

Implementing Community-led Local Development across the European Structural and Investment funds

Edinburgh, Scotland, 8-10 December 2015

REPORT

This seminar was organised at the initiative of DG MARE, with the cooperation of the three other DGs responsible for the European Structural and Investment Funds (ESIF). It brought together over 120 participants from 21 different EU countries, along with members of (Fisheries) Local Action Groups and international experts, to consider how best to support a more efficient use of the ESIF available for integrated local strategies.

A mix of presentations, discussion panels, workshops, and clinics were used to guide participants through three main themes: (i) the use of CLLD across the different Funds to achieve local and programme level objectives; (ii) the different types of cooperation and/or integration of Funds; and (iii) the delivery and administrative challenges.

Welcome and introduction

The seminar was opened by Mr. Willie Cowan, Scottish Government Marine Scotland, who emphasised the importance of rural communities and the need to add value to rural activities. He highlighted the similarities between the challenges facing fishing and rural communities, which he said was why CLLD allows the ESIF to work together and focus on outcomes rather than on separate strategies and priorities.

The seminar agenda was then presented by Elisa Roller, Head of Unit at DG MARE, and Judith Torokne Rozsa, Head of Unit at DG REGIO, both of whom underlined the opportunity offered by the event for peer learning and exchange between managing authorities that already have experience in implementing CLLD and those who are just introducing this approach.

Understanding the added value of CLLD across ESI Funds: plenary session

The first plenary session set the scene by developing a common understanding of the added value of CLLD in a specific context, across the different Funds.

Urszula Budzich Tabor, FARNET Support Unit, presented an overview of the state-of-play of CLLD and the opportunities offered to local development actors in rural, urban and fisheries areas. Combined, these areas have been allocated approximately €9.3 billion of EU funding for CLLD for the period 2014-2020. She also highlighted the need for coordination and cooperation between the different Funds (link to .ppt).

Four case studies were then presented by managing authorities, describing what they wanted to achieve through CLLD. Olivier Le Pivert from Brittany, France, explained how his region is using EMFF - CLLD as a vehicle to support innovation, job creation and blue growth ([link to .ppt](#)). Michal Heller, Kujawsko-Pomorskie, Poland, indicated that his regional authority intends to use the ESF to support CLLD for activities that require the involvement of all sectors of the community, in particular targeting excluded groups which are not helped by other means and encouraging participation in programme implementation ([link to .ppt](#)). David Wilford, England, UK, highlighted that by comparison with other funding approaches, CLLD in the EAFRD was a high quality scheme for creating and sustaining jobs and growth. He also mentioned that LEADER now covers about 85% of rural England and represents a powerful instrument that complements other existing local initiatives, in particular Local Economic Partnerships (LEP) ([link to .ppt](#)). The last presentation showed how the Regional Ministry in the Czech Republic has a clear strategy for using the ERDF to revitalise rural areas. This is complemented by an Environment Ministry pledge to investment in CLLD to address local challenges linked to nature and landscape ([link to .ppt](#)).

Keynote presentation strengthening the legitimacy of the local development approach

Mr Dan Owen, from the World Bank, illustrated the potential and wider applicability of the local development approach by presenting his institution's experience in Community Driven Development (CDD). His presentation highlighted the commonalities between CDD and CLLD (e.g. local empowerment, shared prosperity...). The World Bank's experience shows that CDD is cost effective and leads to positive economic and social outcomes.

Mr Owen emphasised the need for robust monitoring and evaluation systems to track results and impacts, beyond merely anecdotal evidence, thus contributing to strengthening CDD/CLLD legitimacy ([link to .ppt](#)).



Working groups: the added value of CLLD – new perspectives on what can be achieved

The purpose of the working groups was to highlight and help delegates understand the added value of CLLD across the ESI funds. Using the world café format, the participants worked together in small groups to define (i) what CLLD has done in their country or region that is distinctive; and (ii) How CLLD could add value in relation to the following themes: community action, entrepreneurship, social enterprise, and refugees. The key elements of the discussion are captured in the table below:



