

Mapping Report

Member States Views on the future implementation of Community Led Local Development

Background Document prepared by ENRD in relation to the NRN Thematic Cluster on CLLD

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Introduction

Several of the National Rural Networks (NRNs) identified a need to establish a new Thematic Cluster on the development and future implementation of Community Led Local Development (CLLD) across Member States. This Thematic Cluster would be established to:

- enhance cooperation and exchange of experiences about CLLD among the interested NRNs and potentially other key actors like Managing Authorities;
- focus the efforts of the Networks, and avoid duplication of work, in understanding the possible forms and operation of CLLD;
- produce practical tools and guidance that can help NRNs and other key stakeholders in the design and implementation of CLLD;
- support the development of CLLD tools at national and European level.

The Hungarian NRN has agreed to coordinate the CLLD Thematic Cluster and preparatory work is underway to frame the strategic objectives of the group. The first exchange with potential cluster members is expected to take place during the 18th NRN meeting in Portugal on the 6th June 2013.

In order to support the establishment and development of this Thematic Cluster this Mapping Report seeks to summarise available policy information and identify the current state of play of CLLD and the multi-fund approach in Member States. It aims to contribute to the discussions amongst Thematic Cluster members during their initial meeting.

Policy Background

The new European Union Programming period will see the principles of the LEADER approach delivered more broadly through CLLD. Member States are only obliged to utilise the EAFRD for the funding of CLLD, with the use of all other funds being optional. Each Member State has the option of funding the CLLD approach also through the European Maritime Fisheries Fund (EMFF), European Regional Development Fund (ERDF), and European Social Fund (ESF). The decision to use more than one fund is referred to as a **multi-fund approach**.

Each Member State is currently in the process of exploring and developing their Partnership Agreement with the Commission before building their Rural Development Programmes for the 2014 – 2020 period. This Partnership Agreement is based upon the Common Strategic Framework

developed by the Commission to reflect the objectives and targets of Europe 2020 and will lay out how each Member State will integrate the European Structural and Investment (ESI) Funds. As part of this process Member States are considering whether to use the multi-fund approach and if so, which funds will be used and how they will be successfully integrated.

A set of common rules will be established for the delivery of CLLD; however, specific fund rules will also be in place for each funding strand utilised. This can add to the complexity of establishing National Programme regulations which are both manageable at a regional and local level, whilst still ensuring appropriate levels of administrative rigour. It is therefore an opportune moment to identify the current position of CLLD in each Member State, the different approaches being taken and opportunities for sharing best practice and relevant experience as the process in each Member State evolves.

Community Led Local Development

CLLD is a tool for capturing local knowledge and building local capacity to deliver new solutions to the economic, environmental and social challenges faced across Europe today. CLLD will also support the effective integration of European funds to ensure they are used more efficiently whilst enabling local communities to develop multi-sectoral projects which are not limited in nature by any single fund parameters.

The principles of CLLD closely reflect those of the LEADER approach and are laid out below:

Table 1: Schematic representation of the principles of CLLD¹

Sub-regional areas. The local territorial approach (Article 28.1.a)	Flexible, targeted solutions focused on the needs and opportunities of discreet local areas
Community led partnerships. Participatory and partnership approaches (Article 28.1.b)	Public private partnerships which mobilize the knowledge, energy & resources of local actors
Integrated multi-sectoral local strategies (Article 28.1.c)	Actions which reinforce each other and build on strengths – horizontally and vertically
Innovation (Article 28.1.d)	New ways of thinking and doing – new markets, products, services & social innovation
Networking and cooperation (Also Article 28.1.d)	Learning from each other and strengthening an areas position in the global economy

Common guidance on CLLD has been issued by the Commission² and provides comprehensive information on the role and use of CLLD in Member States. This explores the opportunities for

¹ Modified from 'Common Guidance of the European Commission's Directorates-General AGRI, EMPL, MARE and REGIO on Community-Led Local Development in European Structural and Investment Funds' 29 April 2013.

broadening and strengthening the role of CLLD in rural areas and fisheries & coastal areas, and introducing the concept into cities & urban areas and the opportunities for targeting particular groups or thematic needs.

