

Feedback Report Discussion Group No 4

*Administrative structures for CLLD management*



**1. Background & context**

The effectiveness of the administrative delivery structures for CLLD management is frequently identified in evaluations and other studies as a key determinant of the success of the approach. The effects of this on LAG autonomy and effectiveness were explored in the Leader Subcommittees Focus Group 1. The requirement for clear definition of the respective roles and responsibilities is reinforced as a core principle of the CLLD approach in both the CPR and the associated CLLD guidance. Achieving the correct balance between top down policy, delivery and management priorities and the bottom up principles and benefits of the approach is therefore a

critical and horizontal consideration in implementing the approach and this was highlighted by DG Agri in their Conference presentation. The following example served to illustrate this:

In the elaboration of local development strategies there is a need to balance;

- The contribution to programme objectives; and
- The coherence and consistency with "top-down" or other strategies;

with

- The local needs identified through SWOT analysis; and
- The bottom-up process.

In order to reinforce these principles in practice it was therefore recommended that in preparing the PA the following elements to be addressed:

- the common structures and administrative arrangements between the funds supporting CLLD;
- Clarity on the administrative and financial capacity as well as the tasks of LAGs;
- The balance between "public" and "private" and the role of the civil society;
- The working procedures, rules and structures for decision making.

There is however a diverse body of experience here with different approaches having been implemented in the past between Member States or even regions. Further differences have emerged as new Member States have joined the European Union without the experience of earlier generations of the Leader methodology. Decisions on what is done best at local (LAG) level and what can be best supported from the MA level will be informed by this experience but there may well be important and relevant lessons in the wider experience which may be advantageously applied. This group therefore considered different institutional set-ups and their operation, particularly the roles and responsibilities MAs, intermediary bodies, NRNs and LAGs in supporting and implementing the CLLD approach.

## 2. Key Challenges

The discussion group involved 12 individuals from six Member States; Croatia (3), Estonia (2), France (1), Greece (1), Hungary (3), Lithuania (1) and Poland (1) and drawn from MAs, Pas, LAGs and NRNs, there was one EFF representative and one national European funding representative. Experience in the group with regard to the administrative structures for CLLD management therefore included those with almost no knowledge and others with greater degrees of experience (although much of this was limited to Leader). The discussions were therefore mainly based around two inputs, one from the Greek MA and the other from the facilitator, an experienced Leader evaluator and CLLD expert. The following main points emerged.

The centrality of the delivery system to the linked governance and endogenous capacity objectives of the Leader approach and the delivery of support through the LDS is a significant challenge to the whole approach. Further tensions arise through the MA focus on achieving the absorption of funds and the n+2 rule vs. LAGs more local focus on projects and the LDS. Two of the main areas of weakness identified are poor communications between the levels in the delivery chain and a lack of consistency of approach or interpretation. This lack of consistency can apply within or between organisations and over time.

In many cases nothing has been decided yet regarding multi-funded CLLD and the administrative structures for the implementation of CLLD, there is therefore a rather high degree of uncertainty. In some cases there is an identified need to better specify the management and control systems in the operational programmes (e.g. in Hungary the OP states that the MA and PA are responsible therefore no subsidiarity is currently possible).

That every country is different in some way can be both a challenge and an opportunity, this contributes to the breadth of experience on the one hand but may reflect a weakness in sharing experience and learning. This diversity also presents challenges in developing and applying common, shared and consistent solutions at EU level. The differences between strong and weak LAGs presents a considerable

challenge here in developing consistent solutions as does balancing LAG aspirations for autonomy with their demands for consistency.

The level of understanding of the potential role, scope or benefits of intermediary bodies is at best mixed and further clarification would be beneficial.

There is a tendency/aspiration amongst some LAGs and local/regional public administrations to want to deliver 'full service' solutions i.e. each LAG/authority carrying out the maximum possible level of function at the local level. This is potentially wasteful resulting in duplication of effort and a dilution of expertise. This can also contribute to conflict between levels in the delivery chain although this is a more general concern.

There is a danger that the introduction of intermediary bodies of whatever form merely results in the imposition of an additional tier of bureaucracy rather than a streamlining or reduction of the administrative burden. The priority for such an organisation should be to avoid the duplication of tasks and roles whilst ensuring due process. The introduction of new tasks such as monitoring and evaluation may present a further challenge here.

There is a real risk of fragmentation in the regionalised countries where a regional approach is required to manage the large number of LAGs. However multiple administrative or delivery approaches can emerge involving different structures, systems and organisations. This in turn serves to multiply the problems for all concerned.

It is essential to avoid wasting local capacity, this is entirely counterproductive in achieving CLLD objectives, all those involved in the delivery chain have a responsibility to work towards this. This implies achieving a high level of mutual trust, an essential prerequisite of such a system but this takes time and commitment to establish and maintain. Consideration of the effects of transition on organisational capacity and memory at all levels is essential, there are examples where introducing regionalisation will result in a loss of central capacity and a diluted level of service expertise at regional level.

