



Considerations concerning future ERDF support to Leader approach Local Development

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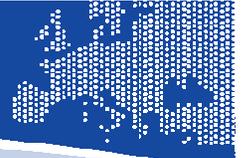
European Commission

DG Regional Policy

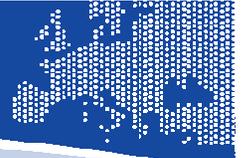
'Urban Development, Territorial Cohesion'

Hearing on Leader as a tool for local development

EESC, Brussels, 20 June 2011

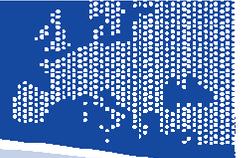


*“ Those of us who are concerned with
unlocking human potentials
need to recognise the importance of authorising citizens
to constitute their own
local jurisdictions and associations
using the
knowledge and experience
they have concerning the
public problems they face.
We have much to do to
enable citizens
all over the world to
**participate actively in local public
economies”***



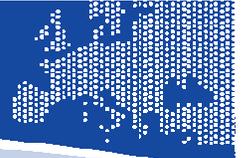
Local development: key features (1)

- Endogenous development
- Community led
- Area-based
- Bottom-up
- Integrated approach



Local development: key features (2)

- **Inputs:** area, sense of belonging, community, bottom-up, partnership, endogenous potential, proximity.
- **Outputs:** local beneficiaries, self-help, increased incomes and revenues, access to services, quality, efficiency, relocation, diversification, new methods, and increased local value.
- **Outcomes:** collective and common goods, development, strategy, regeneration, effectiveness, future, social innovation, empowerment, legitimacy, well-being, amenities, and collective intelligence.



Local Development: EU relevance

- **Lisbon Treaty** - implementation of **territorial cohesion** – supporting multi-level and flexible programming, multi-level governance and functional areas; especially relevant for deprived (urban) areas
- **Europe 2020 Strategy** - qualitative and inclusive growth based on bottom-up transformation & social innovation at local level
- Increased **visibility** for the EU and local ownership of EU objectives



Local Development in 5th Cohesion Report: Reinforcing partnership

Effective implementation of Europe 2020 requires a governance system involving the actors of change in Member States & linking the EU, national, regional and local levels of administration.

- Representation of local & regional stakeholders, social partners & civil society in both the policy dialogue and implementation of cohesion policy should be strengthened.
- In this context, the role of **local development approaches under cohesion policy should be reinforced**, e.g., by supporting active inclusion, fostering social innovation, developing innovation strategies or designing schemes for regeneration of deprived areas.
- These should be **closely coordinated with similar actions supported under rural development and maritime policies**.



Local Development in 5th Cohesion Report: integrated experimental approach

Increasing thematic concentration...

... BUT... “thematic concentration should not prevent Member States and regions to experiment and fund innovative projects. **Ring-fencing expenditure for specific target groups or experimental approaches (e.g. *local development*)** might also be considered, possibly in the form of **global grants**”.

- Extend both the **scope and scale of financial engineering instruments**: in terms of scope, to encompass new activities (e.g. ... ***local development***,...); in terms of scale, to combine interest subsidies with loan capital or other forms of repayable financing.



Local Development: (EU related) weaknesses

- More **time consuming** than top-down approaches; Small scale operations may decrease absorption capacity of funds and will require technical assistance
- Results and **impacts may take time to become visible** and may be difficult to measure
- May have **limited influence** on problems calling for structural policies and/or large scale investments outside area concerned
- **Risk of inconsistent or incoherent actions** if not well integrated with regional, national and European Frameworks
- Risks associated with **conflicts of interest**



ERDF co-financed Local Development

- Urban Pilot Projects => URBAN Community Initiative (URBAN I 1994-1999 and URBAN II 2000-2006).
 - Most important success factor: **ownership at local level**
 - Evidence of positive change in programme areas through improved performance in relation to economic, health, crime, education, etc.
 - Stakeholders saw main benefits of the URBAN programme in the **method** itself: promotion of **integration, flexibility, partnership building** and **local agenda**

[Ex-post evaluation of the URBAN Community Initiative 2001-2006]

► *2007 – 2013 within the mainstream programmes*



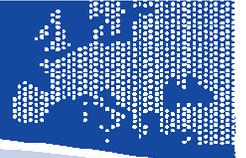
Current ERDF legal framework

- Concentrates mainly on integrated urban development.
- No detailed provisions on the local/community development method, funding, administration or delivery mechanisms.
- Non mandatory (contrary to EAFRD and EFF)
- Take-up appears to be modest, at best varying



Issues of concern for future ERDF support to Local Development

- Lack of incentives (for Managing Authorities, end users, etc) under current ERDF
- Need for capacity building at local level
- No clearly defined methodology
- Lack of coherence with other programmes and funds
- Need for coherence with overarching regional, national and European strategies



Considerations for Local Development in future ERDF (1)

Incentives =>

- Have visibility in the cohesion policy framework (regulation & guidelines)
- Have incentives for managing authorities ('push approach')
- Be attractive ('pull approach') for local and regional authorities, third sector and private partners
=> Simplification, lumps sums, global grants

Capacity building at local level =>

- Adequate support is needed to allow for the development of sustainable local groups and strategies (via for example URBACT type networks).



Considerations for Local Development in future ERDF(2)

Methodology =>

- Have directive & clear definition of the method itself;
- Support to be targeted at sub-regional areas with min/max number of inhabitants:
 - have critical mass in terms of human, financial and economic resources for viable strategies; AND
 - target place-based communities including grass-root participation
- Be supported by URBACT, FARNET, LEADER or similar networks:
 - open space for dissemination of good practices
 - more visibility to integrated and bottom-up strategies.



