



**European Committee
of the Regions**

COTER-VI/056

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OPINION

The CoR's contribution to the renewed Territorial Agenda, with special emphasis on community-led local development

THE EUROPEAN COMMITTEE OF THE REGIONS

- asks that the TA post-2020 strengthen the territorial dimension in a wider range of policy fields and actively encourage more bottom-up territorial visions/strategies, which should be coherent with a wider framework;
- asks for stronger links between cohesion policy and TA in all stages of programming, implementation and monitoring of programmes, and points out the significant need to overcome the current geographical and sectoral separation of EU funds;
- still endorses the idea that the TA post-2020 should not be a brand new document, as the current TA 2020 still remains valid in major aspects;
- suggests that a mechanism for a quick update of the TA post-2020 be introduced to quickly respond to new and emerging challenges that may shape the TA post-2020, without the need for a complete overhaul of the whole document;
- calls for mandatory earmarking of 8% for CLLD from all ESI funds and EAFRD to fully utilise the potential of the tool and synergies of different funds for integrated local development;
- commends the work carried out by CoR and the European Parliament to ensure that multi-funded CLLD continues to include the EAFRD, including for the 2021–2027 period;
- calls for CLLD regulation at EU level, setting a unified set of rules for all ESI funds in order to reduce the enormous bureaucratic burden and gold-plating;
- proposes that the Commission create a CLLD support unit at EU level to support communication, capacity building, networking and transnational cooperation of all LAGs in all funds;
- suggests that the multi-fund CLLD should be supported more, for example through a higher co-financing rate.

Rapporteur

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Reference document

N/A

Opinion of the European Committee of the Regions – The CoR's contribution to the renewed Territorial Agenda, with special emphasis on community-led local development

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1.calls for a much higher uptake of territorial instruments (community-led local development (CLLD), integrated territorial investments (ITI), etc.) in the Member States and mandatory earmarking across all funds in order to fulfil the renewed Territorial Agenda (TA) and cohesion goals;

2.underscores that cohesion policy and territorial cohesion are bound together and that there will be no genuine Cohesion policy without properly taking territorial cohesion into account;

3.recalls that CoR was the first EU institution to make a specific proposal on how to deliver CLLD¹. Then as now the CoR believes that integrated, multifunded local development is better defined as a holistic concept that focuses on the challenges and potential within regions of all types, be they urban, rural, rural-urban (rurban) or functional areas;

4.asks that the TA post-2020 strengthen the territorial dimension in a wider range of policy fields and actively encourage more bottom-up territorial visions/strategies, which should be coherent with a wider framework;

5.stresses that territorial instruments such as CLLD or ITI are well-proven measures to get "Europe closer to citizens". The achievements of LEADER/CLLD have shown that local action groups (LAGs) are able to defend the European values, if recognised as local drivers for change and development on the local, regional and national level. By actively involving all local stakeholders and citizens, it is able to respond to European needs using local means and, as a result, helps boost the legitimacy of the EU. Moreover, LEADER/CLLD is also a powerful tool to implement the Sustainable Development Goals on a local level. Therefore, the CoR calls for bigger ambitions and the development of the territorial instruments at a local, regional, national and European level in the post-2020 period;

6.stresses that integrated territorial instruments should in their interventions follow the specific characteristics and needs of the regions, as defined in their bottom-up integrated strategies, not merely duplicate the measures and thematic and territorial concentration of the OPs financing those instruments;

7.calls for the TA post-2020 to strengthen both rural-urban linkages and the different types of territory generally, as regional and local development is just one aspect and requires a holistic and integrated approach;

8.stresses that TA 2020 has indeed achieved results, mainly thanks to Cohesion policy available through its means and funding, which has introduced, at all level of governance, the place-based approach and the participation of local communities in setting up and implementing sustainable local strategies. However, there is still room for improvement: in particular, its visibility at sub-national level (to be addressed through CLLD, ITI, EGTC, ETC, etc.) needs to be improved, the territorial

