

Opinion of the Committee of the Regions on ‘Community-led Local Development’

(2013/C 17/05)

THE COMMITTEE OF THE REGIONS

- considers that more EU funded support to local development is necessary for the next programming period to allow citizens to take greater ownership of the objectives of the Europe 2020 strategy and to facilitate and drive economic recovery and job creation;
- considers that CLLD is one of the more ground-breaking aspects of the legislative package proposed for 2014-2020, and that its use should be strongly encouraged;
- outlines that CLLD is the only provision of the CPR where real synergies at delivery level are specifically foreseen to jointly deliver the European Agricultural Fund for Rural Development, the European Maritime and Fisheries Fund and the Structural Funds and the Cohesion Fund; therefore CLLD can act as a ‘one-stop-shop’ for local beneficiaries and allows for integrated and simplified delivery on the ground;
- 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;
- urges the Commission to draw upon the findings of the Court of Auditors and other reports and evaluations to ensure that the lessons learnt in LEADER and URBACT do indeed result in a much more robust, transparent, and accountable CLLD model;
- calls for the Commission to prepare as soon as possible common indicative simplified guidelines to implement CLLD in crucial areas.

Rapporteur

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I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. welcomes the Commission proposals for the next programming period that place a specific and renewed focus on Local Development across EU Regional, Rural and Maritime Policies;

2. considers that Local Development is part of a wider EU approach to Territorial Development;

3. believes Local Development is better defined as a holistic concept that focuses on the challenges and potential within regions of all types, be they urban, rural, rural-urban (rurban) or functional areas;

4. considers that more EU funded support to local development is necessary for the next programming period 2014-2020, not only to allow citizens to take greater ownership of the objectives of the Europe 2020 strategy and to facilitate the achievement of those objectives but also to facilitate and drive economic recovery and job creation in the areas particularly affected by the current economic and financial crisis;

5. argues that the Local Development approach can be implemented through different instruments, and one of the new key options proposed by the Commission is the new Community Led Local Development (CLLD) instrument, however the concept of Local Development has a broader meaning and needs to take into account the institutional framework and practice in each EU Member State;

6. strongly welcomes that an entire chapter in the proposed Common Provisions Regulation (CPR) is specifically devoted to the CLLD instrument;

7. outlines that CLLD is the only provision of the CPR where real synergies at delivery level are specifically foreseen to jointly deliver the European Agricultural for Rural Development

(EAFRD), the European Maritime and Fisheries Fund (EMFF) and the Structural Funds (European Regional Development Fund (ERDF), European Social Fund (ESF), and the Cohesion Fund. It thus has an significant role to play in boosting the credibility of cohesion policy by showing different EU funds can indeed be delivered jointly in an integrated and effective manner;

8. believes that this instrument can be used both as a way of better ensuring economic, social and territorial cohesion within the European Union and to complement locally the eleven Thematic Objectives of the Common Strategic Framework (CSF) and subsequently, through them, the Europe2020 strategy. Wishes to emphasise, however, that the deadline for drawing up the local development strategy should be extended;

9. considers that in these difficult times of crisis and economic downturn, the elimination of artificial barriers between different EU funds is more welcome than ever so they can be locally delivered, both in urban and rural areas, paying more attention to the specific needs of each area and targeting those specific needs;

10. highlights that capacity building is a key feature of CLLD. and that sufficient resources must be made available to enable local stakeholders to prepare and implement their local strategy;

11. enthuses that CPR provides for CLLD areas to benefit from a higher co-financing rate (notably an additional 10 % EU co-financing for ERDF and ESF if a whole axis is implemented through CLLD) and believes the same or similar incentives should apply to all funds, including in particular EMFF;

12. stresses that the key added value of CLLD is the involvement of the local community, including the private and voluntary sector through the establishment of Local Action Groups (LAGs) that will draw up integrated Local Development Strategies;

13. believes that this bottom-up approach contrasts strongly with the top-down approach to spending EU funds which would otherwise predominate. This makes CLLD the best practical example of what Subsidiary Principle means at local level and it will help increase public ownership and awareness of EU supported actions on the ground;

Key objectives

Europe 2020 and Common Strategic Framework

14. recalls that Member States and regions are entirely free to decide to introduce CLLD for ERDF and ESF in their Partnership Contracts and Operational Programmes;

