between all CLLD actors at European, national, regional and local level in preparations for the next programming period for building trust and for implementing a CLLD multi-fund integrated approach. Links between the EU, citizens and communities have to be strengthened,
- 1.11 enabling a continuous capacity building of all CLLD actors (authorities, LAGs, LEADER and rural networks, paying agencies, etc.) in relation to CLLD multi-funds,
- 1.12 harnessing the potential of IT solutions for simplification and automating data collection at national and local level. Best practices in using these systems have to be disseminated between Managing Authorities and local action groups (as in Estonia, for example). IT systems must be developed with a genuine inclusion of all stakeholders and geared to helping with the overall strategy of ESIF simplification,
- 1.13 using a participatory approach in keeping local development strategies in line with – and adapting them to – changes in local conditions (social cohesion, migration, regional clusters, green economy, climate change, smart solutions, technology, and so on) and benefiting from the revolution in new technologies and IT,
- 1.14 the main value of local action groups also being able to select good projects relates to their role as territorial animators, including in inter-territorial and transnational cooperation. LAGs have to be active facilitators and work across sectors by involving all relevant stakeholders in their areas,
- 1.15 it is important that the achievements of LAGs are visible, well demonstrated and there has to be continuous evaluation of the implementation of local development strategies and a shift in focus from eligibility control mechanisms towards ensuring results, assessing performance and long-term impacts,
- 1.16 CLLD in peri-urban and urban areas are the challenges for future EU local development. The EESC recommends that data on successful pilots be collected and information and motivation campaigns organised for wider use. Training will be needed for local urban actors and public administration. CLLD in urban areas can be used as a tool for implementing the EU Urban Agenda and combined with the URBACT programme.

2. Introduction and CLLD implementation in Member States: background

- 2.1 Community-Led Local Development is the update of the more than 26-year-old LEADER method. The main difference concerns the more tightly integrated approach and the diversified financing model. Now, however, some Local Action Groups in rural areas also have access to

funds from the European Regional Development, Social and Fisheries Funds. Starting with the present programming period (2014-2020), the use of CLLD multi-funds has been extended to the urban dimension.

- 2.2 According to data from the European Commission twenty Member States have adopted the multi-fund approach in this 2014-2020 programming period: Austria, Bulgaria, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom. Eight countries (Belgium, Croatia, Cyprus, Estonia, Ireland, Luxembourg, Malta, and the Netherlands) decided not to do so for the current period. Thanks to successful negotiations, the contribution of the other funds is close to 50% in some countries (the Czech Republic, Hungary, Portugal, and Slovakia). The introduction of the multi-fund approach requires political will and an understanding of the benefits of CLLD at national level and good collaboration between ministries. The European Commission's aim is to dismantle the barriers between funds and so boost synergy and coherence at both local and regional level.
- 2.3 The LEADER approach has been reinforced for the 2014-2020 period. Considering the role of local communities in contributing to territorial cohesion and to the Europe 2020 strategic goals, the EU – with strong support from the European Parliament – has decided to facilitate and strengthen the use of CLLD for all types of territories (rural, urban, coastal) and various types of community needs (notably social, cultural, environmental and economic). In the 2014-2020 period, CLLD initiatives are eligible for support from all European Structural and Investment (ESI) Funds (with the exception of the Cohesion Fund) and are subject to common framework laid out in the Common Provisions Regulation (CPR) governing these funds. This ensures more consistency and coordination in EU funding and greater efficiency in its use. The common rules are complemented by fund-specific features (for example, a minimum of 5% EAFRD funds must follow the CLLD approach, whereas support to CLLD is optional for the other funds). The obligatory funding requirement guaranteed the successful implementation of LEADER.
- 2.4 In this programming period it has been accompanied by the ITI tool, which is focused on large areas (NUTS III, metropolitan, etc.) and on macro-projects. Organised civil society is less intensely involved in this process than in the CLLD micro-scheme².
- 2.5 CLLD is based on three interconnected elements: local action groups (representatives of public and private local socio-economic interests), integrated local development strategies and well-defined territories. All three are subject to specific requirements laid out in the CPR – for example: the targeted territory must have a population of 10 000 to 150 000 inhabitants and the strategies must include the objectives pursued, an analysis of the needs and potential of the area, and action and financial plans.
- 2.6 The EESC is surprised that in the 1990s the LEADER programme was easier and simpler to implement than now. Now there are computers, the internet, software and mobile phones, but the work has actually become more difficult. The EESC therefore wants to have real

