



European Economic and Social Committee

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Community Led Local
Development (CLLD)

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PRELIMINARY DRAFT OPINION

of the
Section for Economic and Monetary Union and Economic and Social Cohesion
on
**Community Led Local Development (CLLD) as a tool of Cohesion Policy 2014–2020 for local,
rural, urban and peri-urban development**
(exploratory opinion at the request of the Greek Council presidency)

Rapporteur: **Roman Haken**

To the members of the Study Group on **Community Led Local Development (CLLD)**
(Section for Economic and Monetary Union and Economic and Social Cohesion)

N.B.: This document will be discussed at the meeting on 29 September beginning at 3.30 p.m.

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Community Led Local
Development (CLLD)**

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On 2 April 2014, Ambassador Theodoros N. Sotiropoulos, Chairman of the Committee of the Permanent Representatives, acting on behalf of the Greek Council presidency, asked the European Economic and Social Committee to draw up an exploratory opinion on

Community Led Local Development (CLLD) as a tool of Cohesion Policy 2014–2020 for local, rural, urban and peri-urban development.

The Section for Economic and Monetary Union and Economic and Social Cohesion, which was responsible for preparing the Committee's work on the subject, adopted its opinion on

At its ... plenary session, held on ... (meeting of ...), the European Economic and Social Committee adopted the following opinion by ... votes to ... with ... abstentions.

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1. Conclusions and recommendations

- 1.1 The LEADER approach has demonstrated its viability over the past twenty years. It has helped rural actors assess the long-term potential of their local regions and proven an effective and efficient tool in the delivery of development policies. The European Commission has used the Community Initiatives URBAN and EQUAL, among other things, to promote this partnership-based method of funding projects. This is what gave rise to Community Led Local Development (CLLD), which is, in a way, a transitional change. CLLD is a dedicated tool for use at sub-regional level and thus complements other development support at local level. It has the capacity to mobilise and involve local communities and organisations so they can contribute to achieving the Europe 2020 strategy goals of smart, sustainable and inclusive growth. It also fosters territorial cohesion and enables particular policy objectives to be attained. The fact that Member States have incorporated CLLD into their partnership agreements is proof of how important local development is now considered.
- 1.2 The 2014 Greek and Italian EU presidencies have attached great importance to cohesion policy as a valuable means of boosting sustainable growth and overcoming the current economic crisis in Europe. The new CLLD Mechanism, included in the European Common Strategic Framework for Structural and Cohesion Funds, can have a real added value in the efforts to promote economic and social cohesion throughout the European Union and achieve long lasting growth. This is local development that marries economic, social and civic dimensions.

- 1.3 The aim of this opinion is to summarise the role of Local Action Groups in the 2014–2020 programming period and put forward some recommendations for implementing CLLD in the rural, peri-urban and urban environment. Community Led Local Development is intended to help the public develop their municipalities in a meaningful and sustainable way. Through CLLD they can take part directly in improving the quality of life in their communities: this is about inclusive real growth with visible outcomes at local level. Clearly, the introduction of CLLD requires funding for capacity-building if all the partners are really to function as such and not merely as observers. Coaching and mentoring (i.e., education and training) from more experienced players also has to be facilitated.
- 1.4 This opinion should serve as an aid in implementing pilot projects that would test the CLLD instrument in the peri-urban and, more particularly, the urban context, thus widening its potential sphere of application. At the same time, the idea is to support its application in the period 2014–2020 – where there is an interest in it – to all funds and to both rural and urban areas. It constitutes a combination of representative and participatory democracy: an instrument that representatives of public administrations can use to collaborate in partnership with organised civil society and the public.
- 1.5 The EESC advocates the following for Community Led Local Development:
- a) **multi-fund financing** – monitoring and strengthening the CLLD approach within multi-fund financing across Europe and in EU programmes and working to launch the next programming period as quickly as possible;
 - b) **unification** – unifying the quality of CLLD in the EU, standardising LAG procedures and pooling best practice; lending support for filling in gaps on the map so that the LEADER approach can be extended geographically and thematically, which is necessary if the LEADER/CLLD approach is to operate successfully within various EU programmes;
 - c) **networking and collaboration** – an essential condition for the CLLD approach to work well; implementation of cooperation projects and a stress on the need for networking at regional, national and European level and the need for expenditure on networking to be eligible, including the contributions made by members;
 - d) **extending the approach** – supporting the use of the CLLD method beyond Europe, for example in pre-accession negotiations and development policy;
 - e) **simplifying the process** – making sure these small entities at local level are not engulfed in excessive red tape; where possible, reducing reporting requirements to the minimum reliable level.

