



# COMMUNITY-LED LOCAL DEVELOPMENT

## COHESION POLICY 2014-2020

The European Commission adopted [legislative proposals for cohesion policy for 2014-2020](#) in October 2011

This factsheet is one in a [series highlighting key elements of the future approach](#)

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## Topic

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Over the past 20 years, the LEADER approach<sup>(1)</sup> to community-led local development (CLLD) – based on the experience of an initiative financed by EU Structural Funds, designed to help rural actors consider the long-term potential of their local region, has proven an effective and efficient tool in the delivery of development policies. The European Commission has promoted this delivery method through other Community Initiatives also, such as URBAN<sup>(2)</sup> and EQUAL<sup>(3)</sup>. In the case of LEADER, for which continuous EU support has been provided since 1991, it has become an important element of rural development policy with a high level of acceptance all over Europe. Since 2007, local development has also been a policy delivery tool in the European fisheries sector.

The draft regulation (Articles 28-31)<sup>(4)</sup> for future CLLD are based on the LEADER approach and concern all the Funds covered by the Common Strategic Framework (European Regional Development Fund, European Social Fund, European Agricultural Fund for Regional Development, European Maritime and Fisheries Fund and Cohesion Fund) in the 2014-2020 programming period (the CSF Funds).

CLLD is a specific tool for use at sub-regional level, which is complementary to other development support at local level. CLLD can mobilise and involve local communities and organisations to contribute to achieving the Europe 2020 Strategy goals of smart, sustainable and inclusive growth, fostering territorial cohesion and reaching specific policy objectives.

## What is proposed?

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The Commission proposes a single methodology regarding CLLD for the CSF Funds, which:

- » focuses on specific **sub-regional territories**;
- » is community-led, by **local action groups** composed of representatives of local public and private socio-economic interests;
- » is carried out through integrated and multi-sectoral **area-based local development strategies**, designed taking into consideration **local needs and potential**; and
- » includes **innovative features** in the local context, **networking** and, where appropriate, **co-operation**.

This single methodology will allow for **connected and integrated use of the Funds to deliver local development strategies**.

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(1) LEADER: *Liaison Entre Actions pour le Développement de l'Economie Rurale* – Links between the rural economy and development actions.

(2) URBAN II Community Initiative of the ERDF supported innovative strategies for sustainable economic and social regeneration in a limited number of urban areas throughout Europe from 2000-2006; the URBAN Community Initiative ran from 1994-1999.

(3) EQUAL Initiative of the ESF focused on supporting innovative, transnational projects aimed at tackling discrimination and disadvantage in the labour market from 2000-2006.

(4) See Articles 28-31 of the draft general regulation Common Provisions on the ERDF, ESF, the Cohesion Fund, the EAFRD and the EMFF.

## Main aims of community-led local development

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The main aims of the Commission proposal are to simplify and expand the use of CLLD as a development tool. The CLLD proposals will:

- » encourage local communities to **develop integrated bottom-up approaches** in circumstances where there is a need to respond to territorial and local challenges calling for structural change;
- » **build community capacity and stimulate innovation** (including social innovation), entrepreneurship and capacity for change by encouraging the development and discovery of untapped potential from within communities and territories;
- » **promote community ownership** by increasing participation within communities and build the sense of involvement and ownership that can increase the effectiveness of EU policies; and
- » **assist multi-level governance** by providing a route for local communities to fully take part in shaping the implementation of EU objectives in all areas.

## The key components of community-led local development

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- » The **local action groups** should be made up of representatives of local public and private socio-economic interests, such as entrepreneurs and their associations, local authorities, neighbourhood or rural associations, groups of citizens (such as minorities, senior citizens, women/men, youth, entrepreneurs, etc.), community and voluntary organisations, etc. Civil society and private sector partners should have at least 50% of the decision-making power and no single interest group should have more than 49% of the votes.
- » The **local development strategies** need to be coherent with the relevant programmes of the CSF Funds through which they are supported. They should define the area and population covered by the strategy; include an analysis of the development needs and potential of the area, including a Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis; and describe the objectives, as well as the integrated and innovative character of the strategy, including targets for outputs or results. The strategies should also include an action plan demonstrating how objectives are translated into concrete projects, management and monitoring arrangements, and a financial plan.
- » The **area and population coverage** of a given local strategy should be coherent, targeted and offer sufficient critical mass for its effective implementation. It is up to the local action groups to define the actual areas and population that their strategies will cover, but they must be consistent with criteria that the Commission will lay down through a delegated act. For reference, the 2007-2013 provisions concerning the population coverage under the LEADER programme aim at a minimum population of 10 000 and maximum of 150 000. The average population concerned by the URBAN II programmes funded by the ERDF in the 2000-2006 period was approximately 30 000 inhabitants.