15. considers that alongside the Urban agenda, Integrated Territorial Investments and Joint Action Plans, CLLD is one of the more ground-breaking aspects of the legislative package proposed for 2014-2020, and that its use should be strongly encouraged;

16. believes that CLLD can become a crucial tool to help achieve the objectives set out in the common strategic framework, as well as the Territorial Agenda 2020, at the local level by allowing joint programming of policies delivering Europe 2020;

17. considers that CLLD should build on the lessons learnt in previous sector specific instruments aimed at local development, notably LEADER in rural development and European Fisheries Fund - Axis 4 initiatives as well as the Urban Development Network Programme (URBACT), the previous URBAN initiative for sustainable development in the troubled urban district and the former EQUAL initiative for exclusion, discrimination and inequality;

18. is concerned that the activities outlined for CLLD when preparing the CSF place too much emphasis on developing strategy and capacity building. While that process should be seen as essential, the main focus of CLLD is to deliver tangible and significant outcomes through investments that can improve the wellbeing to the local community;

19. questions the rationale of mentioning CLLD only under the CSF Thematic Objective 9: social inclusion. CLLD is a multi-purpose instrument focused on the local community, whose diverse nature and challenges will extend well beyond social inclusion. Specifically, it could help considerably to correct

substantial geographical and demographic imbalances hindering economic and social development in some regions;

20. urges, therefore, that the CSF is amended so that CLLD is mentioned in the entire range of the eleven CSF Thematic Objectives and can therefore be used according to local circumstances and not just in relation to social inclusion activities;

21. stresses that the CLLD Local Action Groups (LAGs) must be able to benefit from the additional 10 % co-financing rate regardless of which CSF Thematic Objectives they address. Crucially, the 10 % bonus must apply even when the earmark for Social Inclusion foreseen in the CPR is not allocated to CLLD exclusively;

Specific added value

22. believes that the added value elements of CLLD are: participation, consultation and cooperation of local people and all local public and private parties; matching the local development strategy to the particular needs of the local area; a strong influence on multi-level and cross-sector collaboration; making use of sound local knowledge and expertise; the capacity of local areas to innovate; and the integrated, multi-sectoral approach, locally-defined actions and outcomes; and a flexible and strategic approach;

23. considers that a local development approach under CLLD also responds to the need for a more results-oriented Cohesion Policy by addressing challenges at the appropriate territorial level, and will empower communities and local governments to play an active role in implementing EU policy objectives and in particular the Europe 2020 strategy;

24. outlines that CLLD can act as a "one-stop-shop" for local beneficiaries which would allow integrated and simplified delivery of CSF funds on the ground. This could potentially be an enormous step forward in ensuring that a municipality would be able to put together integrated projects that can receive co-financing from a range of EU funds;

25. argues that CLLD, due to its integrated nature and community involvement, is structurally more able to support diversification of activities, economic and social development, and innovation than top-down standardised application processes;

26. believes that it would facilitate the implementation of innovative projects that otherwise would not be foreseen in Operational Programmes. The principal added value of the Local development partnerships lies in the way they make use of the diversity of expertise involved in LAGs which, by working with beneficiaries to develop their original funding application, will improve their quality and help make them more tailored to specific local needs;

27. urges Member States and Regions to carefully assess whether including a specific CLLD axis in their Partnership Agreement or Operational Programme would give more added value to their EU funding allocations than top-down mainstream programmes;

Scale

28. urges the Commission and Member States to ensure that there is sufficient critical mass both in terms of the size of the Local Action Groups and the average financial amount that CLLD LAGs can expect to be responsible for. Current experience in LEADER and EFF Axis 4 suggests that individual CLLD LAGs might cover a total LAG area population of 5 000 to 150 000 people and an integrated local strategy might deliver an average of EUR 2 million to EUR 10 million EU funds over the seven year period;

29. believes, however that CLLD has the potential in some cases to deliver bigger critical mass than outlined in point 28 and justified exceptions need to be allowed for larger urban areas and geographical areas such as islands or remote areas provided that the community-led element is maintained;

Integrated Territorial Development

30. wishes to recall that CLLD as an optional instrument to deliver Local Development across the CPR funds, is related to other instruments such as Integrated Territorial Investments (ITI) and contributes to the implementation of a broader development strategy that allows policies to be localised;