Theme	What has CLLD done that's distinctive?	How CLLD could add value?
Community action	<p>Built local capacity to understand and adapt to changing local circumstances</p> <p>Promoted partnership between local government and community groups</p> <p>Fostered community capacity and cohesion, including by involving other ethnic groups (principle of supporting community building, e.g. Finland)</p> <p>Empowered specific target groups (e.g. women)</p> <p>Fostered cooperation, transfer of best practices</p>	<p>Encourage dialogue between inland and coastal areas)</p> <p>Identify champions, leaders and build communication around their experience</p> <p>Target small-scale initiatives</p> <p>Establish links between urban and rural areas</p>
Entrepreneurship	<p>Supported business innovation</p> <p>Introduced a stronger focus on jobs / green/blue growth</p> <p>Promoted e-business</p> <p>Linked deprived areas to areas of opportunity</p> <p>Helped develop new products (diversification, processing)</p> <p>Created new market opportunities (e.g. local sourcing, local supply chain)</p> <p>Promoted tourism in deprived regions</p> <p>Encouraged a better use of the social capital by the economic sector</p> <p>Created a new generation of local enterprises (SME hubs)</p> <p>Facilitated outreach of bank and private financing at early stage</p> <p>Developed skills in raising finance and served as "guarantee"</p>	<p>Continue supporting peer-to-peer learning</p> <p>Continue to foster local, national, and international cooperation to export successes</p> <p>Encourage riskier but potentially more rewarding activities</p> <p>Continue supporting start-ups and financing preparatory work</p> <p>Take small scale enterprises to larger scale market</p> <p>Help small enterprises to take part in local decision making</p> <p>Create support networks that go beyond the programme and encourage mentoring</p>



Theme	What has CLLD done that's distinctive?	How CLLD could add value?
Services, social enterprise	<p>Developed service centres and contact points, and encouraged and enabled communities' investment and ownership to retain services (e.g. Sweden)</p> <p>Established social enterprises and education initiatives involving all relevant actors (e.g. Romania)</p> <p>Supported collaboration along the supply chain (e.g. Sweden)</p> <p>Transferred social enterprises from local authorities to community-led social companies</p> <p>Supported / reached the most disadvantaged and brought services closer to the people</p>	<p>LEADER can play an important role in networking, coordinating actions (e.g. social, services, housing, food, health)</p> <p>Promote local solutions to local problems</p> <p>Develop a culture of self sufficiency</p> <p>Address the needs of children and people with disabilities</p> <p>Encourage communities to seek economies of scale</p> <p>Identify local needs and define where gaps and opportunities are</p>
Refugees/migrants	<p>Local development strategies may already have tools available (e.g. developed for orphans, mothers, young people, disadvantaged)</p> <p>Local development strategies include actions on creating opportunities for integration.</p>	<p>Act as a platform to facilitate discussion on how to deal with refugee /migrant issues and how to provide initial, basic support</p> <p>Define a long term plan for migrant integration</p> <p>Develop actions to help the local community to cope with this challenge (e.g. seminar with psychologists)</p> <p>Acknowledge and capitalise on what has already been achieved</p>

Integrating CLLD Funds – panel discussion

The panel discussion focused on a Scottish example of CLLD implementation, and different approaches to integrating CLLD Funds adopted elsewhere in the United Kingdom.

Alistair Prior and Estelle Jones, Scotland, UK, presented the Scottish CLLD framework. Based on the lessons of the previous period, and the demand from stakeholders, the Scottish Government has adopted a multi-fund approach for the 2014-2020 period, involving the EMFF and the EAFRD, with the latter as the lead fund. Twenty-one local development strategies have already been approved, including a number covering both coastal and rural areas. There are some challenges to be overcome, such as the harmonisation of programme rules, but overall the expectation is for more territorial coherence, better participation from 'marginalised' beneficiaries, and a lower administrative burden.

In relation to England, Matt Sowrey and David Wilford stressed the importance of maintaining the momentum from the previous period. At government level, a clear effort has been made to foster



cross-departmental dialogue on the development of a common strategy. Existing LAGs were also encouraged to look for other sources of funding to match the EAFRD funds (where relevant, also using the EMFF, ESF and ERDF in their strategies). To incentivise this process, FLAGs can, for example, score extra points if they demonstrate teamwork with LAGs, e.g. through the sharing of running costs.

Neil Howard and Gail Merriman, Wales, UK, explained that the multi-fund approach was an obvious one for Wales, as the EMFF and EAFRD were managed by the same administrative body, and most of the FLAGs and LAGs areas overlapped. Therefore, Wales has established cross-fund coordination, bringing the ERDF, ESF, EMFF, EAFRD together at government level to facilitate the funding of integrated strategies.

