

European Committee of the Regions

NAT-VII/044

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OPINION

How post-27 LEADER and CLLD programming could contribute to better implementation of the long-term vision for the EU's rural areas

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR):

- calls for place-based policies to be bolstered and better targeted by boosting the capacity of the CLLD/LEADER instrument to meet the increasing expectations of rural development and territorial cohesion. These programmes have proven to be effective in empowering rural areas, but they now need to be tailored to meet future challenges
- considers crucial the need to simplify access to EU funding and procedures under a coherent and flexible approach to territorial development
- proposes establishing new implementation tools to bolster the support for CLLD-LEADER. These tools would be based on a lead fund whose management regulation would apply to contributions from the other mobilised funds with a mandatory percentage of funding earmarked for CLLD in each of these funds and on the use of lump-sum payments for small projects
- proposes encouraging the use of pre-financing and advance schemes for small projects. Furthermore, calls for the introduction of a mechanism to ensure the systematic payment of an advance representing 80% of the grant awarded as soon as the project has been approved
- calls for greater involvement of women in the decision-making bodies of LEADER projects and in CLLD and encourages all levels of society, from young people to the elderly, to participate in the planning and design of projects
- suggests stepping up communication and education initiatives on CLLD/LEADER in order to enable local actors to harness the full benefits of these programmes

Rapporteur:

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Reference document:

Opinion of the Commission for Natural Resources – How post-27 LEADER and CLLD programming could contribute to better implementation of the long-term vision for the EU's rural areas

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

General comments

- 1. notes that rural regions, which make up 80% of the EU's surface area, often experience a growing feeling of marginalisation, accompanied by a rise in euroscepticism;
- 2. notes that since 1991, in rural areas the LEADER method, subsequently covered by the CLLD (community-led local development) policy instrument through Local Action Groups (LAGs), has demonstrated that it can mobilise and empower local actors around innovative and tailored strategies. This helps achieve European objectives through initiatives rooted in rural areas;
- 3. points to the democratic added value of these territorial approaches. By enabling local communities to play a stronger and more direct role in shaping their development strategies, CLLD helps support the EU's fundamental values, such as citizen participation and social cohesion. The presence of LAGs in rural areas acts as a showcase for the European Union, and the majority of rural actors forge links to the EU through LAGs. The New European Bauhaus shares this idea, recognising that the community level is the most appropriate: results can be immediately implemented, seen and felt and different policy areas can be merged into a holistic approach¹;
- 4. expresses regret over the missed opportunity to formalise the 'Long-term Vision for Rural Areas of the European Union as a white paper with organisational authority, as well as the continued absence of an EU Agenda for Rural Areas, despite this having been mentioned by the European Parliament in its resolution of 3 October 2018; regrets, moreover, that the Commission delayed the publication of its communication and thus prevented it from being fully integrated into the current programming framework; notes with concern that the focus on the principles of integrated territorial development and community-led local development (CLLD) remains limited;
- 5. regrets that as matters stand at present, rural areas, which after all are showcases for Europe, are still too often marginalised. Faced with ongoing challenges, such as demographic change, digital transition, the need for sustainable agriculture producing affordable and high-quality food, and adapting to climate change, these areas often suffer from insufficient policy coordination. This leads to significant delays in democratic participation and access to basic services, infrastructure

¹ New European Bauhaus, 2023, p. 6.

and jobs². This situation weakens Europe's image, undermines efforts to achieve social, economic and territorial cohesion among the regions of the European Union and feeds euroscepticism which itself is threatening the unity and stability of the EU;

- 6. in the light of recent studies and reports³, calls for place-based policies to be bolstered and better targeted by boosting the capacity of the CLLD/LEADER instrument in order to meet the increasing expectations of rural development and territorial cohesion. These programmes have proven to be effective in empowering rural areas, but they now need to be tailored to meet future challenges;
- 7. stresses that CLLD/LEADER, as a tool that is already well established and well known in all rural areas across Europe, should be fully integrated into either the long-term vision for rural areas (LTVRA), driving that vision to achieve its objectives; underlines that strengthening tailor-made, integrated instruments, such as community-led local development, boosts the acceptance of the policy in the regions and contributes to fostering place-based approaches in cohesion policy;
- 8. calls on the Member States to make full use of CLLD-LEADER's capacities and the need to keep a sufficient level of funding for this programme, in order to keep and restore living and thriving local rural economies;
- 9. calls for this reflection to be placed in a broader context, namely the fragmentation of EU funding for rural areas. Historically, the European Agricultural Fund for Rural Development (EAFRD) has been the greatest contributor to the development of rural areas, but the increase in common agricultural policy objectives in recent years has left very little room for rural infrastructure and services, or for local development in general;
- 10. calls on the Commission to ensure that the rural, integrated and Community-led territorial dimension is properly addressed by all Member States and to assess its implementation and impact in the common agricultural policy strategic plans, the partnership agreements for the cohesion policy programmes and the Recovery and Resilience Plans;
- believes that other funds the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+) and the Just Transition Fund (JTF) – offer opportunities and solutions for rural areas;