31. supports that the European and national implementing rules clearly foresee that ITI and LAGs could be articulated to jointly deliver local ambitions under a shared strategy, whenever that option is felt appropriate. In particular, implementing rules

should allow and facilitate that one or several LAGs are entrusted to deliver, at a smaller scale, part of the activities entrusted to a ITI at a larger geographical level;

32. considers that in those cases it could be entirely sensible that an ITI also benefits from the additional 10 % foreseen for CLLD;

33. wishes however to recall that the added value of CLLD is precisely the involvement of the wider local community and the explicit link between existing tools such as LEADER and EFF Axis 4 with the Structural funds;

CLLD in urban and rural areas

34. believes that the community element of CLLD is particularly suited to address geographically concentrated problems that require a community-wide response;

35. enthuses that CLLD can also be one of several possible tools available to build up inclusive urban areas with public services accessible to all, preventing ghettoisation, responding to situations of poverty and promoting social linkages within diverse communities, including policies encouraging active ageing, social innovation and mutual support between generations and cultures;

36. believes that, while the focus of this Opinion is to explore the use of CLLD in other fields and sectors beyond the existing and well-tested use of LEADER in rural areas, CLLD, as the natural extension of LEADER post 2014, can also be one of several possible tools available to address the challenges faced by rural areas in terms of accessibility, economic development and diversification and maintenance of essential services for the public, including policies encouraging active ageing, social innovation and mutual support between generations and cultures;

37. considers that several CLLD LAGs at neighbourhood or community level can exist in larger urban areas to enable bottom up solutions to either place-based challenges such as multiple deprivation, environmental degradation or employability of specific groups with common disadvantages. A degree of coordination should be achieved between the LAGs when there is more than one active in the same local area;

Rurban (Rural Urban Links)

38. 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, a help to avoid urban sprawl, to encourage the formation of a balanced network of small and medium-sized towns and to strengthen links between producers and consumers of local agricultural products;

39. welcomes the preparatory action called RURBAN which aims to gather up-to-date research and policy developments in the area of urban-rural linkages. CoR wishes it to develop before the start of the 2014-2020 period into a programme to encourage exchange of good practices, peer review, identifying innovative solutions and networking that can be used by the new CLLD partnerships;

40. wishes to repeat its proposal that an operational programme entitled RURBACT be established that would encourage the exchange of good practices and networking on urban and rural issues ⁽¹⁾;

41. believes that various forms of urban-rural linkages exist across the EU strongly influenced by the national political and administrative systems. Therefore any form of EU intervention should be flexible enough to accommodate this wide variety of governance systems;

42. regards as a main challenge the need to overcome the current geographical and sectoral separation of EU funds. While the Operational programmes tend to be rather sectoral, the new instruments like CLLD, ITI in particular could provide the necessary territorial approach and overcome sectoral separations;

43. believes that CLLD addressing urban-rural relations needs to acknowledge that national contexts are very different, particularly as regards to urban-rural links across all Member States (bigger differences in wellbeing between urban and rural, less capacity) or between countries with many municipalities (where cooperation needs to be across local boundaries to gain critical mass) or those with larger municipalities (where local partnerships happen mostly within the local area);

⁽¹⁾ The RURBACT programme would be based on the experience of the RUR@CT network in order to better take into account the link between the urban and rural dimensions.

Coastal and inshore fishing communities

44. notes that CLLD can be successfully applied also in areas with specific sectoral problems. This is for instance the case of the current Axis 4 of the European Fisheries Fund, where a CLLD methodology is used to assist local fisheries communities as well as the fisheries sector;

45. reports that in many places across Europe CLLD can successfully build on existing local partnerships funded from EARDF and/or EFF; moreover, in some areas there is already proven cooperation between EFF Axis 4 and LEADER partnerships as sometimes they are the same body. CLLD will also provide the scope for linking these EAFRD and EMFF interventions with ESF and ERDF when this is applicable;

46. outlines a key concern about the fact that EMFF is expected to be managed at Member State level, whereas the Structural Funds and LEADER are often regionalised. This inconsistency will be a drawback for CLLD;

Partnership

47. wishes to recall the Committee of the Regions demands that the rule whereby public authorities cannot hold more than 49 % of voting rights be reviewed whenever institutionalised local development partnerships are already in place and advocates in those cases a 'balanced representation' of the different sectors on the Local Action Group;