- 1.6 Where the method has not yet been adopted, a mid-term evaluation should be used to launch it in the ambit of the European Structural and Investment Funds (ESIF) for the period 2014–2020.
- 1.7 This instrument offers elements that are far from negligible – and not just at a time of economic crisis: transparency of public budget streams, increased trust between authorities and the public and efficacy of the resources invested. The UN, OECD, the World Bank and other institutions are also employing similar partnership-based approaches.
- 1.8 The CLLD is not only fully applicable to ESIF resources, but can also be used to distribute own resources (from local, regional and national levels).
- 1.9 Possible innovations for the next period and CLLD:
- a) supporting the creation of independent decision-making/conciliation platforms, made up of national experts, to help in resolving possible conflicts between management authorities of the operational programmes and individual partnerships (on the model of financial auditors, albeit not for financial matters);
 - b) putting into practice the principle that the implementing bodies (including when examining monitoring reports) focus on a) the outcomes and results of projects, b) the eligibility of costs and c) the meeting of deadlines – rather than incidentals on the way to these results;
 - c) also announcing calls for integrated projects for several applicants in the given area;
 - d) changing, in the financial ambit, the current interpretations of irregularities and the concept of infringing budgetary discipline:
 - avoid an unduly severe interpretation in trivial cases involving a few euro: not investigating or classifying as irregularities cases where less than, for example, a sum of ten (or 40) euro is incorrectly entered or is missing;
 - equally, if the damage is less than the cost of its remedy (for the recipient and the inspection body), it should be ignored or perhaps logged and added to other minor losses.
- 1.10 To help implementation of the new CLLD instrument in European policies, a detailed evaluation and analysis needs to be drafted of how each Member State has approached it. This will also give rise to studies with examples of best practice as well as accounts of failures to be avoided in future. The EESC is keen to take part in drafting these studies together with the relevant departments of the European Commission, the European Parliament, the Council and the Committee of the Regions.

1.11 The Committee considers it absolutely essential to stick to the basic principles of the CLLD method. Effective local development benefits in particular from partnerships that are properly balanced. Local authorities must not be allowed to merely pay lip service – claiming to be taking a partnership approach but not in fact doing so – and must be penalised for this.

2. **Introduction: The CLLD instrument and its origins – history, impact and views from the European institutions**

2.1 Fundamental principles of the LEADER method and its application in CLLD:

2.1.1 *The area-based approach*

The programme uses the real potential of small defined areas to promote their sustainable development. It takes on board their pluses and minuses and produces a development strategy that matches their real needs. The confines of an area are not established solely by administrative borders and are elastic.

2.1.2 *The bottom-up approach*

In deciding on and setting development strategy priorities we place great emphasis on involving local administration and the public. The stress on the lowest level is the most important of the programme's seven points. In this, however, the programme is not seeking to take the place of the higher – national – tier, but merely to foster communication between these two strata.

2.1.3 *The Local Action Group*

One important facet of the programme is to lend help in setting up Local Action Groups. The purpose of these groups is to link partners from the public, private and voluntary spheres and prompt dialogue about what direction the area's development should take.

2.1.4 *The innovative approach*

The programme supports innovation. It endeavours to create new products, processes, organisations and markets. The way to achieve innovation is to give the Local Action Groups the greatest possible room for manoeuvre.

2.1.5 *An integrated and multi-sectoral approach*

The programme's approach lays stress on the integration of various sectors. It seeks to dovetail the economic, social, cultural and environmental dimensions and integrate them into comprehensive projects.

2.1.6 *Networking*

The programme foregrounds the creation of networks to pool experience among its participants. These networks are both institutional (funded by the European Commission) and less formal: national, regional and local.

2.1.7 *Cooperation*

However, there is more to cooperation in this programme than pooling experience within networks. Local groups can also work directly together on a project in one particular thematic objective.

2.2 **The Committee of the Regions:** "regards CLLD as a key tool for harmonious development of urban and rural areas, strengthening capacity to develop ties with the surrounding peri-urban and rural areas"¹.

2.3 **The European Economic and Social Committee:** "strongly believes that **genuine and profound partnership greatly improves the effectiveness and overall success of the EU's cohesion policy**. Partnership is a tool for sustainable, economic and social development: it makes EU funds responsive to the needs of actors on the ground; it increases the visibility of the EU; and it strengthens democracy. Successful partnership must be based on a **long-term perspective of real participation**, providing equal opportunities for private partners to play an active role alongside the public authorities. IT TAKES TWO TO TANGO"².