Each Member State has been asked to incorporate CLLD into their Partnership Agreement with the Commission. The need to first develop a vision for what each Member State wants to achieve through CLLD is emphasised with the benefits of a multi-fund approach seen as:

- Enabling local development strategies to have a broader scope - addressing a larger number of issues and sectors and become better adapted to specific territorial features, making use of the opportunities offered by all the Funds involved;
- A broader scope then involves a wider variety of partners – a wider partnership can better define and deal with common cross-cutting challenges;
- Helping to avoid artificial demarcation or overlaps between strategies receiving support from different Funds;
- Enabling streamlining and simplifying of the implementation of the local strategy – taking advantage of the harmonisation of the delivery rules among the Funds;
- Increasing the total budget available for local development, given that a LAG will have access to several sources of financing.

The stakeholders involved in each Fund decide on the main challenges, objectives and priorities they feel can best be dealt with locally and then relate these to the eleven thematic objectives of the Common Strategic Framework. CLLD can of course be used to contribute towards all eleven objectives.

In order to decide what each Fund delivers and the resources made available to CLLD, Member States review existing interventions, their scale and whether these are sufficient. It is then possible to identify the areas where CLLD can have the greatest impact and how the best synergy between the Funds can be achieved.

Member States are also required to indicate how CLLD will be coordinated and administered including common structures, administrative arrangements, budgetary frameworks and preparatory support & capacity building. The use of an 'intermediary body' to manage CLLD, particularly where there is a multi-fund approach, is one suggested option for supporting effective delivery.

When completed the Partnership Agreement then answers the following key questions about the use and delivery of CLLD:

- **What** are the main challenges the Member State intends to tackle using CLLD?
- **Why** CLLD is being utilised and what the main objectives and priorities are including any thematic challenges or target groups that have been identified?
- **Where** are the types of territories where CLLD will be implemented?
- **Which** ESI Funds will be used, the approximate budget allocation and what will role of each Fund will be?

² As above. This document is without prejudice to the on-going negotiations in the trilogues on ESI Funds between the Council Presidency and the European Parliament

- **How** will the Member State use multiple ESI Funds and if not, how will the integrated approach be achieved at the local level; how will CLLD be coordinated and administered, what will the specific role of LAGs be; and will a lead Fund be designated?

Arrangements for preparatory support, including possible arrangements between Funds to offer a coherent scheme and the types of activities foreseen by the Member State are also required.

Delivering CLLD effectively and efficiently, particularly where a multi-fund approach has been selected can be perceived as a complex issue which is sometimes exacerbated by the lack of networking and communication between relevant stakeholders. Understanding and sharing the processes and structures being developed in Member States can ease this perception of complexity and support more areas to benefit from delivering the multi-fund approach.

Mapping exercise

During April of 2013 the Swedish National Rural Network developed and circulated a survey via e-mail requesting information from Member States and accession countries on their proposed use of the multi-fund approach and which funds may be incorporated in to this approach. Several of the respondents also provided outline information on how the approach might be implemented. This information was requested to support the Swedish Government in their deliberations on how best to implement CLLD in Sweden.

Of the thirty-one initial requests for information made to both regional and national networks and administrations twenty responses were received. This mapping exercise has sought to update the information received from those twenty respondents, fill the gaps by requesting information from the eleven countries that had not responded and develop greater insight into the differing approaches being developed. This has provided as complete a picture as possible of the current state of play of CLLD in Member States.