¹ Opinion of the Committee of the Regions on Community-Led Local Development, Brussels 29 November 2012, Rapporteur Graham Garvie, CdR CDR1684-2012, COTER-V-031.

approach's influence on overall EU policy-making has to be reinforced, and the Territorial Agenda as such needs to be better implemented by national policies;

9. considers renewed TA as an opportunity to present a new and positive narrative for the future of the EU and the balanced development of all regions. Citizens and the general public should be given a comprehensive and intelligible document, setting visions for their future and reflecting their genuine needs and issues to be addressed. They should be given reassurance that no one will be left behind and that everyone will get an equal opportunity for a dignified life, no matter where they live;

10. asks for stronger links between cohesion policy and TA in all stages of programming, implementation and monitoring of programmes, and points out the significant need to overcome the current geographical and sectoral separation of EU funds. The Member States should, nevertheless, ensure that the territorial dimension and local specificities are taken into consideration within the European semester process, with appropriate consultation of local actors when defining national priorities;

11. underlines the capacity of CLLD to mobilise and involve local communities, including local and regional authorities, social and civil partners, and the private sector. Using a participatory approach, it is keeping local development strategies in line with – and adapting them to – changes in local conditions (social cohesion, migration, regional clusters, green economy, climate change, smart solutions, technology, etc.);

12. highlights the role of the CLLD in boosting the credibility of cohesion policy by showing that different EU funds can indeed be delivered jointly in an integrated and effective manner;

13. remarks that the CoR still endorses the idea that the TA post-2020 should not be a brand new document, as the current TA 2020 still remains valid in major aspects;

14. considers the TA post-2020 to be essential for addressing inequalities between places and the people who live in them, through tailored measures, e.g. through integrated territorial development;

15. stresses the importance of better coordination and networking among all authorities and stakeholders implementing and financing the TA at the European, national, regional and local level. Better coordination and a strong partnership principle are essential for effective impacts of TA. The coordination of TA in the Czech Republic, Sweden, Austria and other Member States is an example of good practice in this area;

16. underlines the need to take the integrated territorial development strategies into greater consideration in order to target investments in the region more closely following its priorities. The design of integrated territorial development strategies implementing a wide variety of operational programmes in the Member States should be focused on citizens' needs and communicated not only to citizens but particularly "with citizens";

17. stresses the necessity to use flexible and simple implementation of integrated territorial instruments, which can be tailored to the territory and which uses a methodology that promotes a bottom-up approach focusing particularly on partnership and giving impetus, as well as on the role of local territorial development strategies. Possible solutions are simplified cost options, a simple implementation model for territorial instruments (one national operational programme and one managing authority), "one-stop shop" solutions, a common set of simple rules defined at the EU level

in order to prevent gold-plating (CLLD toolkit, clear guidance defining structure of strategies, approval processes, use of lead fund, evaluation, etc.) etc.;

18.notes the potential of IT solutions for simplification and automating data collection at national and local level. IT systems must be developed with genuine inclusion of all stakeholders and geared to help with the overall strategy of ESIF simplification at all levels;

19.calls for a smooth transition of TA implementation structures between EU programming periods in order to eliminate the risk of losing knowledge, human resources and partnerships;

20.stresses the role of integrated territorial instruments as the right instrument to localise, implement, follow-up and review the Sustainable Development Goals;

21.understands the excellent potential of CLLD as an effective tool within EU accession, neighbourhood and development policies. The ENPARD programme in Georgia can be regarded as an example of good practice;

New Territorial Agenda

22.notes that the existing challenges for territorial development, as endorsed by the TA 2020, remain in general the same, with two comments: 1) changes are rather linked to their intensification with new challenges emerging requiring more solidarity between the EU Member States; 2) today's migratory movements will most likely be a minor crisis compared to the potential effects of climate change;

23.suggests that a mechanism for a quick update of the TA post-2020 be introduced to quickly respond to new and emerging challenges that may shape the TA post-2020, without a need for a complete overhaul of the whole document;