2.4 **The European Economic and Social Committee:** "For innovation to succeed, it is vital to support new forms of democracy. The usual forms of social consultation need to be developed and, with the help of tools based on participatory democracy, skills must be freed up to encourage organised civil society to be more inclined or 'willing' to be involved in accordance with the core principles of the EU Treaties"³.

2.5 **The European Economic and Social Committee:** "With regard to the operational programmes for the period after 2013, we need to consider substantially strengthening partnership-based approaches (particularly local and regional cross-sectoral partnerships in rural as well as, separately, in urban areas), while carrying out the necessary harmonisation of processes and partnerships, and requiring that their projects meet high standards in terms of their added value, usefulness and effectiveness. Partnerships must always be based on a bottom-up approach"⁴.

2.6 **The European Economic and Social Committee:** has also examined partnerships as an effective instrument for local and regional development in its opinions "Governance and partnership at national and regional level, and a basis for regional policy projects" (rapporteur Joost van Iersel), "Cohesion policy strategies and programmes (2007–2013)", "Regional

¹ Opinion Community Led Local Development, rapporteur: Graham Garvie (UK/ALDE), Member of Scottish Borders Council, 2010, [OJ C 17, 19.1.2013, p.18](#).

² Exploratory opinion How to foster efficient partnership in the management of cohesion policy programmes, based on good practices from the 2007–2013 cycle, rapporteur Jan Olsson, 2010, [OJ C 44, 11.2.2011, p.1](#).

³ Exploratory opinion at the request of the Hungarian presidency on The role and priorities of cohesion policy within the EU 2020 strategy, rapporteur Etele Baráth, 2011, [OJ C 248, 25.8.2011, p.1](#).

⁴ Own-initiative opinion on LEADER as a tool for local development, rapporteur Roman Haken, 2011, [OJ C 376, 22.12.2011, p.15](#).

policy and smart growth" (rapporteur Carmelo Cedrone) and "Structural Funds – General Provisions" (rapporteur Ioannis Vardakastanis)⁵.

- 2.7 **The European Commission** (October 2011): "In those areas in which the Member States indicate that CLLD may be used, they and the Managing Authorities will need to engage in capacity-building activities to ensure that local communities, especially those in vulnerable areas with limited capacity, are enabled to fully participate. This can be achieved by building local action groups and formulating viable strategies. Potential local action groups need to engage in dialogue, at an early stage, with the relevant Managing Authorities to make sure that their needs and concerns are known and can be taken into account in the design of the programmes."
- 2.8 **The European Commission** has issued these documents for the implementation of CLLD: "**European Structural and Investment Funds, Guidance for Member States and Programme Authorities, Guidance for Beneficiaries – Guidance on Community-Led Local Development for Local Actors**"⁶ and "**Guidance on Community Led Local Development in European Structural and Investment Funds**"⁷. Further support documentation will be published in the course of the year.
3. **Local action groups (LAGs) in rural areas and support for their role in the period 2014–2020: public budgets under public control**
- 3.1 The total number of LAGs in the EU supported from rural development programmes and other LEADER-type measures is 2 402. They cover 77% of the EU's total area⁸, which equals around 90% of the rural area, and more than 50% of the EU population⁹.
- 3.2 The implementation of the Community Initiative LEADER+ has been examined by the European Court of Auditors, which made six fundamental recommendations to the European Commission and the Member States summarising its weaknesses. The European Commission replied to these recommendations and the Court of Auditors' comments have been taken into account for the remainder of the current period and for the design of LEADER in the next programming period.
- 3.3 It would make sense to gather examples of best practice from various Member States that could be included in the study referred to in point 1.10.

5 [OJ C 77, 31.3.2009, p. 143](#), [OJ C 228, 22.9.2009, p. 141](#), [OJ C 318, 29.10.2011, p. 82](#), [OJ C 191, 29.6.2012, p. 30](#).

6 http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_clld_local_actors.pdf.

7 http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_community_local_development.pdf.

8 European Network for Rural Development (ENRD), LEADER Infographic.

9 Depoele, van L., "Local development strategies in the EU", The Case of LEADER in Rural Development, p.4: http://www.eurolocaldevelopment.org/wp-content/uploads/2013/03/local_development_strategies_in_the_eu-.pdf.