CLLD in Member States

Information has been gathered from twenty-nine of the thirty-one national or regional networks and administrations contacted, including the two accession countries of Bulgaria and Croatia. These responses have fallen broadly in to the following categories:

- **Undecided:** Those where little or no information was available or where progress has been limited.
- **Developing:** Those who are likely to use a multi-funded CLLD approach but as yet have not made any final decisions on the way it will be adapted.
- **Decided – multi-fund:** Those who have decided to implement CLLD through the use of two or more funds.
- **Decided - single fund:** Those who have decided to implement CLLD solely through the use of EAFRD funding.

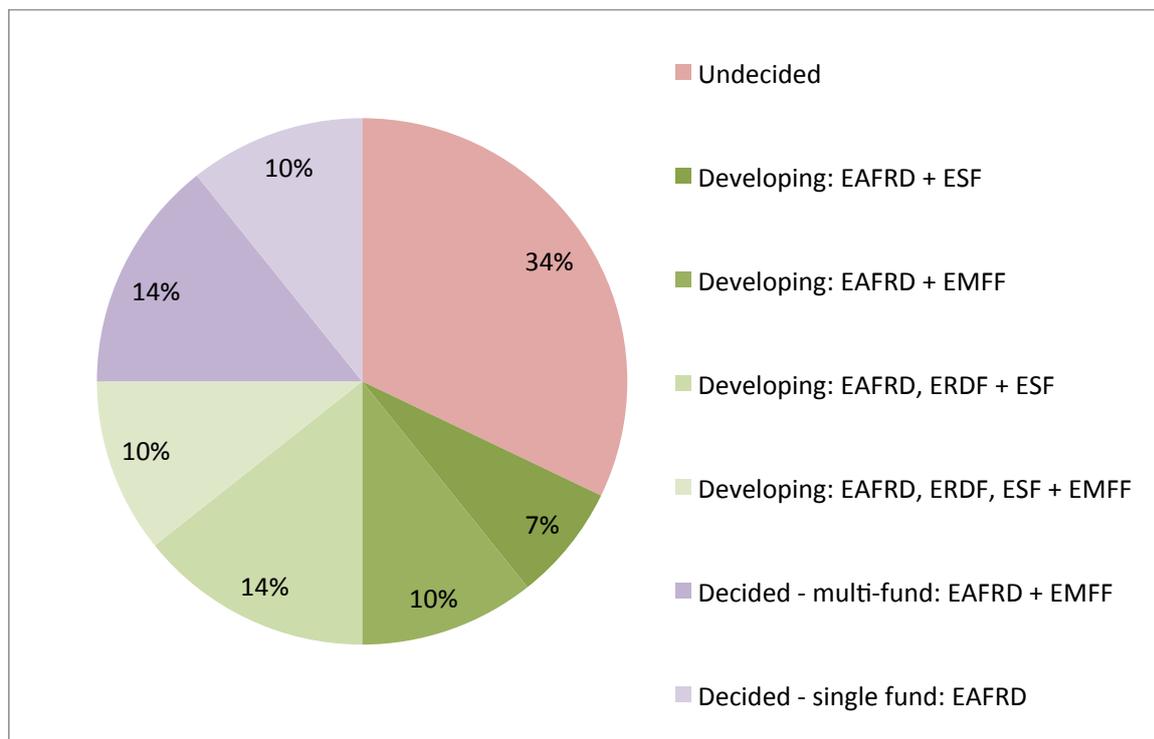
As national and regional bodies move towards the completion and submission of their Partnership Agreement the information available on their chosen approach to CLLD continues to change. The replies received do however demonstrate that Member States and Accession Countries are developing a diverse range of responses to the opportunities offered by the CLLD approach and are at many different points along the policy development spectrum. Table 1 provides an overview of the approach taken in each country.