## What is new?

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In the 2014-2020 programming period, the more explicit support, in the form of a joint legal framework and harmonised rules for the five CSF Funds, will increase consistency and encourage the creation of multi-Fund local community-led strategies. Several features in the Common Provisions for the CSF Funds are aimed at simplifying the implementation of community-led local development for the beneficiaries:

- » **A single methodology for CLLD** will be applicable across all Funds and regions – enabling all territories to benefit from EU support for capacity building, local public private partnerships and their strategies, networking and exchange of experience;
- » **Support from the CSF Funds will be consistent and coordinated.** This will make it easier for beneficiaries to create multi-Fund strategies better adapted to their needs and areas, for instance, in an area that contains both rural and urban aspects. This will be ensured through coordinated capacity-building, selection, approval and funding of local development strategies and local action groups;
- » **Lead Fund:** In the case of multi-Fund strategies, there will be the possibility to finance the running costs and organisation of the local development strategy through one single Fund (i.e. the Lead Fund);
- » **Incentives:** In terms of cohesion policy, for those Operational Programmes where an entire priority axis is delivered through CLLD, the maximum co-financing rate from the ERDF and/or the ESF at the level of a priority axis will be increased by 10 percentage points.<sup>(5)</sup> In the case of EAFRD, depending on the circumstances, the maximum co-financing rate for CLLD can vary between 80% and 90%<sup>(6)</sup> and for the EMFF the maximum co-financing rate is 75%.<sup>(7)</sup>

## How can the different Funds be used in CLLD?

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**ERDF/ESF:** The adoption of the Lisbon Treaty and Europe 2020 Strategy provide a reinforced rationale for an integrated and inclusive approach to tackling local problems. In particular, the focus on the quality of growth, and the need to ensure that it is inclusive and sustainable, mean that in line with the objectives of economic, social and territorial cohesion, cohesion policy should support actions to address areas of unemployment, deprivation and poverty.

The community-based approach is not new. The Urban Pilot Projects<sup>(8)</sup> in the 1990s and the URBAN Community Initiative programmes (1994-1999 and 2000-2006) funded by the ERDF, and the EQUAL initiative (2000-2006) funded by the ESF, were based on local partnerships and therefore provide a useful source of experience for the CLLD approach in the future.

**EAFRD:** The importance of community involvement has been demonstrated by the success of CLLD, supported in the LEADER approach. The success of the approach is evident by the 2 304 local action groups now operating across the EU, with actual total funding of EUR 5.5 billion (6% of the EAFRD funding).

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(5) See Article 110 (5) of draft Common Provisions Regulation on the ERDF, the ESF, the CF, the EAFRD, and the EMFF.

(6) See Article 65 (4) (a) of the draft Regulation on support for rural development by the EAFRD.

(7) See Article 94 (2) of the draft Regulation on the EMFF.

(8) During the period 1990 to 1993, a total of 33 Urban Pilot Projects were initiated under the aegis of Article 10 of the ERDF. These projects were implemented in 11 Member States and aimed to support innovation in urban regeneration and planning within the framework of the broader policy for promoting economic and social cohesion.

This approach serves as the basis for the new Commission proposals on CLLD in that it is: area-based; bottom-up; public-private; integrated; innovative; co-operative and involves the use of networking. In the future, the compulsory ring-fencing of 5% of each Member State's EAFRD allocation will continue in the 2014-2020 period, while the new proposals will also greatly strengthen the integrated aspect of the approach.

**EMFF:** Since 2007, Priority Axis 4 of the European Maritime and Fisheries Fund (EMFF) has provided support for the sustainable development of fisheries areas, by ensuring that the actions undertaken by the Fisheries Local Action Groups (FLAGs) build on the unique strengths and opportunities of each fisheries area; exploit new markets and products; and incorporate the knowledge, energy and resources of local actors from all sectors.

Almost 213 FLAGs are now in operation in 17 Member States. In the future, the new proposals will strengthen the ability of these FLAGs to carry out their work and provide an enhanced opportunity for integrated working with other sectors and neighbouring areas.

## What are the implications of the proposed common methodology?

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- » As community-led local development is area-based and can be financed by the different CSF Funds, it is an ideal methodology for building linkages between urban, rural and fisheries areas.
- » Member States will need to specify in their partnership contract how they intend to support CLLD and indicate in which programmes and areas CLLD may be used. While CLLD is optional for the ERDF, the ESF, and the EMFF, it is compulsory for the EAFRD.
- » As the CLLD strategies created by local action groups may cover operations for one or more Funds, there needs to be consistency and coordination between the Funds. Member States and Managing Authorities will have to define the criteria for the selection of local development strategies and ensure that calls and procedures are coordinated between the Funds. Selection and approval of the strategies will be carried out by a joint committee set up for this purpose by the Managing Authorities concerned, which will ensure that multi-Fund strategies receive coordinated funding for the complete strategy.
- » The deadline for selection and approval of local strategies is the end of 2015. As there is no automatic 'carry-over' from this funding period into the next, existing local action groups from the EAFRD and the EFF will have to submit new strategies. The new proposals also allow for the existing local action groups to consider widening their local strategies to include the use of other CSF Funds.
- » In those areas in which the Member States indicate that CLLD may be used, they and the Managing Authorities will need to engage in capacity-building activities to ensure that local communities, especially those in vulnerable areas with limited capacity, are enabled to fully participate. This can be achieved by building local action groups and formulating viable strategies.
- » Potential local action groups need to engage in dialogue, at an early stage, with the relevant Managing Authorities to make sure that their needs and concerns are known and can be taken into account in the design of the programmes.