4. **Rural areas have twenty years of experience – setting towns an example**

- 4.1 The LEADER approach has the potential to accelerate the development of rural areas and has proven to be such a success that it should, where possible, be extended to cover all rural areas in the EU.
- 4.2 The programme's priorities for 2014–2020 include:
- a) **young people in rural areas** – "Getting young people away from centres and into regions", an initiative that can be achieved through CLLD; and
 - b) **the local economy** – shifting the perception of agricultural and rural policy; supporting the local economy, micro-enterprises and SMEs, as well as healthy production and regional products.
- 4.3 One important aspect is pooling the expertise of social and economic partners, civil society representatives, and local and national government.

5. **Peri-urban areas and Local Action Groups for Fisheries**

- 5.1 Places where urban and rural areas lie in close proximity are ones that offer potential for effective use of CLLD. This type of instrument makes it possible to react to developments in the area and so take on board its functional interconnections. Links between urban and peri-urban rural areas are very strong and merit a special approach.
- 5.2 Peri-urban areas have their own distinct problems or challenges that can be tackled using CLLD. The key challenges are sustainable mobility, creating a socially cohesive society and cutting agricultural land-take. The peri-urban area is understood as the hinterland of towns with a population above 25 000. One project worth mentioning is the OECD and EC Rurban project, the purpose of which was to identify and evaluate formal and informal urban-rural partnerships and their contribution to local development¹⁰.
- 5.3 The LEADER approach, for which continuous EU support has been provided since 1991, has become an important element of rural development policy with a high level of acceptance all over Europe. Since 2007, local development has also been used within the European Maritime and Fisheries Fund to support the sustainable development of fishing communities through FLAGS.

6. **Urban areas – transparent funding**

- 6.1 We recommend adopting partnership approaches for all the EU funds. This means using the principle underpinning the LEADER method in rural areas and urban areas separately to frame "local partnerships" and to create development strategies that involve the public and

¹⁰ <http://www.oecd.org/regional/rurbanrural-urbanpartnerships.htm>.

partnerships between (organised civil society) target groups and local administration – initially, for example, for a transitional period that will then be evaluated.

- 6.2 There is no agreed definition of an urban area. For rural areas the criterion is that a town has a maximum population of 25 000. This can be used by extension to peri-urban and urban areas, in this case with a minimum population size of 10 000 and a maximum of 150 000. Public administration should be represented by those with responsibility in the area concerned, ideally in a combination drawn from the central municipal authority and from one or more boroughs (for example, particular districts, excluded localities, urban areas with a specific problem).
- 6.3 The EESC is convinced that it makes sense to enable local communities – the public, businesses, non-profit NGOs and local councils – to be involved in, for example, using CLLD to plan investment in the place where they reside. Further rules can be decided on later. The crucial point now is to at least make CLLD meaningful so that the public has some notion of what kinds of measures can be proposed in towns using it.
- 6.4 Inspiration can be found in the experience of cities collected thanks to their inclusion in the Urbact II operational programme and the European Knowledge Development Platform (as well as the Urban Development Platform in the near future).
- 6.5 Back in the 2007–2013 programming period advisory bodies (Urbact Local Support Groups) were set up at urban level and took part in conceiving Local Action Plans. However, these were looser advisory groupings than in the LEADER and CLLD method and there was no strict requirement for particular sectors to be involved: their make-up depended on the kind of the project at hand. The work of these Urbact Local Support Groups was not supported financially by Urbact II operational programme. To make the partnership principle work better in the urban environment as well as well as the rural, partnerships have to be forged on the basis of CLLD and funding should be available to underwrite their operations.
- 6.6 We suggest that different terms be used to designate different ways in which the CLLD programme is used, as in the case of LAGs and FLAGs. Urban LAGS, for example, would be called Urban Partnerships and CLLD in the urban area would be called CLLD-U. This way it would be clearer what kind of area was involved and easier to distinguish between financing streams based on where they were targeted.
- 6.7 Given the problems tackled in cities, the right instrument for funding pilot programmes via CLLD could be one of several operational programmes. We therefore propose that the CLLD method and the strategies it generates in pilot programmes should benefit from funding provided for in urban areas (for example, for the environment, preservation of cultural monuments and natural heritage, and so on).

6.8 It would make sense to gather examples of best practice from various Member States that could be included in the study referred to in point 1.10.

7. Involving employers and workers (social partners), civil society organisations and other platforms

7.1 One guide to use for working in partnerships could be The partnership principle in the implementation of the Common Strategic Framework Funds – elements for a European Code of Conduct on Partnership¹¹. This DG REGIO document is an excellent vademecum to the partnership approach. Unfortunately, it was not translated and approved in time to be fully implemented in the work of the Member States for the period 2014–2020.

¹¹ http://ec.europa.eu/regional_policy/sources/docoffic/working/strategic_framework/swd_2012_106_en.pdf.