24.suggests to the future presidencies or to the contractor drafting the TA post-2020 to involve more stakeholders, in particular local and regional authorities and civil society when conducting research on priorities and content of the renewed TA post-2020;

25.reiterates the CoR's call for a successor to the Europe 2020 strategy;

26.draws attention to the provision in primary law – paragraph 3 of Article 174 TFEU – which requires particular attention to be paid to rural areas, areas affected by industrial transition and regions which suffer from severe and permanent natural or demographic handicaps. Both the Territorial Agenda after 2020 and the ESIF should attend more to this priority than hitherto, with a view to achieving equivalent living conditions in all regions;

27.notes that the Territorial Agenda 2020 should continue to support the role of regional capital cities in providing equal opportunities for development of their functional areas and work to resolve metropolitan issues across the EU;

28.stresses that the TA post-2020 should support the role of small and medium-sized cities in achieving balanced, polycentric development across the EU;

29.calls once again, in this connection, for the creation of an agenda for rural areas in which these are regarded as living and economic areas and not only as agricultural ones;

30.underscores that the Territorial Agenda should not only support a Sustainable Development Goal (SDG) that looks after cities (SDG 11) but advocate a broader perspective of territorial development, including rural development;

31.suggests, in order to familiarise the general public with the main messages of the TA post-2020, that a list of 10-12 key messages are drawn up in user-friendly language and a well-defined format and that these are communicated by all the Member States and EU institutions;

32.asks the European Commission to provide simple models and guidelines and introduce best practices of how to implement integrated territorial instruments through a multi-fund approach in the Member States;

33.believes that the Territorial Agenda can contribute effectively to attenuating urbanisation trends and the associated challenges for large cities in all Member States;

34.highlights success stories of European Territorial Cooperation, where territorial cooperation in border regions or at the transnational level are an excellent example of the added value of European integration;

35.underscores the need for clearly defining the role of a TA secretariat/back office that could be created. An annex to the TA post-2020 should define objectives, measurable indicators to monitor the achievement of objectives, tasks and a budget needed for such a unit/body;

36.mentions the Bucharest Declaration adopted by the Ministers in charge of urban matters on 14 June 2019, in which "the need to develop a functional relationship between the New Leipzig Charter, the Urban Agenda for the EU, and the Territorial Agenda 2020+" was recognised;

37.believes that the intergovernmental, non-legislative nature of the European Territorial Agenda is ideally suited for cooperation with current and future non-EU Member States, as it would help to develop an pan-European approach to territorial development, potentially supported by a number of programmes such as LEADER, INTERREG or ESPON, which the current proposals for 2021-2027 precisely allow the voluntary participation and co-financing from non-EU Member States. Those programmes have also proven to be successful stabilisation and reconciliation instruments (e.g. LEADER playing role in the Good Friday Agreement or engaging civil society and building up local democracy in Turkey);

CLLD

38.encourages the possibility of multi-fund CLLD uptake in all EU regions to be obligatory, assuring a CLLD approach is used for all types of territories: rural (including remote, mountain and island areas), urban, and coastal areas. All EU regions must have an option to use all possible funds to fulfill their needs formulated in their local development strategies;

39.calls for mandatory earmarking of 8% for CLLD from all ESI funds and EAFRD to fully utilise the potential of the tool and synergies of different funds for integrated local development;

40.stresses the need to return to the roots of LEADER/CLLD methodology strengthening, especially the principles of a bottom-up approach, partnership, animation and the role of integrated local development strategies;

41.suggests that the management of CLLD in a Member State should be tailored to individual territories and respect local dynamics, structures and approaches;

42.commends the work carried out by CoR² and the European Parliament³ to ensure that multi-funded CLLD continues to include the EAFRD also for the 2021—2027 period and urges that these provisions advocated by both institutions are maintained in the final agreement with the Council, as the advantages of CLLD cannot be fully delivered unless there is the possibility integrating ESIF and EAFRD-funded interventions;