48. considers, inter alia, that LAG decision making processes need to be robust and clearly defined from the outset so that the local authority as the democratically accountable public institution in the Local Partnership is able to steer the broad strategy while at the same time ensuring that the LAG is not municipality-dominated;

49. stresses that while CLLD aims to empower the local private and voluntary sector there is a need to recognise the underpinning role that local government needs to play in these arrangements. Often the local authority will have to take a leading role in order to provide comfort to Managing Authorities and the EC that the audit and compliance risks of the decisions taken will be managed appropriately, and that local capacity is available to make LAG structures and procedures effective;

50. wishes therefore to recall that CLLD can be organised in such a way that delegation of responsibilities to the LAG from a Managing Authority or other local and regional delivery body as appropriate can be done in a proportionate way which reflects the LAG's real capacity and the need for its decisions to be inclusive, transparent and accountable;

51. strongly encourages the European Commission to take into account the local initiatives that already exist in each Member State, with a view to establishing a smooth connection between those initiatives and the new CLLD instrument;

Challenges

52. urges the Commission to draw upon the findings of the Court of Auditors and other reports and evaluations to ensure that the lessons learnt in LEADER and URBACT do indeed result in a much more robust, transparent, and accountable CLLD model;

53. urges that clear rules to avoid conflict of interest are defined from the outset and at the very least the accountability, public scrutiny, appeal against decision taken and transparency rules for LAGs should be as stringent as those already required for local councillors. Both municipalities and LAGs must be transparently responsible for the public money they spend and the decisions they make;

54. stresses that capacity is a crucial issue that needs to be addressed through clarifying and simplifying procedural and administrative requirements and where possible establishing "one stop shop" interfaces among funds, including, where possible, through electronic means;

55. believes that this requires bringing audit and compliance across all funds beyond what is currently proposed. Equally these requirements need to be proportionate otherwise they would discourage potential local beneficiaries from applying for EU funding;

56. is therefore concerned that CLLD might have to face different types of financial management and audit burden per fund, often with different funds vertically managed through

different Managing Authorities or ministries, which might result in integrated projects across two or more of the funds progressing at the pace of the slowest one. Furthermore, it is important that Managing Authorities refrain from imposing their own additional procedural requirements that create further difficulties;

57. stresses that building local capacity and strategies are just a means to an end, which is to make CLLD deliver tangible investments and measurable outcomes for the benefit of the local community;

58. believes that a much stronger focus is required in CLLD on defining and implementing local strategies that progress towards clearly defined outcomes;

59. stresses that one of CLLD's key assets is the ability to be innovative and this is achieved through flexibility in delivery. In that regard, EU and national rules should refrain from imposing top-down and uniform measures, eligibility rules and criteria across countries and regions to facilitate local solutions to local problems being identified from the bottom-up;

60. believes that the linkage between defining local strategies and the exchange of good ideas and wider implementation needs to be direct and robust, particularly as regards implementing larger scale interventions under the Structural Funds;

61. notes that Managing Authorities may be tempted not to support integrated and resource intensive operations such as CLLD if easier ways to spend the funds exist. However with more Technical Assistance than is available at the moment CLLD has a much stronger qualitative dimension and local community buy-in than a top down approach;

62. points out the inconsistency of having a 5 % earmark of resources for LEADER but not for the other funds when using a CLLD. Calls for the Managing Authorities to consider applying this 5 % to the other three funds when the CLLD option across the CPR funds is chosen either at the Partnership Agreement or at the Operational Programme;

63. believes that the current dispersal of local development in the programmes needs to be addressed to increase visibility, accountability as well as project demonstration, mutual learning, and knowledge transfer particularly as regards to soft outcomes;

64. calls for the four concerned Directorates General of the Commission to prepare as soon as possible common indicative simplified guidelines to implement CLLD in crucial areas such as: an assessment on how CPR funds can realistically deliver integrated local programmes and individual projects, eligibility of expenditures, reporting, cooperation, audit and compliance applicable as well as promotion and knowledge transfer methods. In so doing the Commission should undertake a strategic dialogue with national, regional and local development practitioners that can provide some questions to address in the guidelines as well as some possible answers and examples of existing local development partnerships.

Brussels, 29 November 2012.

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