

sailing towards 2020



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Multi-funded CLLD – a chance for more integrated local development

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During the 2014-2020 funding period, fisheries communities will have access to different EU Funds, which – under the new legislation on Community-Led Local Development, and subject to relevant decisions by national or regional authorities – can be integrated in a single multi-funded strategy. This opens up new possibilities for FLAGs to, for example, get new actors involved or implement more comprehensive strategies. However, FLAGs using this option will also face new challenges, such as ensuring that the fisheries voice is not lost in the broader partnership, or dealing with the complexity of managing funds from different sources.

The approach in Axis 4 of the European Fisheries Fund

In the past few years, Axis 4 of the European Fisheries Fund (EFF) has provided support for the sustainable development of fisheries areas. It has promoted economic diversification and improved the quality of life in areas affected by a decline in fishing activities. An important innovation of Axis 4 is that it introduced a territorial dimension to the EFF, which encouraged a focus on specific areas and aimed to mobilise local actors from all sectors: public, private and civil society, to design and implement integrated local development strategies. Similarly to the LEADER approach in the European Agricultural Fund for Rural Development (EAFRD), Axis 4 was implemented by local partnerships, called Fisheries Local Action Groups (FLAGs). The decision on the focus of their strategy and the precise role of the FLAG was left to the local level.

The experience of the period 2007-2013 shows that Axis 4 of the EFF focused mainly on the fisheries sector. The integrated character of the strategies implemented by FLAGs so far consists of creating vertical linkages between fishermen and other actors along the supply chain, as well as horizontal linkages between fishing and other sectors, such as tourism and environmental services. Most groups have only been operational for a few years, so it is too early to fully assess the results in terms of the impacts on the areas concerned.

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Taking into account the sectoral focus of many FLAGs, it is interesting to note that quite a few had close cooperation with actors outside of the EFF, in particular with LEADER LAGs – according to FARNET estimates, approximately 30% of FLAGs were in some way connected with LAGs.

- Sometimes, one legal body managed both the EFF and the EMFF, which covered the same area (this was the case for all the 24 Latvian FLAGs, as well as several FLAGs in Denmark, Sweden and Poland).
- In other cases, the two Funds were managed by the same entity, but operated in different areas (for instance, in Finland a FLAG often covers the coastal part of several LAG areas, and one of the LAGs manages the FLAG administration; in Greece, the same local agency manages the EFF in the coastal part and the EAFRD in the rest of the area, i.e. there is demarcation of funding within one body).
- FLAGs also used other sources of funding, not necessarily compatible with the CLLD approach (i.e. these funds did not support an integrated local development strategy, but rather individual projects). For instance, efficient FLAGs with relatively low budgets often implement projects financed from national budgets or from the European Social Fund (ESF), as well as from other Axes of the EFF.

Two types of FLAG strategy

In general, there are two main types of fisheries CLLD strategy:

1. a **“narrow”** strategy, where the diagnosis, analysis and proposed solutions focus primarily on the fisheries sector, and the strategy aims to establish links between fisheries and other sectors;
2. a more comprehensive **“broad”** strategy, which takes into account a wide range of stakeholders in an area, as well as horizontal policies such as blue growth, maritime and coastal management and social issues.

The choice between a “narrow” and a “broad” strategy depends on the FLAG’s role in relation to other actors in the area, such as local development agencies, LEADER LAGs etc., which take a broader view on the territory and its needs. In areas where the FLAG is the main local development actor, its strategy can take into account a wide range of issues. If there is already another entity in the area which takes responsibility for its broader development, then the FLAG can focus more specifically on the fisheries sector. However, even in such a situation the FLAG might try to make sure that its strategy is complementary to those of other actors.

Many FLAG areas coincide (fully or in part) with the area of a LEADER LAG. In most cases the relationship is positive and there is good cooperation between the fisheries and the rural community.