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CoR Opinion COTER VI/031 – *Integrated territorial investments – a challenge for EU cohesion policy after 2020*, rapporteur Petr Osvald.

simplification – otherwise this new "techno-bureaucracy" will kill off successful EU instruments.

3. Main benefits of CLLD multi-funds in implementing local development strategies

- 3.1 The CLLD multi-fund approach gives Member States the ability to enhance local and regional capability for integrated development. Practices in Member States have shown that integrated local development influences a wide spectrum of activities and has a major impact on local economies and job creation, especially outside primary production in agriculture.
- 3.2 In addition, integrated local development has a highly beneficial effect on social inclusion because of the involvement and participation of different stakeholders (various types of actors, age groups, genders). CLLD provides the opportunity to involve more regional and local stakeholders than was possible with LEADER, which only had support from EAFRD. Regional development is achieving greater importance with CLLD.
- 3.3 EU cohesion policy seeks to achieve territorial cohesion, which is also the aim of the CLLD approach. CLLD includes all types of territories: rural, urban and coastal, various community needs (social, cultural, environmental and economic) and diverse funding mechanisms (four ESI Funds are involved). Enabling CLLD in all types of territories helps to build cohesion between rural, peri-urban and urban areas which helps to overcome or stop the periphery effect.
- 3.4 CLLD methodology plays an important role in prompting integrated local development because of the components that make it up: bottom-up approach, area-based local development strategies, public-private partnerships, innovation, an integrated and multi-sectoral approach, networking and cooperation, and decentralised administration. In order to support the correct implementation of CLLD methodology, information sharing, dissemination activities and higher visibility of the method itself and its benefits are required.
- 3.5 More than 26 years of experience in implementing the LEADER programme have demonstrated that the LEADER/CLLD methodology works, that it is a sustainable and efficient way to develop territories and that it has a long-term impact on local development. CLLD has now developed its potential further with a more closely integrated approach that can be seen as even more effective thanks to its diverse implementation model.
- 3.6 This diverse implementation model of CLLD helps Member States and local territories to reduce risks and enhance transparency.
- 3.7 The EESC strongly supports the bottom-up decision-making process, which guarantees that investments are in accordance with the real needs and potential of local areas. CLLD is meant to be even more flexible, embracing all possible community needs and allowing local people to choose the most relevant issues for their local development strategy.
- 3.8 The involvement and capacity building of local actors is one of the biggest advantages of the CLLD methodology. Integrated local development is the best way of building links and synergies between various stakeholders and issues in local development.

- 3.9 The EESC welcomes the fact that CLLD is a process involving the continuous participation and training of local people. Its more closely integrated approach gives local communities more opportunities to increase their capacities and knowledge. Rural-urban-coastal links mean those involved can learn from each other and find answers to important challenges in a more inclusive way. Continuous cooperation, networking and training enhance good governance.
- 3.10 The importance of the green economy, social inclusion, poverty reduction, migration issues, regional clusters, rural-urban-coastal linkages, smart solutions and IT technologies is growing in local development. CLLD creates opportunities for all the different types of territories (rural, urban and coastal) and communities to work together on these challenges. The CLLD multifund approach is a very good mechanism for supporting the "Smart Villages" concept through capacity building, investments, innovation support and networking, as well as through the provision of innovative financing tools for improving services and infrastructure³.
- 3.11 The EESC hopes that more consistency and coordination in EU funding will make it easier for local actors to design multi-sectoral strategies supported by a combination of funds and better suited to mixed territories (e.g. rural-urban-coastal). So far, to make matters simpler in multi-fund strategies, a "lead fund" must be designated to cover all management costs at national level. CLLD regulation with a unified set of rules for all ESI Funds at EU level would be even more efficient in reducing the bureaucratic burden.
- 3.12 The EESC is convinced that the inclusion of all kinds of focus areas of 4 ESI Funds for the implementation of local development strategies creates numerous advantages for all types of local action groups⁴.
- 3.13 CLLD is a European-rooted bottom-up development approach that can help to counterbalance anti-European tendencies in local communities by contributing to social inclusion and sustainable economic development in the territories where it is applied.