Table 1: Overview of current country approach to delivery of CLLD

	Country	Unknown	EAFRD	EMFF	ESF	ERDF
Undecided	Bulgaria	X				
	Cyprus	X				
	Greece	X				
	Ireland	X				
	Malta	X				
	Netherlands	X				
	Portugal	X				
	Spain	X				
	Wales	X				
	Wallonia	X				
Developing	Croatia		X	X		
	Lithuania		X	X		
	Slovenia		X	X		
	Estonia		X		X	
	Poland		X		X	
	Czech Republic		X		X	X
	England		X		X	X
	Slovakia		X		X	X
	Italy		X	X	X	X
	Scotland		X	X	X	X
	Sweden		X	X	X	X
Decided – single fund	Austria		X			
	Flanders		X			
	Luxembourg		X			
Decided – multi-fund	Denmark		X	X		
	Finland		X	X		
	Germany		X	X		
	Latvia		X	X		

At the time of writing this report a little over a third of countries surveyed had little or no information available, under a half were developing multi-fund options using a variety of fund combinations and a quarter had already decided their approach. These results are broken down further in Chart 1 overleaf.

Chart 1: Current approach to the delivery of CLLD



The various positions of the countries who responded to the survey can be explored further, with detail on their developing or selected approach provided where available.

Undecided areas

Of the twenty-nine national and regional bodies who responded ten remain undecided. Of these Bulgaria, Cyprus, Greece, Spain and Wales had no further information on the nature of the discussions or anticipated outcomes. Ireland, Malta and Portugal were in a similar position however felt it would be unlikely that a multi-fund approach would be used for the delivery of CLLD.

Wallonia was also undecided and suggested that the process continued to be challenging as *“it seems there is no link, no dialogue between all administrations in charge of structural funds”*, which was hampering the development of a multi-fund approach. In the Netherlands it was felt there was little support to apply the multi-fund approach to CLLD; however, if it was used it would most likely occur between EAFRD and EMFF. Using a multi-fund approach was perceived as difficult and complex; furthermore it was argued that *“there is little time as the deadline for the draft programmes is set in July, which doesn’t give much room to explore new possibilities”*. It was felt that many current LAGs were interested in multi-funding; however, the design of the new programmes is taking place at a regional level with most provinces seeming unwilling or unable to look at opportunities to implement CLLD through a multi-fund approach.

Developing areas

Twelve of the countries who responded are currently in the process of developing their approach to the implementation of CLLD. All of these twelve are exploring the opportunities to deliver a multi-fund approach with a variety of the funds available.

Croatia, Lithuania and Slovenia are all discussing opportunities to deliver EAFRD and EMFF in a joint CLLD approach whilst Poland and Estonia are exploring the joint use of EAFRD and ESF.

FOCUS ON ESTONIA: Developing the CLLD multi-fund approach

The use of EU funds was discussed at the Estonian Government who approved the principles of Structural Funds and the RDP on 23rd April 2013; however, at the moment no detailed results on CLLD are available. The near future will see further discussions with the final decisions being made in September this year. It is known that the Government did discuss the following issues:

- The CLLD approach will deliver up to 10% of the RDP budget and can be used in all appropriate measures.
- In relation to ESF, Ministry and LAG discussions have focused on two areas:
 - to implement measures in the area overseen by the Ministry of Social Affairs, focusing mainly on social welfare and inclusion of people with special needs.
 - within their remit the Minister for Regional Affairs has prepared a separate CLLD measure under the priority of balancing regional development.

This would extend the current LAGs activities to small towns and rural centres which have not previously been included in their areas. The target is to use both EAFRD and ESF funds to implement the following activities within the same local development strategy:

- Development of community services,
- Measures for promoting entrepreneurship.

EMFF will implement CLLD separately from EAFRD and will support FLAGs with their own strategies. The possible use of ERDF and the Cohesion Fund for the CLLD has not been discussed.

The Czech Republic, England, Hungary and Slovakia are all considering using EAFRD, ERDF and ESF in their approach.

FOCUS ON ENGLAND: Developing the CLLD multi-fund approach

The Government has commissioned its network of thirty-nine Local Enterprise Partnerships (LEPs) throughout England to consider how CLLD and multi-fund can best work for them in their investment strategies for ERDF, ESF and a portion of EAFRD related to growth. This is in addition to the mandatory 5% EAFRD funds to be delivered through Leader activity, which will also continue.