### 3. (Good) Practices & possible solutions

Greece is looking back to its experience under LEADER+ which was considered to be more positive and coherent. The MA role is likely to be more directly focused and supportive as it was then. There is a strong body of experience in these older LAGs and the maintenance of organisational memory and local development capabilities should be prioritised, this does not necessarily refer just to the individuals concerned but also to the systems employed to ensure such institutional learning.

The RDP development consultation process in Greece has involved strong cooperation between the MA and the LAGs and NRN.

Greece has employed a coordination procedure for project approval to avoid duplication of effort (and funding), this involves the relevant Ministry, the Regional Authority and the Ministry of Economics. In Poland effective interaction between the MA and PA is considered essential.

There are many forms of intermediary approach, these tended to be specific to Member States, the group considered there was a need to introduce a greater degree of consistency. In doing so consideration needs to be given to the level at which intermediary bodies are introduced or implemented, national, regional or local and the possibility that they may have a limited remit of prescribed service functions.

The most common type identified was regional intermediaries. France has a strongly embedded approach based on its regional and sub-regional public administration and representative structures. Hungary employs regional and county level centres. LAGs can themselves be designated as intermediary bodies or be part of such a body, the most prominent example here was the Greek Local Development Agencies which manage multiple funding streams and incorporate LAGs. Similar approaches have emerged sometimes organically where the LAG has developed the capacity to do more and has taken on such functions, even providing services for other LAGs.

A further form of intermediate approach highlighted was the use of umbrella projects or schemes or the approval of LAG led projects by the MA. (A question was raised about the possible approaches to the approval of LAG led projects, possible solutions involved their inclusion in the LDS or business plan, amending the LDS or business plan, in both these cases the MA then approves. Alternatives included a lead partner taking the project forward, the formation of a LAG peer approval group or the submission of such projects to the RDP PMC).

The question of the 'full service LAG' raised the issue of what does the individual LAG actually needs to do, what is its best function within the system? The fundamentals are clearly in local determination, the LDS, animation, decision making, allocation of resources, monitoring LDS progress etc. whether does a LAG also need to undertake the administrative functions was open to question? It may be that these are better addressed collectively through a shared service centre with a clear division of responsibilities. This might also help address issues of consistency of performance reducing any perceived need for national 'gold plating' whilst giving LAGs greater flexibility operationally.

A strong and effective NRN is important, France has a specific National LEADER Network which is thought beneficial, others have strong LEADER specialisations. NRNs represent a strong basis for consolidating and developing further expertise such as through providing training e.g. in Poland or through mentoring e.g. Sweden or Finland. By building capacity and capability and strengthening understanding links, communications and systems can be improved and burdens reduced. By identifying, analysing and communicating good practice local development capability can be strengthened in a cost effective manner. Through outreach activities they can raise awareness of CLLD amongst all those involved and provide a level of consistency. NRNs, MAs and LAGs should consider carefully how the NRN can contribute best and which other Networks may be able to contribute.

In relation to multiple funds it was thought that LAGs should be fundamentally integrative as it is at the local level that joining up of resources to address complex issues may best be achieved, in the LDS and in supported actions. The Seine-Aval

territory provides a strong example of this in practice. The group felt it was important to design systems to enable LAGs to concentrate on what they are best at, their professional specialisations.

#### **4. Other key issues and suggested further actions / guidance needed**

The other key issues identified largely validated the key points presented by DG Agri with regard to how to ensure a more efficient use of CLLD.

The group felt it was important to actively review the performance and effectiveness of the administrative and delivery systems. This would allow any issues to be identified and addressed, this would further contribute to the identification of good and transferable practice which could then be shared through the NRN or other Networking mechanisms.

It is important to identify and act on good practice both within the Member States and from other Member States. This is particularly important for the newer Member States in providing them access to the experience which they have yet to develop to help them to understand the issues and how things can best be addressed.

The design of the administrative and delivery systems should aim to fit the specific needs at all levels in the delivery chain in order to improve the approval and payment procedures. Avoiding any unnecessary introduction of additional rules or restrictions (e.g. on eligibility) is important. A number of new or modified approaches are possible to aid this e.g. through simplified procedures for small projects or for public co-finance, the use of simplified costs approaches and the use of advance payments.

It is important to recognise that the design and implementation of such systems takes time and to make allowance for this, both in the time allowed and the flexibility of process. It is unlikely that all the improvements can be made at the

outset, the best approach is one which is more evolutionary rather revolutionary. Establishing trust in and within the system is imperative.

In all this it is vital to be aware of the potential implications for and of political considerations which can have considerable effects on delivery and administrative systems. This can be particularly so where there are strong regional influences e.g. with a direct influence on intermediary body functions or governance.

## **5. Useful tools and information**

- ECA Special Report.
- DG Agri Leader guidance (amended 2011)
- Leader subcommittee Focus Group reports (1 and 4).
- EU ex post evaluation of LEADER+.
- Leader Toolkit, ENRD website.
- Farnet website guidance documents.
- Archived LEADER+ and Leader II materials (links on ENRD website).