4. **Main needs/difficulties with implementing CLLD multi-funds 2014-2020**

- 4.1 Weak cohesion between the different funds and weak territorial cohesion have proven to be the most significant obstacles at national level, as well as low level of understanding of CLLD benefits among decision makers. A real synergy between different funds and territories (rural, urban and coastal) has been difficult to achieve because of the "borders" that still exist between funds at national level. Each fund has different rules and regulations and there is poor cooperation between managing authorities and a lack of clear coordination in most of the countries who are implementing CLLD multi-funds. Only Sweden implements CLLD multi-

³ EESC opinions on *From Cork 2.0 Declaration to concrete actions*, [O.J. C 345, 13.10.2017, p. 37, Villages and small towns](#) (adopted on 18.10.2017, not yet published in O.J.) and Information report on [Ex-post evaluations of the Rural Development Programmes 2007/2013](#), adopted on 18.10.2017.

⁴ From the outcomes of the European seminar "Capitalising on CLLD experiences – building resilient local communities", Hungary, 8-10 November 2017, organised by the European Commission, (with the support of DG Regional and Urban Policy, DG Employment, Social Affairs and Inclusion, DG Agriculture and Rural Development, and DG Maritime Affairs and Fisheries).

funds across the entire country and has made all four ESI Funds available for all types (rural-urban-coastal) of local action group.

- 4.2 Member States should not add additional rules and requirements that undermine simplification. Simplification has to be real simplification in line with the rules proposed by the European Commission. Training and a clear understanding of these models is needed. According to the European Court of Auditors, there are no more mistakes in LEADER projects than in other projects under different measures.
- 4.3 Member States should not transform CLLD into a way of delivering ear-marked funding within a pre-defined menu of national measures. CLLD should be a "broadband" development tool with defined measures at local level.
- 4.4 There have been long delays in starting the programming period. Not all countries have been able to ensure continuity between programming periods and smooth implementation, which has caused a lot of uncertainty and the loss of motivation and existing knowledge. This has to be avoided in the future.
- 4.5 The EESC is aware that a lack of trust between CLLD actors prevents the potential of this method being harnessed. There needs to be a continuous building of this trust. Constant punishment during the implementation damages trust and good dialogue. Managing authorities, including Paying Agencies, have discretion not to sanction and this has to be used more often.
- 4.6 The real potential of simplification through developing IT solutions has not been realised. Not all CLLD actors have been involved in the process of developing IT tools and this has caused difficulties with the use of these systems. Local action groups' practical knowledge has to be trusted when designing IT tools for delivery. IT platforms developed by Managing Authorities have to correspond to the needs of all CLLD actors. Local action groups have to be given flexible and open platforms to enable the implementation of their local development strategies in line with the specificities of their area. Standardisation has to be avoided.
- 4.7 The EESC sees the discrepancies between expectations, efforts and financial means in many Member States. If the intention is to achieve real results, then enough money also has to be invested so our expectations are realistic. To achieve the impact, realism is needed in allocating enough financial means for CLLD from each ESI Fund. There are some very good examples for this in the EU (such as Saxony with 40% and Asturias with 17 % from their RDP).
- 4.8 Poor dialogue between all CLLD actors (managing authorities, LAGs, paying agencies, LEADER networks – such as ELARD and national LEADER and rural networks) has caused growing bureaucracy and enormous delays in starting the programming period and in the delivery of funds to project applicants. Effective and transparent coordination is needed between different authorities and ministries at national level, as well as close dialogue with LAGs. The direct dialogue between the European Commission and LAGs also needs strengthening – the EESC could provide help on this.