Support for CLLD at a National level appears to be strong: "*Government Departments, including DEFRA, BIS and CLG have been actively promoting Leader, CLLD and multi-fund as a preferred approach to tackling local priorities*". The LEPs are also likely to be able to contribute some of their funds towards LAGs in their area, which they feel are able to deliver on the LEPs specific strategy. This would increase the resources made available to LAGs, adding to the budgets provided nationally and potentially also including funds from sources other than EAFRD.

There is no guidance available on the use of the multi-fund approach by LAGs as yet, however, the aspiration is to have complete coverage of rural areas. LEPs have geographic coverage across the whole of England and so will be able to consider utilising part of their budgets to support the delivery of the CLLD approach in urban areas. More substantive guidance on the use of the multi-fund approach and CLLD is expected to be made available to LEPs and LAGs this summer.

FOCUS ON HUNGARY: Developing the CLLD multi-fund approach

The Hungarian Government believes that the community capacity building fostered within local and bottom-up initiatives is a very important element in the efficient use of the 2014-2020 European Union funds to develop the Hungarian economy and society. Integrated territorial developments, which encourage community ownership and social development, are also seen as a priority. Nevertheless, the Government has not yet made a decision on the actual application of the CLLD approach or the Integrated Territorial Initiative method.

In the light of the discussions that have already taken place it is anticipated that CLLD will be implemented using a multi-funding approach in those rural areas that also include small towns. A CLLD approach is emerging that is based on the existing LAG system and will use EAFRD, ERDF and ESF. This can be complemented by a small town CLLD initiative, which will use ERDF and ESF and can be used in towns close to the nearby 'LAG' areas. This has however caused concerns that as settlements in the area would be able to access additional funding peripheral areas may continue to lag behind in development terms. Therefore, proposals suggest that small towns with more than 10-15 thousand inhabitants establish separate CLLD programmes by stimulating cooperation in each CLLD area in order to strengthen the urban-rural linkages.

Scotland are looking to deliver EAFRD and EMFF through one Local Development Strategy but are also debating whether local strategies should articulate actions of relevance to ERDF and ESF with a formal mechanism to allow some of the structural funds to be allocated to LAGs to deliver this. Italy

and Sweden also continue to work towards the use of all four available funds within their Programmes.

Areas that have decided to use a multi-fund approach

Four countries have developed their approach to implementing CLLD using multiple funds. Denmark, Germany, Finland and Latvia have agreed to deliver CLLD through both EAFRD and EMFF. In Denmark this will be delivered through the on-going integration of the LAGs and FLAGs. In Germany the funds used vary regionally and have been decided by the German Laender. Thirteen of the fourteen Laender have decided that CLLD will be implemented in all German EAFRD programmes with some also utilising the EMFF programmes as well. Only one of the Laender is discussing the possible implementation of CLLD in the ESF and ERDF. There are also however, other differences in the programmes across Laender with for example one deciding that applications to ESF from LAGs will receive preferential treatment.

FOCUS ON FINLAND: Delivering the CLLD multi-fund approach

In Finland the CLLD approach will be included in EAFRD and EMFF programmes in the new period. On 5th of March the Ministry of Agriculture and Forestry launched an unofficial call for LAGs and FLAGs to deliver their Local Development Strategies for the 2014–2020 programming period. This will be a staged process with informal applications sent to the Ministry by the 14th of June 2013 and the selection committee giving feedback to the LAGs and FLAGs between August and October. When the programmes and Partnership Agreement are sent to the Commission, second, formal applications will be requested by the Ministry during December 2013.

ESF and ERDF will not use the CLLD approach with this form of local development implemented as part of normal programme procedures. There are however, proposals to create an approach called “Civic Activity Based Local Development in Urban Areas”, which would be a new element in ESF and ERDF programme. In this approach various development methods are accepted, including LEADER, targeting large cities and centres of medium-sized cities, which are not currently included in the LEADER approach.