Perpiña Castillo, C., Jacobs-Crisioni, C., Barranco, R., Curtale, R., Kompil, M., Vallecillo, S., Auteri, D. and Dijkstra, L., <u>Opportunities and challenges for remote rural areas in the European Union, European Commission, Ispra, 2023, JRC135398;</u> Vilcu, R., Van den Bossche, L., Altman, N., Ziegler, V., Salle, E. and Zomer, B. (2023); <u>Empowering rural areas in multi-level governance</u> <u>processes</u>, <u>SHERPA</u> position paper.

³ European Commission, Directorate-General for Agriculture and Rural Development, *Evaluation on the impact of LEADER on Balanced Territorial Development*, Commission staff working document, 2024;

European Commission, Directorate-General for Agriculture and Rural Development, Münch, A., Gorny, H., Badouix, M., Gaugitsch, R. et al., *Study on funding for EU rural areas – Final report*, Publications Office of the European Union, 2024;

European Commission, Directorate-General for Regional and Urban Policy, Commission staff working document, <u>COMMISSION</u> STAFF WORKING DOCUMENT Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the 9th Cohesion Report.

- 12. calls for all European structural funds to support job creation, social inclusion, services for rural populations, and innovation and competitiveness in the rural economy, and to provide adequate infrastructure for rural communities, including a sufficient amount of decent and affordable housing. A part of these funds should be earmarked to reinforce territorial approaches in rural areas through CLLD for non-agricultural rural development to complement actions supported under the LEADER approach. This will also be a fundamental way to address the geography of discontent;
- 13. considers crucial the need to simplify access to EU funding and procedures under a coherent and flexible approach to territorial development, particularly for rural areas, while maintaining the principles of multi-level governance and partnership, in particular in view of a future enlarged EU;

Making it easier for rural areas to access funding

- 14. points out just how important it is to develop a coherent and flexible approach to territorial funding. This will involve simplifying and facilitating access to EU funding through an approach that integrates the various funds;
- 15. recommends promoting the use of multi-fund types of funding, pending a new approach, while cutting back on the excessive red tape associated with current procedures as a priority.
- 16. recommends encouraging managing authorities to draw on best practices in the area of more flexible LEADER funding for the end of the 2021-2027 programming period;
- 17. proposes establishing new implementation tools to bolster the support for (CLLD-LEADER) community-led local development in the 27 Member States after 2027. These tools would be based on a 'common pot', including: a) a lead fund whose management regulation would apply to contributions from the other mobilised funds such as the European Agricultural Fund for Rural Development (EAFRD), the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+) and the Just Transition Fund (JTF); b) a simplified regulation for small projects, in order to reduce the administrative burden on the beneficiaries and to facilitate access to funding for innovative local initiatives tailored to the specific needs of the local areas. The use of lumpsum payments, which has proven its effectiveness in countries such as Estonia and Poland, would be the best option; and c) a mandatory percentage of funding earmarked for CLLD in each of the funds concerned (ring-fencing), thus ensuring significant support for the most vulnerable areas, notably rural, peri-urban, mountainous, island and border areas. This new management method would deliver on the provisions of the Lisbon Treaty, while strengthening territorial cohesion, and would be conducive to more efficient use of the financial envelopes granted to the Member States, particularly in rural areas;

Building on the momentum of LAGs and engaging stakeholders

18. calls for the strategic role of LAGs to be recognised at national and regional level; some of them have been active since 1991, driving innovative solutions geared to the needs of rural areas. These

local entities, made up of field experts, have in-depth knowledge of local characteristics and ways to leverage development;