- 4.9 A lack of capacity building of authorities and local action groups to help them implement CLLD multi-funds has been recognised in most of the Member States. Continuous learning and the creation of a shared understanding of CLLD multi-fund implementation has to be made possible in order to enhance the capacity of CLLD actors. The collegial spirit has to be strengthened. LAGs and authorities need to be well-trained and made aware of each other's realities. This could be achieved through participation of public officials, LAG members and local stakeholders in fact-finding missions, trainings, staff exchanges, etc. The EESC proposes that such a programme be funded through an extension of the ERASMUS programme.
- 4.10 The EESC is convinced that at EU level the added value of the CLLD multi-fund approach and possible implementation models have not been well explained. A clear vision has been lacking of how Member States should actually implement CLLD multi-funds. Member States have to be given simple models, structures and best practices.
- 4.11 The real potential of local action groups (LAGs) as facilitators for their territories has not been used well enough. The conditions need to be created to enable LAGs to concentrate on their role of mobilising the area and helping the best ideas to emerge and be implemented. Research shows that the support of local action groups as mediators is needed to nurture integrated local development. LAGs have the capacity to work across sectors and bring together different stakeholders. The task of LAGs is not to be just the source of funding and to act as an additional administrative layer, it is to act as a real development organisation initiating cooperation projects and enabling training and networking, with adequate financial and organisational support.
- 4.12 Clear and simple evaluation and monitoring models of local development strategies are often missing. Evaluation has to be a part of a community's learning process and it is therefore very important that local action groups continuously collect information and evaluate the implementation of their strategies. Advanced IT solutions for data collection and analysis should be introduced, combined with participatory processes and qualitative analysis in line with CLLD principles. EU level investment in should be made in coherent monitoring and evaluation tools for CLLD. In Sweden, storytelling methodology has been used to good effect.
- 4.13 Misuse of power by managing authorities has been identified in some Member States, where there was no dialogue between LEADER/CLLD actors and LAGs had no opportunity to participate in discussions as equal partners. The EESC also warns against the domination of local municipalities and the fulfilment of their political agendas with CLLD resources. LAGS have to be guaranteed independence in their work and decision-making, without official or unofficial pressure from municipalities.

5. EESC proposals for the 2021-2027 programming period at EU, national, regional and local level

At European level:

- 5.1 To establish a clear vision at EU level of obligatory CLLD multi-funds implementation to provide simple models and guidelines as soon as possible and to introduce best practice on how to implement CLLD multi-funds in Member States as soon as possible (2018).
- 5.2 Think out of the box by exploring and analysing in depth opportunities to create a reserve fund for CLLD at EU level. Irrespective of this, the European Commission will have to ensure that all Member States have a national CLLD Fund.
- 5.3 Set out a harmonised framework for all ESI Funds and establish simple rules for the CLLD Fund implementation at EU level.
- 5.4 Require the design of a special CLLD source of funding (CLLD Fund) with contributions from all four ESI Funds corresponding to all the focus areas of the different funds for rural, urban and coastal territories at national level (please see the proposed model below).
- 5.5 Require Member States to allocate at least 15% from each ESI Fund budget for the CLLD Fund and sufficient national resources.
- 5.6 Strengthen the dialogue between all CLLD actors at each level (European, national, regional and local).
- 5.7 Find a more memorable and acceptable name – LEADER due to its successful history would be a good name for this tool, for example.
- 5.8 Share best practice in the use of the new CLLD in urban areas by keeping it in one location, so does not have to be looked for in every DGs (example: www.clld-u.eu).

At national or (in devolved administrations) regional level:

- 5.9 Guarantee the use of the CLLD multi-fund approach for all types of territories (rural, urban and coastal) and benefit from the advantages of integrated local development.
- 5.10 Allocate 15% minimum from each ESI Fund budget for the national CLLD Fund and add sufficient national resources to guarantee the implementation of the real potential of this method.
- 5.11 Establish a CLLD Operational programme through which this Fund will be deployed to support integrated local development in rural, urban and coastal territories. The CLLD Fund in each Member State should be earmarked for the objectives set by local development strategies, with no distinction or demarcation between the different ESI Funds. The CLLD Fund should be

deployed on a decentralised basis through local action groups, so that strategies can respond to local needs and challenges.