43.calls for CLLD regulation at EU level based on a robust impact assessment and setting a unified set of rules for all ESI Funds in order to reduce the enormous bureaucratic burden and gold-plating done by Member States and, at the same time, prevent misuse of power by managing authorities or payment agencies;

44.reiterates the CoR's call to keep the CPR fully applicable to the EAFRD. Perfect compatibility between all the funds is vital for financing the territorial instruments, in particular CLLD/LEADER and their local development strategies;

45.calls for better dialogue and coordination between all CLLD actors (LAGs, managing authorities, European Commission's Directorates-General, payment agencies, LEADER networks such as ELARD, and national LEADER and rural networks) to prevent growing bureaucracy and extensive delays in starting the programming period and in the delivery of funds to project applicants. The CoR therefore proposes that the Commission create a CLLD support unit at EU level to support communication, capacity building, networking and transnational cooperation of all LAGs in all funds;

46.suggests that the multi-fund CLLD should be supported more, for example through a higher co-financing rate. The CoR expresses its regret that Article 120(5) of the current CPR on higher co-financing rates for operations supported through integrated territorial development tools has been omitted from the new CPR proposal;

47.asks for increased use of simplified costs options according to Articles 48-51 of the new CPR, which could decrease the audit burden for the managing authorities and final beneficiaries. In addition, the scope of the use of the simplified cost options should be extended to the EAFRD, again in order to harmonise procedures in case of multi-fund operations;

48.notes that CLLD should be an excellent starting point for a widely used method of how local projects should be implemented: LAGs should not be fully dependent on EU funding but should also be used as a tool to implement national, regional and local funds as local development goes far beyond the European Structural and Investment Funds;

² Opinion of the Committee of the Regions "Common Provisions Regulation", Rapporteurs Michael Schneider and Catuscia Marini, Brussels, 5 December 2018, CDR 3593/2018.

³ European Parliament, Common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those (Krehl/Novakov Report) Wednesday, 27 March 2019 – Strasbourg. P8_TA-PROV(2019)0310.

49.invites the Council and the European Parliament to revert back to the Commission's proposal of 12 months as of the date of the approval of the last programme concerned for managing authorities to complete the first round of selection of strategies and to ensure that the LAGs selected can fulfil their tasks;

50.calls for clarification of the role of LAGs in project selection, so as to avoid duplication of their tasks by MAs. The role of the LAG in the project selection should be dominant, not just formal, as it is one of the basic principles of LEADER/CLLD;

51.calls for clear and simple evaluation and monitoring models of CLLD local development strategies. Evaluation has to be a part of a community's learning process and it is therefore very important to continuously collect information and evaluate the implementation of LAG strategies. Advanced IT solutions for data collection and analysis should be introduced, combined with participatory processes and qualitative analysis;

52.stresses that ownership of the results is very likely to positively contribute to the stability of longer-term development strategies and long-lasting effects, developed by the same people that implement them and benefit from their outcomes;

53.notes that successful examples of existing local partnerships funded from the EARDF and/or EMFF should be a base for further CLLD funding from the ERDF and ESF. Networking and collaboration through existing networks or creation of new networks at regional, national and transnational/interregional level has a crucial role, as do coaching and mentoring;

54.stresses the need for better communication of CLLD and the opportunities this tool brings: indeed, although the rural development has been using this instrument for a longer time, in particular, urban development needs a stronger boost when it comes to using it. A detailed evaluation and analysis need to be drafted of how a particular Member State has approached it, including recommendations for effective implementation;