The objectives of Civic Activity Based Local Development in Urban Areas are:

- To utilise the activity of urban communities more efficiently
- To enhance interaction between urban and rural areas
- To create equality between local actors in rural and urban areas,
- To help attract private funding for urban development
- To reach a broader number of target groups and promote the funds' objectives locally
- To bring ESF and ERDF closer to communities and encourage the involvement of new actors
- To strengthen the vitality of urban communities

Areas that have decided to use a single fund approach

At this time only three countries and regions have decided not to use the multi-fund approach to deliver CLLD, these are Austria, Flanders and Luxembourg. Austria is however, aware of local cases

where the LAG has already developed strong links with ESF and ERDF and they anticipate these will continue enabling individual projects to be resourced using more than one fund.

Challenges to developing the CLLD multi-fund approach

Several of the NRNs and Ministries who responded to the survey also discussed some of the challenges authorities and stakeholders were working with when developing the CLLD approach, particularly when wanting to pursue the multi-fund option.

Administration: Many challenges have been identified when endeavouring to synchronise or harmonise the regulations associated with each potential fund to ensure the approach is manageable and can be delivered effectively at a local level. The need to develop a streamlined process, which would enable single applications, documentation and evidencing to multiply funds was seen as ideal yet challenging when also needing to ensure compliance.

Management: The Guidance issued by the Commission on developing and delivering CLLD suggests the possibility of establishing an 'intermediary' to act as an interface to support the delivery of the Programme and ensure compliance is achieved. Although this was perceived as a worthwhile approach challenges were seen in assessing and creating the required structure, resources and operation of such a unit.

Allocation of responsibilities: Several countries were unsure of how much responsibility for the Programme should be delegated to the local level. A need was expressed to ensure an appropriate balance between enabling local decision making and governance whilst not overloading local groups with too much administration, particularly if existing capacity was below that required.

Support: The need for additional support was widely recognised; however, again it was unclear whether this should be provided through the expansion of existing networks or the development of a new independent support unit. In some cases there was also a lack of clarity around the nature of the support that should be provided.

Affordability: Some countries were unsure how many CLLD 'areas' were affordable within their national budgets taking into account the minimum allocation required per group to ensure an appropriate administrative budget was available. This had delayed decisions on the territories eligible to deliver the CLLD approach.

Efficiency: Similarly discussions had also taken place over the size of CLLD areas that would be efficient and able to deliver a local strategy effectively.

Synchronisation: Many countries have also sort to ensure they are able to synchronise their proposed CLLD approach with existing national programmes. In many cases these programmes involve different areas and different objectives so careful planning is required to develop mutual efficiencies.

National and regional authorities are in some cases also encountering specific challenges associated with their own local or regional context. These shared challenges are however, being experienced across several countries resulting in delays to the development of their CLLD approach.

Conclusions

Currently only seven of the thirty one countries surveyed have decided how they will implement the CLLD approach. These have chosen to deliver CLLD through either a single fund or with the use of EAFRD and EMFF.

The remaining twenty four countries continue to explore opportunities for developing a Programme that utilises a multi-fund approach. These approaches are reasonably evenly spread across a combination of funds with no single multi-fund option proving to be more popular.

Despite this diversity of approaches many of the challenges being experienced during this process are similar. The most significant of these being the harmonisation of funds to ensure the administration of the Programmes is manageable and compliant, which has led to complexities particularly when exploring options to integrate ESF and ERDF.

This diversity would also suggest that many different approaches and 'tools' are already being developed and 'tried'. Inevitably some of these will be more effective than others so the sharing of the procedures and their outcomes could be beneficial for all.

These shared challenges and diverse approaches suggest that the establishment of a Thematic Cluster would support Member States to exchange experiences when developing their approaches and identify tools and solutions to the challenges they encounter throughout the process.