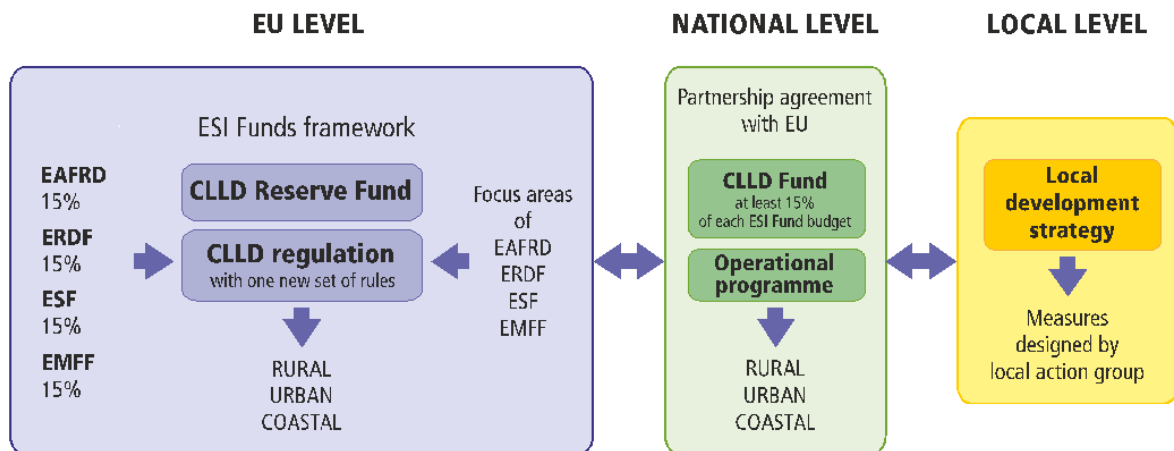
- 5.12 Establish one managing body for the implementation of CLLD at national level.
- 5.13 Avoid gaps between programming periods and ensure the smooth launch of the 2021-2027 programming period.
- 5.14 Enable close dialogue between all CLLD actors at national level and with LAGs in order to design a CLLD operational programme at national level.
- 5.15 Enable the continuous capacity building of authorities and LAGs.
- 5.16 Use the potential of developing holistic IT solutions to make the CLLD delivery process easier. All CLLD actors have to be involved in the process of developing IT tools and all actors must benefit from the IT solutions developed.
- 5.17 Continue with co-operation under the Integrated Territorial Investment (ITI) tool, which is used for larger territories and macro-projects.
- 5.18 Prepare a campaign to introduce CLLD as a synergy tool – in order to achieve effectiveness, partnership, subsidiarity and financial support.

At regional and local level:

- 5.19 Ensure the real added value of integrated local development and the reasonableness of costs. Benefit from territorial cohesion that creates synergy and helps use new resources and opportunities.
- 5.20 If appropriate and in order to enhance better cohesion of territories and increase the administrative capability of local action groups, give serious consideration to including all different types of territories (rural, urban and coastal) in the same local action group or build strong links between local development strategies in different types of territories. At the same time, care has to be taken that local action groups do not grow too big and lose their connection with the grassroots.
- 5.21 Keep local development participatory strategies in line with – and adapted to – changing living and working conditions, including all the relevant issues (social cohesion, poverty reduction, migration, regional clusters, green economy, climate change, smart solutions, technology, etc.) and to benefit from the revolution of new technologies and IT.
- 5.22 Be an active promoter and work across sectors by involving all relevant stakeholders in the LAG territory. Pay special attention to design and implement participatory processes.
- 5.23 Be active in inter-territorial and transnational cooperation.

5.24 Enable continuous training, networking and cooperation of local actors and LAG staff.

5.25 Organise the continuous evaluation of the implementation of local development strategies and find ways to involve communities in this evaluation process.



Brussels, 7 December 2017

Georges Dassis

The president of the European Economic and Social Committee