- 19. encourages the managing authorities to ensure greater institutional recognition of LAGs and to support them as they implement a rural development strategy. LAGs need greater resources and autonomy to optimise their territorial impact. Their role goes beyond simply carrying out projects: they are key players in territorial cohesion and the creation of local networks;
- 20. proper monitoring for LAGs is needed; The actions of these groups must be monitored to ensure equal access to their management on the basis of merit and achievement of objectives;
- 21. calls for managing authorities to be encouraged to keep up their efforts to adopt a more comprehensive and interactive approach to rural development. The managing authorities must take steps to ensure that their ultimate objective is, once again, territorial cohesion and development. To this end, administrative and financial engineering in rural areas must be bolstered;
- 22. calls for a wider range of civil society representatives to be encouraged to get involved in LAGs, above and beyond the experts and private and public sector representatives who are already involved;
- 23. calls for greater involvement of women in the decision-making bodies of LEADER projects and in CLLD and encourages all levels of society, from young people to the elderly, to participate in the planning and design of projects;
- 24. considers that more should be done to highlight the fact that LEADER can facilitate innovation; innovative projects can be promoted without adding to red tape;
- 25. suggests stepping up communication and education initiatives on CLLD/LEADER in order to enable local actors to harness the full benefits of these programmes. Local authorities, especially in rural and remote areas, need to be better informed about the opportunities that this approach offers with a view to helping them access EU funds;
- 26. proposes that training programmes be set up for local actors, particularly LEADER facilitators and elected representatives, in order to improve their skills in the field of CLLD/LEADER. These programmes should enhance understanding of available tools, support stable project management and ensure team continuity, while also emphasising integrated rural development strategies. This should focus on innovation, skills acquisition, multi-fund approaches and the effective use of CLLD/LEADER mechanisms to foster sustainable rural development; strongly insists that financing for territorial engineering should be made possible for rural project owners to foster economic and ecological resilience;
- 27. calls for tailor-made support programmes for LAGs, local associations and other potential beneficiaries to be developed. This should make them more aware of how cohesion policy funds

are used and facilitate the implementation of projects at local level, until the end of the 2021-2027 programming period;

- 28. proposes establishing, after 2027, training programmes accessible to all rural actors, including managing authorities of European funds, local elected officials, LAGs, and other stakeholders. These training programmes should translate the core principles of LEADER/CLLD into practices, promoting empowerment, horizontal management, decision-making and decentralised organisation;
- 29. calls for ongoing training to be encouraged. This will offset the frequent turnover of LEADER facilitators, especially in countries with particularly high turnover, and improve local management of funds by ensuring that agents have a better understanding of the mechanisms for funding and territorial governance;

Demonstrating greater trust in CLLD and LEADER

- 30. calls for mutual trust between stakeholders to be promoted in order to make CLLD more effective. Through LEADER in particular, CLLD has shown itself to be flexible and effective in several Member States, especially where governments and local authorities trust them. This trust is essential if these territorial tools are to be implemented successfully;
- 31. calls for a mutual trust agreement to be proposed between the European Commission, the Member States, managing authorities, LAGs and project promoters. This agreement should seek to avoid gold-plating and reduce over-regulation and prevent more and more checks being required by different levels of authorities while guaranteeing rigorous management of the funds. The aim is to strike a balance between risk protection and ease of access to EU funding;
- 32. proposes encouraging the use of pre-financing and advance schemes for small projects in all Member States, particularly those run by entrepreneurs, associations and SMEs. Currently, the financing for these projects is often paid out after the work has been carried out; this constitutes a barrier for some local actors which do not have the financial capacity to provide the necessary funds up front;
- 33. calls for the experience of Member States that already use pre-financing options to be shared with Member States in which this practice is less common in order to encourage widespread use. Furthermore, calls for the introduction of a mechanism to ensure the systematic payment of an advance representing 80% of the grant awarded as soon as the project has been approved. The aim of this scheme is to reduce the financial difficulties faced by project developers, particularly in rural areas and the most vulnerable areas, while making European funding more effective and accessible;

Increasing local autonomy while strengthening checks at European level

34. calls for measures to encourage and step up the use of rural proofing when shaping European legislation and institutional frameworks. This applies particularly to the next multiannual financial framework, as well as to the national and regional policies of the Member States;

- 35. proposes that all relevant directorates-general of the European Commission be involved in a territorial impact assessment of policies for which they are responsible at least twice per programming period. These evaluations would establish a more precise baseline and identify ways to integrate the characteristics of rural areas into European policies more effectively;
- 36. encourages the Member States to carry out thorough evaluations of their internal policies related to rural development, based on a common methodology to be proposed by the European Commission. These evaluations will ensure better consideration of rural needs and strengthen coherence between European and national policies;
- 37. recommends assessing whether a performance-based approach could be beneficial to increase the effectiveness of policies for rural areas. This would involve linking part of the funding to the achievement of specific and measurable objectives, in order to ensure that resources are allocated where they will have a real and lasting impact.

Brussels, 20 February 2025

The President of the European Committee of the Regions

Vasco ALVES CORDEIRO

The Secretary-General of the European Committee of the Regions

Petr BLÍŽKOVSKÝ

II. PROCEDURE

Title	How post-27 LEADER and CLLD programming could contribute to
	better implementation of the long-term vision for the EU's rural areas
Reference(s)	
Legal basis	Article 307(4) of the TFEU
Procedural basis	Rule 41(b)(ii) of the Rules of Procedure
Date of Council/EP	
referral/Date of	
Commission letter	
Date of Bureau/president's	
decision	
Commission responsible	Commission for Natural Resources (NAT)
Rapporteur	Thibaut Guignard (FR/EPP)
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Result of the vote in	Majority
commission (majority,	
unanimity)	
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opinions	
Subsidiarity reference	