

Preserving the specific features of Community-Led Local Development post-2020

The Commission adopted in May 2018 its proposal for a Common Provisions Regulation (CPR) covering the post-2020 period. Articles 25-28 contain specific provisions for the implementation of Community-Led Local Development (CLLD) in the 2021-2027 programming period, using funding from the EAFRD¹ ERDF, ESF and EMFF.

The Articles of the CPR are a legal translation of the specific features that compose the LEADER method. These were identified by the LEADER II Observatory in 2000² and their application widely accepted as the elements that can deliver European added-value. The European Court of Auditors used these features to assess in 2010 the “Implementation of the LEADER approach for rural development”³, and the Commission considers that these features still form the framework against which LEADER should be evaluated⁴.

Most of the new draft regulation is based on the current CPR (2014-2020), although lessons from the current period were considered when drafting the new proposal. The wording of the final Regulation will be crucial for a proper implementation of CLLD and it is very important that the drafting is not watered down during the negotiations with the co-legislators.

The table below focuses on two specific aspects of the CLLD method: the local partnership and the selection of projects at the local level.

CPR 1 (2014-2020) ⁵	Draft CPR 2 (2021-2027) ⁶	Comment
Partnership		
<p>Article 32: “CLLD shall be led by local action groups composed of representatives of public and private local socio-economic interests, in which, at the decision-making level neither public authorities, as defined in accordance with national rules, nor any single interest group represents more than 49 % of the voting rights”.</p>	<p>Article 25: CLLD shall be “led by local action groups composed of representatives of public and private local socioeconomic interests, in which no single interest group controls the decision-making”.</p>	<p>The composition of the local partnership is an essential feature of CLLD, which is well defined in Article 32 of the CPR 1. In the negotiations, it proved quite difficult to keep this formulation as it met with strong opposition notably from representatives of public authorities.</p> <p>In the draft CPR 2, the proposed wording is not very precise and could lead to many interpretation issues to define what a “single interest group” could be.</p>

¹ The EAFRD is not included in the new CPR but the articles on CLLD are applicable to LEADER, which remains a compulsory component of rural development programmes, with 5% of the budget ring-fenced.

² See https://enrd.ec.europa.eu/leader-clld/leader-resources/leaderII_en. The definition of the seven features has evolved during the history of LEADER: the original included “Local financing and management” as a feature. This disappeared at a later stage, whilst “networking” and “cooperation” became two separate features.

³ Special Report No 5 2010, see https://www.eca.europa.eu/Lists/ECADocuments/SR10_05/SR10_05_EN.PDF

⁴ https://enrd.ec.europa.eu/evaluation/publications/evaluation-leaderclld_en

⁵ REGULATION (EU) No 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013

⁶ COM (2018) 375 final 2018/0196 (COD), 29.5.2018.

<p>Article 34: The Local Group is in charge of “drawing up a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest, <i>ensure that at least 50 % of the votes in selection decisions are cast by partners which are not public authorities,</i> and allow selection by written procedure”.</p>	<p>Article 27: The Local Group is in charge of “drawing up a non-discriminatory and transparent selection procedure and criteria, which avoids conflicts of interest and ensures that <i>no single interest group controls selection decisions</i>”.</p>	<p>Not using a specific percentage can lead to interpretation issues, lowering the impact of this rule which can be difficult to monitor and control.</p>
Selection of local projects		
<p>Article 34: Article 34 defines the obligatory tasks of the Local Group, which include “selecting operations and fixing the amount of support and, where relevant, presenting the proposals to the body responsible for final verification of eligibility before approval”.</p>	<p>Article 27: “The local action groups, exclusively, shall carry out all of the following tasks (...) “(d) selecting operations and fixing the amount of support and presenting the proposals to the body responsible for final verification of eligibility before approval”.</p> <p>The draft Regulation also foresees that “Where local action groups carry out tasks not covered by paragraph 3 that fall under the responsibility of the managing authority or of the paying agency, those local action groups shall be identified by the managing authority as <i>intermediate bodies</i> in accordance with the Fund-specific rules.”</p>	<p>The wording of the CPR 1 seemed quite clear but the role of the Local Group in the selection of local projects has been the subject of many interpretations and exchanges between Managing Authorities (MAs) and the Commission. MAs are responsible for the fund that are allocated to a programme and are often reluctant to hand over this role to another body.</p> <p>The new wording corresponds to the interpretation applied in the current period and should be easier to implement.</p>

The new CPR also paves the way for an easier implementation of multi-funding CLLD as it states in Article 25 that the rules of the Lead Fund will be applied to all strands of funding. LEADER will be implemented using the EAFRD rules, which are very flexible as they leave a great deal of freedom to the MS on the delivery mechanisms. These could be better adjusted to the specific features of CLLD projects, supporting small scale or umbrella projects, allowing the use of global grants, etc. but also making multi-funding more accessible to local groups.

The new draft CPR is better aligned with the LEADER method than the former CPR and should allow CLLD to be implemented in an optimal way. However, there is a risk that, in the negotiation process, the draft CPR will be under the pressure of those who want to use the financial means foreseen under CLLD for their own end. Watering down these rules could

make the method much less effective than it has been in the past and create many interpretation issues that could impede CLLD's implementation.