Why integrate? - Plenary session

This plenary session included the presentation of four examples of different ways that EU funds are used or combined in practice.

Anastasios Perimenis, Lesvos Island, Greece, indicated how a long term strategy could / should adapt to short term priorities. Since 2003, the Lesvos local development agency (ETAL) has been applying a multi-fund approach, based on one integrated local development strategy (addressing fisheries, agriculture, social affairs, and regional development). The recent refugee crisis has greatly challenged the community, forcing it to adapt to this new context. Success for Lesvos lies in overcoming this challenge and turning it into an opportunity for innovation, job creation, animation, and coordination. The key lesson was to act locally but to think globally, and to focus on the real needs of people. ([link to .ppt](#))

Gerallt Llewelyn Jones, Menter Mon LAG, Wales, UK, suggested that if we look beyond the challenges, the integration of different funds could be a vehicle for change at local level. For example, in Wales a popular recreational activity, walking, had been exploited as a source of economic growth. The LAG also supported the development of around 45 food processing businesses. ([link to .ppt](#))

Nadia di Liddo, Ponte Lama LAG, Puglia, highlighted that in Italy more than a quarter of the LAGs are in the same territory as a FLAG. In Puglia, some FLAGs and LAGs have decided to join forces to jointly promote food produced by agricultural and fisheries activities. This partnership approach has helped them to gain a clear advantage over other areas, opening up opportunities to showcase the positive characteristics, and the requirements, of both sectors ([link to .ppt](#))

Ton Overmeire, The Hague municipality, the Netherlands, explained how the city had developed a long term economic development strategy, fostering skills development and innovation, and had decided to pilot a CLLD approach. A consultative process and SWOT analysis were carried out, leading to an integrated territorial strategy. To implement this strategy, the city drew on local, national and European's funds (EAFRD, ESF and ERDF funds). Mr Overmeire emphasised that the key to success was the city's strong commitment to subsidiarity ([link to .ppt](#)).



How to make progress on CLLD? – working groups session

The purpose of these working groups was to develop a better understanding of how CLLD is working within the different funds at local level and how this could be improved. The working groups looked at different implementation models and explored the advantages and disadvantages of each, as summarised in the table below:

Type of Model	Advantages	Disadvantages	How to get there?
<p>A single integrated strategy using several funds</p>	<p>Stakeholder’s inputs are territorial and not sectorial</p> <p>Better response to local needs, as these are complex and cannot be addressed by a single Fund</p> <p>More holistic strategy</p> <p>LDS present an integrated logic of intervention for the area</p> <p>At local level, developing one common strategy means mutual recognition of local needs</p> <p>Breaks down silo mentality</p>	<p>Risk making the strategy very broad, general</p> <p>The need to dedicate a significant budget for communication and IT systems</p> <p>Audit requirements and different regulations make it very challenging</p> <p>Reporting obligations are not simplified (one report per fund)</p> <p>Loss of the direct link between an individual MA and the local level</p> <p>May be too much risk taking</p>	<p>Positive attitude</p> <p>Build on the existing tradition of dialogue</p> <p>Prepare the ground (show how this can work)</p> <p>Be transparent about risks, outcomes, potential benefits</p> <p>Develop one single delivery system for all funds; with one reporting system</p> <p>Recognise the importance of coordination across MAs (e.g. Welsh example)</p> <p>Harmonise regulation at the EU level is key</p> <p>Need consistency in interpretation and application of criteria (Develop CLLD core criteria)</p> <p>Overcome political resistance</p> <p>Set-up a CLLD steering committee</p>
<p>A mono-fund strategy but using other funds at project level.</p>	<p>One coherent strategy with extra funding</p> <p>Simple governance: no need for lead fund, no coordination mechanism</p> <p>Auditing and transparency are clearer</p>	<p>No real bottom up process</p> <p>Lack of common framework</p> <p>Greater administrative burden</p>	<p>Need to clarify the rules of each ESIF</p> <p>Need to harmonise the timeline of ESIFs (e.g. timing of calls)</p> <p>Improve knowledge and support in</p>