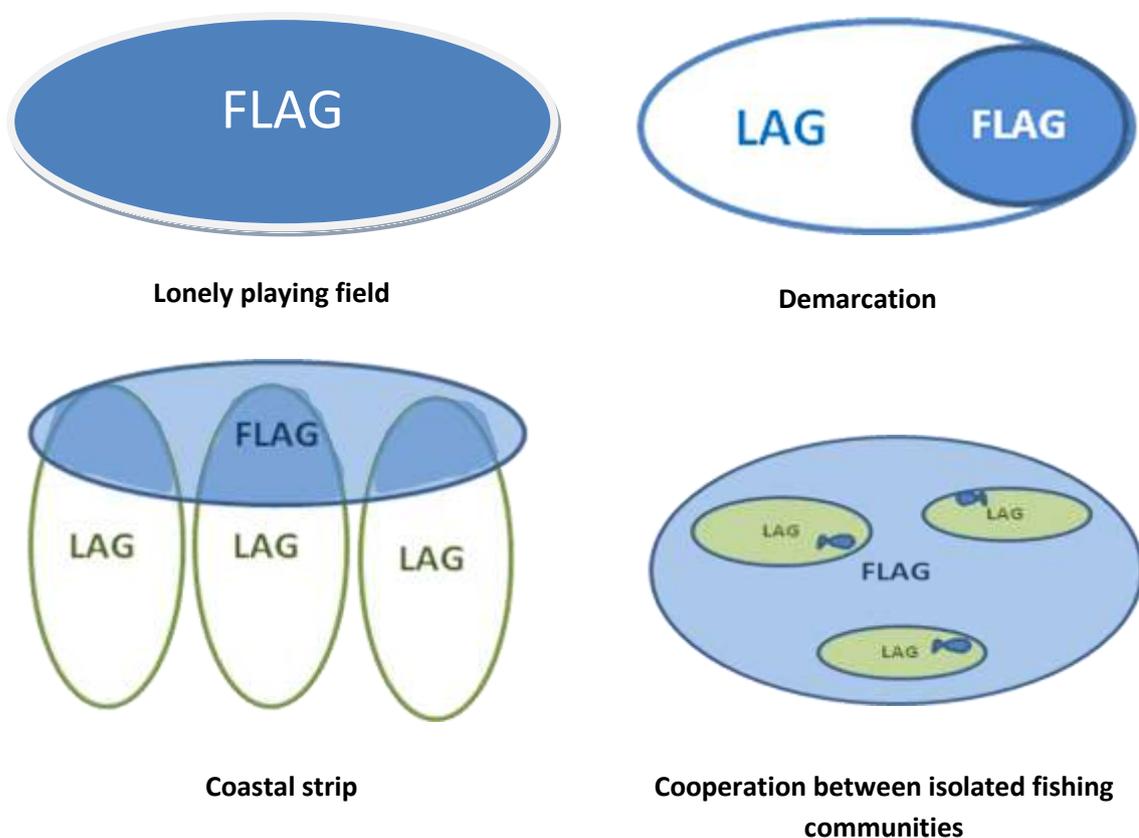
Sometimes, however, this cooperation is difficult, either because of an imbalance of power (e.g. a very small fisheries community trying to work with a larger rural community), or because of rivalry between individuals or organisations, which can cause even the best local initiatives to fail. During the preparatory phase of local strategies and programmes, it is important to speak openly about the interests of all stakeholder groups. When the FLAG deals with a wide range of different actors, it must take account of potential conflicts of interest. Partners need to develop internal procedures

and informal “codes of honour”, going beyond what is required by the funding agency. These procedures are not needed when everything goes well, but they are invaluable in case of conflicts.

Cooperation and policy decisions

It is highly probable that in the period 2014-2020, responsibility for cooperation and integrating different funds in the same territory (except large cities) will rest mainly with LAGs and FLAGs. Most FLAGs have already had some cooperation with LAGs, and the above mentioned experience of the same organisation managing both the EFF and EAFRD (as well as projects funded from other sources) shows that a multi-funding approach is possible. Such cooperation is not always entirely voluntary – sometimes the managing authority at national or regional level insists on such an arrangement. However, ideally, such a decision should be left to the local partners.

The figure below illustrates some possible options for how LAGs and FLAGs operating in the same area can interact:



In the last few months, some local stakeholders have expressed disappointment that only a limited number of Member States or regions seem willing to use the full options of multi-funding in their operational programmes. It is difficult at the moment to have a clear view on how this is unfolding but it will be an interesting discussion to come back to in a few months, when we have a clearer picture of the situation. It is important not to lose sight of the positives, however: introducing CLLD more generally in the EU Funds means that this approach now goes beyond the relatively narrow scope of the EAFRD and the EFF. CLLD must now be considered at the level of the Partnership Agreement, and must be applied in practice on the ground. There are some regions in the EU that

make substantial use of this approach. In Kujawsko-Pomorskie, in Poland, for example, over EUR 100 million will be implemented through CLLD (including EUR 39.8 million from the ERDF and 36.3 million from the ESF). The Languedoc-Roussillon region in France has reserved a significant portion of its ERDF and ESF allocation for local approaches, and the call for proposals makes reference to the synergy needed between LEADER and fisheries CLLD. Brittany (France) has also allocated a significant amount of funding for a place-based approach to CLLD, from both the regional and EU budgets. This suggests that regional institutions have learnt to trust bottom-up processes.

However, the success of multi-funded CLLD in local development strategies should not be measured only by the amount of funding allocated. It is much more important to build up trust in bottom-up methods of addressing local problems, and in the quality of relationships between the organisations responsible for their implementation. This trust is essential if CLLD is to work effectively. Many managing authorities, as well as FLAGs and LAGs, are worried that multi-funding may increase the level of bureaucracy. Many FLAG leaders make it clear, for example, that when they created their partnership in a fisheries area they did not intend to set up a big agency with sophisticated administrative procedures. The aim was to find a simple and direct way to help fishermen and other groups in their area.