Considerations for Local Development in future ERDF (3)

Coherence with other programmes and funds =>

- Be complimentary, coherent and coordinated with similar initiatives in other EU funds (EFF, EARDF, ESF, ...)
(how to bring different initiatives in phase?)
- Simplification, harmonisation of financial rules & eligibility across LD initiatives supported by EU funds

Coherence with overarching strategies =>

- Strategies defined by local partnership groups should be coherent with the wider strategic focus of programme and/or functional area level;
- LD strategies should be coordinated within the Commission



Future ERDF Local Development

- No earmarking / ring fencing of funds

BUT

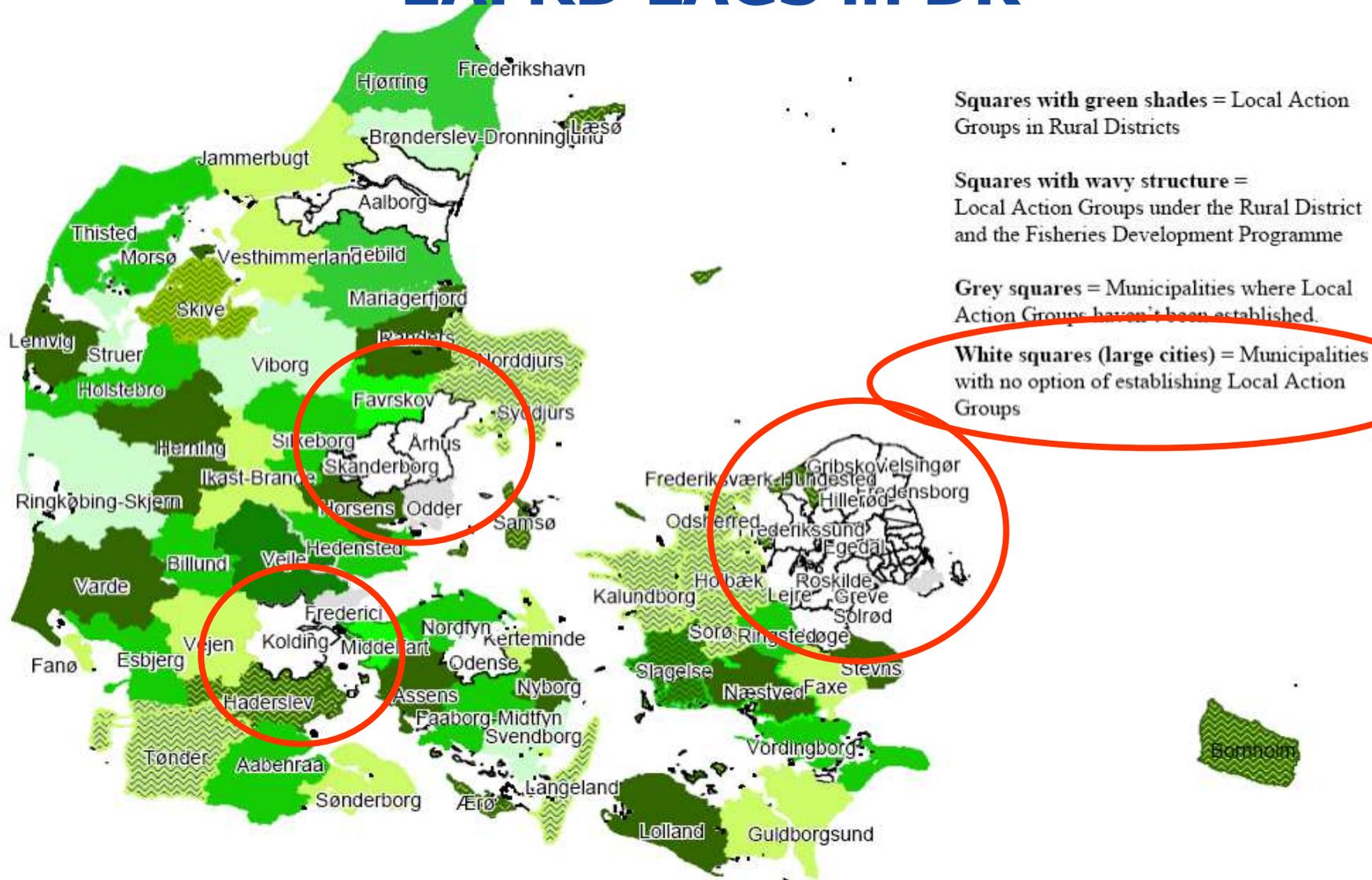
- Coherent and conducive EU framework for integrated approach on the ground, including harmonisation of regulation and financial rules
- Territorial chapter in Common Strategic Framework, National Partnership Contracts and Operational Programmes including coordination with other Funds
- Basic principles of Local Development outlined in regulation

SUCCESS WILL DEPEND ON

- Capacity and willingness of Member States and regions
 - to invest in Local Development
 - to coordinate actions and funding between Funds
- Effective capacity building, especially regarding vulnerable communities & areas



EAFRD LAGS in DK





Thank you for your attention!

Report:

“COHESION POLICY SUPPORT FOR LOCAL DEVELOPMENT:
BEST PRACTICE AND FUTURE POLICY OPTIONS” (April 2010)

http://ec.europa.eu/regional_policy/consultation/terco/index_en.htm

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