Type of Model	Advantages	Disadvantages	How to get there?
	Allows sequential development	More challenging to find additional co-financing (e.g. timing issue)	accessing different funds
Cooperation between groups under different funds	<p>Model well known as the dominant one</p> <p>You cooperate only if there is an added value</p> <p>Close link and ownership between sector and its strategy / area</p> <p>Allows alignment of funds while providing clarity about the role of each fund</p>	Cooperation between different entities without integration can only have a limited impact	<p>Establish joint monitoring committee</p> <p>Need capacity building and effective communication</p>

Wrapping up DAY 1:

Roman Haken, European Economic and Social Committee, concluded Day 1 by highlighting the fact that CLLD as an approach is not limited to rural areas only, but is also relevant, and has been successfully applied, in urban areas too. He also stressed the importance of having a fair distribution of the budget between the different types of area. He encouraged the Member States to carry out a robust mid-term evaluation and to use this opportunity to possibly adjust the Partnership Agreements /Operational Programmes to widen the scope of CLLD.

The following key words were suggested as a leitmotiv for the future: coordination, promotion, simplification, evaluation.

Facilitating CLLD implementation - Presentation and Panel

The session was opened with two presentations by Member States that have pioneered the multi-fund implementation of CLLD.

Joanna Gierulska, Ministry of Agriculture and Food, Poland, stressed the importance of keeping the CLLD process simple and transparent; including through a broad application of simplified cost options (SCO). For the simplification of rules, she advocates a bigger role for LAGs; including giving them the responsibility to sign contracts for certain types of grants (umbrella projects), verify grant payment claims, and for reporting. For the transparency of the process, she recommended common calls with a common set of criteria and one selection committee at the LDS selection stage. She also recommends setting-up a CLLD working group at the institutional level, involving all the relevant MAs. ([link to .ppt](#)).

Johan Magnusson, Swedish Board of Agriculture, suggested that coordination between funds was helping to broaden CLLD coverage and the partnerships, increase synergies, and enhance economies of scale. In Sweden, the LAG is the single entry point for beneficiaries, a single MA manages all the funds, and national implementing rules are harmonised. According to him, the starting point for success was the political will and good cooperation between ministries and other responsible authorities. To achieve this coordination, a great emphasis was put on promoting visibility and knowledge, in particular regarding the “new” funds. It was important to constantly communicate with relevant stakeholders at all levels (horizontal, vertical) and to recognize that it all takes time ([link to .ppt](#)).



Following these presentations, Elisa Roller moderated a panel discussion involving Dan Owen, Judit Torokne Rozsa, Gerralt Lewellyn Jones, Anastasios Perimenis, Bryan McGrath (Scottish Borders Council, UK), and Christina Frieberg (Swedish FLAG Network). This provided the opportunity for further exchange on how best to facilitate CLLD implementation. There was a general consensus on the need to further promote the multi-funding approach to CLLD, with the following positive attributes underlined:

- It helps to overcome potential tension and mistrust between the different actors (vertical and horizontal integration);
- It allows for more integrated and shared decisions at all the levels (from local to national);
- It reinforces European cohesion and supports the evolution needed to respond to changing local needs.

Some of the advice given by the panellists include:

- To be clear about the problems the multi-fund strategy is trying to solve;
- To ease the process with robust support tools (e.g. IT systems, common templates);
- To dedicate significant time and energy to good communications in order to avoid any misunderstanding and build trust;
- To undertake mid-term evaluation and to adapt the process to the reality/ local context.



Facilitating CLLD implementation – Clinics

This ‘clinic’ style session allowed time for technical and practical questions but also to encourage peer-to-peer learning and exchange of experience. A total of nine clinics were organised, each one hosted by a CLLD practitioner with practical experience of the particular topic for discussion. The clinics focused on key issues relating to CLLD delivery and coordination and included topics identified by participants on their registration forms. There were three successive rounds of clinics, so participants had the opportunity to join three discussions of their choice. The main outputs are summarized in the table below:

Clinic topic	Key messages
Simplifying the delivery of CLLD: SCOs and other simplification tools	<p>The use of lump sums for preparatory support and a flat rate for running costs and animation was proposed</p> <p>Simplification measures with a lead fund could be based on the Polish LEADER methodology/ experience</p>