How to use other funds

It is not possible to achieve sustainable development in an area dependent on fisheries without involving other partners and other funding sources. Multi-funding is another step in the process of transferring to local communities more responsibility for the development of their areas. However, the decision to use other ESI Funds requires careful reflection on the specific objectives of each one:

- The **European Agricultural Fund for Rural Development (EAFRD)**. If a FLAG that has focused so far only on fisheries would like take a broader view of its area, it could, as a first step, look at the “rural-based” EAFRD. Fishermen and farmers and other rural inhabitants have much in common, with many of them struggling for survival. Cooperation and integration between funds may help in finding innovative solutions for coastal and their neighbouring rural areas. Simple answers, such as rural tourism or fisheries-based tourism, may not be enough. More creative ways of generating growth and jobs may also be needed, in particular through fostering better links between the sea and the land.
- The **European Regional Development Fund (ERDF)**. This Fund has often been associated with road building and large-scale infrastructure, but it is much more than this, and is also relevant in the local context. It looks for innovative, environmentally-friendly options, and for smart specialisations. Bringing together research, development and new technologies could lead to a qualitative change in fisheries areas. The ERDF is also increasingly focused on developing SMEs. This is another opportunity for synergies with the EMFF.
- The **European Social Fund (ESF)** is traditionally associated with investment in human and social capital. It can be used to improve educational attainment, employability and social inclusion, and it can fund specific actions in targeting young people, immigrants, ethnic minorities and marginalised groups. Even in traditionally homogeneous fisheries communities, the support of the ESF is useful to support the acquisition of new skills under life-long learning. The ESF is a very effective instrument for facilitating changes, for training the promoters of initiatives and for preventing exclusion.

CLLD in practice – options for FLAGs

FLAGs that up to now have been more focused on the fisheries sector may find inspiration in some of the examples above. This could, however, require a significant change of approach – learning to engage with new types of stakeholders, and in some cases it may involve closer cooperation with the public sector.

In the immediate future, there are at least three possible options available to FLAGs:

1. The FLAG as the main actor in a multi-funded partnership, integrating different funding sources in its strategy
2. The FLAG and the EMFF as part of a wider CLLD partnership funded from various Funds (most often the EMFF and EAFRD, but in some cases also the ERDF and/or ESF)
3. The FLAG is mainly EMFF funded, but it seeks to cooperate and coordinate with other actors in the area, ensuring integration both at strategy, as well as at the project level

It is important to maintain a strategic focus of the FLAG strategy and not to try to address too many issues, otherwise funds will be dispersed without achieving significant impacts. Some Funds, notably ERDF and ESF, have many thematic and sectoral priorities addressing different target groups. However, this does not mean that a multi-funded strategy should try to address everything, but it provides the local community with sufficient flexibility and resources to work on the key issues. .

Some important suggestions for CLLD emerged during the discussion at the **FARNET conference “Sailing Towards 2020”**. The participants in the mini-plenary focusing on the “Possibilities for multi-fund local development” came up with a few suggestions of how FLAGs can make this approach work on the ground:

- there was a consensus around that idea that FLAGs should develop **a single integrated strategy for the whole area**, and that beneficiaries would go through a single application process (ideally on-line), irrespective of the fund they were applying for.
- In view of the anticipated complexity of integrating different funding streams, it was felt that FLAGs could **start with one creative project (on a pilot basis), which would involve different funding sources**. This would allow FLAGs to test how this approach would work in practice.
- The importance of having **an appropriate institutional structure** in place, to ensure coordination and promote synergies between funds (for example, an overarching body including a LAG and a FLAG, or a joint decision-making committee) was also highlighted.
- Some participants also stressed the importance of **promoting the FLAG to organisations in charge of other funding sources** (at national as well as regional level), and of ensuring that territorial cooperation includes ports and cities.
- There was general agreement that one of the key elements of success is to have an appropriate delivery system, which should be simple and flexible, based less on bureaucracy and more on trust, with a strong role and autonomy for the (F)LAG.
- The **need for good cooperation and coordination at fund management level** was underlined by many participants: there should be a common set of rules and ideally one implementation system.
- It was also felt that multi-funded CLLD requires both **FLAG and managing authorities to**

develop new skills. In this context, some suggestions were made concerning training for all delivery actors, including the staff of managing authorities, and also for the hiring of external assistance, to help those involved to “**think outside the box**”.

CLLD can be particularly effective in a time of crisis, demonstrating how local communities can take action to promote different forms of economic development, giving priority to activities that are sustainable and integrated and have maximum impacts in the creation of jobs and business activities. A well-functioning FLAG implementing multi-funded CLLD should make sure that the different funding sources contribute to a coherent whole. The important thing is to look for solutions that are adapted to the needs of the area, taking account of a wider range of possibilities. The process of formulating a multi-funded strategy, which involves finding workable solutions to local problems, must be as participative as possible. The FLAG should take particular care that the voice of the fisheries community is not lost in this process.

Multi-funding opens new opportunities for the future in many areas, bringing together stakeholders and sectors that have not worked together enough in the past. It supports local development that is truly integrated, financed from a variety of sources, and enables local communities to better address the main challenges in their areas. Its application in this funding period can be treated as a pilot phase, which will provide important lessons for the future.