55.notes that CLLD/LEADER as an instrument is used by 3000 similar bodies (LAGs & FLAGS) throughout the European Union. This fact should be considered in order to further enhance territorial cooperation and embrace European diversity through bottom-up transnational cooperation among citizens. In order to further boost the territorial cooperation through CLLD, it is necessary to create conditions allowing LAGs to concentrate on their role of animating the area and helping the best ideas to emerge and subsequently be implemented. An appropriate share of budgets has to be assured for running and animation costs, as well as for transnational cooperation. At the same time, the CoR strongly recommends setting a common set of principles and rules for CLLD international cooperation projects at the European level to ensure its effective and smooth implementation;

56.recalls the relation of CLLD to other integrated development tools: as an optional instrument, together with integrated territorial investments, it contributes to the implementation of a broader development strategy that allows policies to be localised. In this regard, the CoR asks for better synergies between CLLD and ITI: the CLLD can be used in the 2021-2027 programming period as a complementary instrument in an urban or territorial strategy, so it could be part of an ITI approach where the participative approach offered by CLLD can help it deal with some specific local problems;

57. considers that CLLD is a vital instrument to deliver the CoR proposals⁴, subsequently endorsed by the European Parliament⁵ whereby in programmes co-financed by the ERDF, covering areas with severe and permanent natural or demographic handicaps, as referred to in Article 174 of TFEU, particular attention shall be paid to addressing the specific difficulties of those areas;

58. considers LAGs as ideal partners to perform the function of innovation brokers for the smart villages approach and to catalyse the potential of rural areas, as they in many cases already do. LAGs are a strong instrument of endogenous development of their areas, have direct links with local enterprises, municipalities and civil society, and, as a result, create strong capacity in the area, involving local and regional resources and people's skills;

59. endorses the European Parliament proposal that ERDF-funded plans for areas facing structural demographic decline could potentially be allocated with 5% of the ERDF resources allocated to integrated territorial development in non-urban areas with natural, geographic or demographic handicaps or disadvantages or which have difficulty accessing basic services, including at least 17.5% of this amount being allocated to rural areas and communities to develop projects such as smart villages. The CoR believes that CLLD is in many places the ideal approach to deliver such ambitious proposal;

60. understands the involvement and capacity building of local actors as one of the biggest assets of the CLLD methodology. Integrated local development has proven to be very effective for building links and synergies between various stakeholders and issues in local development. LAGs have been a very successful instrument for strategic planning, animation, networking and coordination of activities, e.g. creating local action plans for education or social services in some Member States.

Brussels, 8 October 2019

The President
of the European Committee of the Regions

Karl-Heinz Lambertz

The Secretary-General ad interim
of the European Committee of the Regions

Pedro Cervilla

⁴ Opinion of the European Committee of the Regions on "European Regional Development Fund and Cohesion Fund", rapporteur Michiel Rijsberman, CdR 3594/2018

⁵ European Parliament legislative resolution of 27 March 2019 on the proposal for a regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund (COM(2018)0372 – C8-0227/2018 – 2018/0197(COD))

II. PROCEDURE

Title	The CoR's contribution to the renewed Territorial Agenda, with special emphasis on Community-led Local Development
Reference(s)	N/A
Legal basis	Article 307 TFEU
Procedural basis	Rule 41(b)(ii) of the CoR's Rules of Procedure
Date of Council/EP referral/Date of Commission letter	N/A
Date of Bureau/President's decision	9 April 2019 (Bureau)
Commission responsible	Commission for Territorial Cohesion Policy and EU Budget
Rapporteur	Radim SRŠEŇ (CS/EPP), Regional Councillor of Olomouc
Analysis	19 June 2019
Discussed in commission	17 May 2019
Date adopted by commission	10 July 2010
Result of the vote in commission (majority, unanimity)	unanimity
Date adopted in plenary	8 October 2019
Previous Committee opinions	<ul style="list-style-type: none"> • CoR opinion 487/2015 on The improvement of the implementation of the Territorial Agenda for the European Union 2020 • CoR opinion 4285/2015 on Territorial Vision 2050: What future? • CoR opinion 3554/2017 on Integrated territorial investments – a challenge for EU cohesion policy after 2020
Date of subsidiarity monitoring consultation	N/A