Clinic topic	Key messages
	<p>Review the remaining fund-specific rules that hinder the potential benefits of using SCOs for the MAs and beneficiaries</p> <p>Go further in terms of harmonising the SCOs rules across the different ESI Funds.</p>
<p>Transparent decision-making in the LAG, including how to avoid conflicts of interest</p>	<p>Project evaluation criteria: Board members should be able to score individually but a group process is essential to avoiding "extremes"</p> <p>Clear arguments as to why some application are disqualified, based on the evaluation criteria, should be given</p> <p>Peer to peer learning between the old and new MS/ LAGs should be supported</p>
<p>Preparatory support: design and implementation</p>	<p>Need good communication on how to apply</p> <p>How to define animation?</p> <p>How to promote transparent procedures?</p> <p>How to develop tools and share them: peer-peer exchange is essential</p> <p>Preparatory support is eligible even if the strategy is not ultimately selected</p> <p>A number of MSs use simplified costs under preparatory support, this can greatly speed up both the application and reporting process</p> <p>The task of new LAGs with no experience is particularly challenging. A good method could be peer learning with more experienced groups and the use of small pilot projects</p>
<p>Lead Fund for running costs and animation: how to make it work</p>	<p>The Lead Fund is usually the "biggest" fund involved in a given strategy; often the EAFRD</p> <p>Running and animation costs: up to 25% of the total budget of the LDS (from all the funding). The running and animation costs may be taken over by the Lead Fund</p> <p>Animation is defined in the regulation, article 35, as actions to facilitate exchange between stakeholders</p> <p>Need clarification on how to operate advance payments for running costs and animation</p> <p>Need clarification on how to apply simplified cost options for running costs and animation is needed, the potential risks, and good examples</p>
<p>How to address audit considerations/eligibility issues?</p>	<p><u>Audit considerations:</u> Importance of training (F)LAG and Accountable Body staff,</p>



Clinic topic	Key messages
	<p>Offer the possibility of pre-audit checks to minimize errors</p> <p><u>Eligibility:</u> Clearly define what is not eligible as a starting point and then put in place the necessary wording around eligibility checks to ensure a proper audit trail is created</p>
The selection of local development strategies: designing and implementing the process	<p>Need a clear, simple and transparent process</p> <p>Need good communication with targeted audiences</p> <p>The local strategy is a living document and is essential for CLLD implementation. Make it concrete, simple, and share it</p>
Simplifying CLLD at local level: practical experiences	<p>MAAs need to trust (F)LAGs and support their decisions</p> <p>Need robust local administrative bodies to absorb the complexity of the different ESIF rules</p> <p>Need good “incentives” to avoid staff turnover in (F)LAGs</p> <p>Ultimate responsibility for simplifying CLLD lies with the F/LAG; project promoters should not be scared away</p>
The integration of excluded groups	<p>Important to distinguish between economic, ethnic, demographic, educational and other causes of exclusion</p> <p>Integration of excluded groups is essential for sustainable growth and social coherence</p> <p>The involvement of excluded groups in the development process is crucial and the design of incentives for participation is key for success</p> <p>It is important to keep in mind that CLLD is a territorial/local area approach, aimed at bridging the "last mile" in the periphery</p> <p>Proposal to use the administrative capacity of F/LAGs to support the distribution of food packages for the very poor and most deprived persons in rural areas</p>
The integration of refugees	<p>Using CLLD as a tool for integrations has been pioneered in Sweden and Finland</p> <p>Some activities that a local community can undertake with CLLD support to ease integration are: (1) Language practice together with Swedish people (e.g. language café, knitting group, singing in a choir); (2) internships in Swedish workplaces</p> <p>Refugees also present an opportunity for remote areas; helping to bring a new dynamism and to maintain population numbers needed for schools, post offices and other services</p> <p>The lack of economic opportunities at local level is a real challenge but mutual learning can also happen</p>



Conclusions and priority next steps

Elisa Roller reflected on some important lessons emerging from the seminar and concluded that better coordination of the ESIF would help to unlock the potential for growth and jobs that exists in local communities. She stressed the point that it is not possible to achieve sustainable development in an area without involving a broad range of partners and funding sources. Multi-funding is another step in the process of transferring more responsibility to local communities for the development of their areas. Member States should, therefore, encourage such processes by developing a harmonised and simple delivery system. She finished by encouraging Member States to share their experience and results in implementing CLLD multi-fund approaches for the benefit of others.



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