

**EUROPEAN UNION: MONITORING AND EVALUATING LOCAL DEVELOPMENT IN THE 2014-2020 PROGRAMMING PERIOD**

KATALIN KOLOSY

AEIDL

RECEIVED: APRIL 29 2013

**ABSTRACT**

This paper focuses on the evaluation of local development in an institutional context, with an attempt to grasp and reconcile the baseline features of 21<sup>st</sup> century local development with the aim to establish a common baseline approach for assessing Community Led Local Development (CLLD) during the 2014-2020 programming period of the structural funds. It is the first time that regulatory provisions are considering the local level of public intervention as a mandatory approach to be adopted by all Member States. Within the broad spectrum of EU funding instruments, CLLD offers relatively low operational costs and strong social resilience. Simplified EU support can be entrusted to CLLD in order to unleash local social capital, a rich ferment to innovative solutions for sustainable development and better social justice. Added value could be ascertained through adjusted Quality of Life indicators built and monitored with participatory development techniques.

KEYWORDS: Community Led Local Development , evaluation , Europe 2020, Quality of Life indicators

**RESUMEN**

El artículo se centra en la evaluación del desarrollo local en el contexto institucional, intentando entender y conciliar las características básicas del desarrollo local del siglo XXI con el objetivo de establecer un planteamiento común para evaluar el Enfoque de Desarrollo Local Participativo (CLLD) para el período de Programación 2014-2020 de los Fondos Estructurales. Es la primera vez que las disposiciones reglamentarias están considerando la intervención pública a escala local como un enfoque obligatorio que deben adoptar los Estados Miembros. Entre el amplio espectro de los instrumentos financieros europeos el CLLD ofrece unos costes operacionales relativamente bajos y una fuerte resiliencia social. CLLD puede ocuparse de ofrecer un soporte simplificado a la UE para animar al capital social en el terreno local, que es un fermento que favorece las soluciones innovadoras para un desarrollo sostenible y una mejor justicia social. El valor añadido se puede determinar mediante la construcción de indicadores de calidad de vida y monitoreado con técnicas específicas participativas.

PALABRAS CLAVE: Enfoque de Desarrollo Local Participativo, evaluación, Europa 2020, indicadores de calidad de vida

**RESUM**

L'article se centra en l'avaluació del desenvolupament local en el context institucional, intentant entendre i conciliar les característiques bàsiques del desenvolupament local del segle XXI, i amb l'objectiu d'establir un enfocament comú per avaluar l'Enfoc de Desenvolupament Local Participatiu (CLLD) pel període de Programació 2014-2020 dels Fons Estrcturals. És la primera vegada que les disposicions reglamentàries estan considerant la intervenció pública a escala local com un enfoc obligatori que han d'adoptar els Estats Membres. Entre l'ampli espectre dels instruments financers europeus la CLLD ofereix uns costos operacionals relativament baixos i una forta resiliència social. CLLD pot ocupar-se d'oferir un suport simplificat a la UE per animar el capital social al terreny local, que és un ferment que afavoreix les solucions innovadores per a un desenvolupament sostenible i una millor justícia social. El valor afegit es pot determinar mitjançant la construcció d'Indicadors de qualitat de vida i monitorizant amb tècniques participatives específiques.

PARAULES CLAU: Community Led Local Development , avaluació, Europa 2020, Indicadors de Qualitat de Vida

## 1. Introduction

This short article is a fresh step of an always renewed debate on the way to assess the efficiency of public interventions at local level in the European Union. In times of severe crisis, local development is regarded by public stakeholders as the ultimate model to spare money under the ‘do it yourself’ motto, by social scientists as the creative sphere for social innovation, by environmentalists as a playground for implementing sustainable agendas, and by economists as the genuine level to consider distributional issues of growth. Indeed, the very emblematic concept of development is going through a shift in paradigm, and has to embrace new trends of resilience and sobriety in the way people organize their lives in Europe nowadays.

This paper will mostly focus on the evaluation of local development in an institutional context, with an attempt to grasp and reconcile the baseline features of 21<sup>st</sup> century local development and the aim to establish a common baseline approach for assessing Community Led Local Development (CLLD) during the 2014-2020 programming period of the structural funds.

## 2. Brief history and context

### a. Community-Led Local Development (CLLD)

The shared understanding of local development is now encapsulated under name of **Community-led local development** (CLLD) by various European studies and policy documents (cf. infra). It is defined as “a tool for involving citizens at local level in developing responses to the social, environmental and economic challenges we face today”<sup>1</sup>.

In some countries, CLLD is deeply rooted in cultural and institutional behaviours through community development, as in Scandinavian countries, where such behaviours rely on traditions of civic participation. Community development is a way in which communities can attain their rights. The European Union Cohesion policies, starting with Article 6 of the ESF<sup>2</sup> and Article 10 of the ERDF<sup>3</sup> during the 2000-2006 period and also through Community Initiatives such as LEADER and EQUAL contributed by spreading this community development model across all Member States, under the banner of Local Employment Initiatives (LEIs) and Local Action Groups (LAGs) in the case of LEADER<sup>4</sup>.

In other countries, CLLD carried along a development pattern of citizenship and civic society initiatives, ‘*économiesolidaire*’, third sector movement and social entrepreneurship. France has been one of the most active countries in this field under the EQUAL programme.

---

<sup>1</sup>Common Guidance of the European Commission' Directorates-General AGRI, EMPL, MARE and REGIO on Community-Led Local Development in European Structural and Investment Funds – February 2013.

<sup>2</sup> ESF: European Social Fund

<sup>3</sup> ERDF: European Regional Development Fund

<sup>4</sup> LEADER: Liaison Entre Actions de Développement de l'Économie Rurale

CLLD develops under the umbrella of, and in close relationship with, place-based delivery mechanisms supported by funds such as EARDF<sup>5</sup> (LEADER) and EMFF<sup>6</sup> in rural and coastal areas, or regeneration policies in deprived urban areas (URBAN - ERDF). They are related to the vertical integration of policy areas in the fields of Land Planning (transport, spatial planning), Environment (preservation of biodiversity, energy efficiency, climate change and mitigation, etc.), Social Inclusion (social affairs, social protection), Employment (labour market, migration flows), Training (vocational models, outreach models), Poverty Reduction (welfare, family, housing, education) and Economic Development (regeneration schemes, restructuring, business creation).

### **b. Key features**

Common key features of successful CLLD initiatives that have received EU support over the last fifteen years are the local remit, the bottom-up and partnership approaches with a leading role for local stakeholders, notably NGOs, community groups, local authorities and other specialist services, a systemic or integrated approach taking into account the internal and external conditions of the local strategic plan, as well as a focus on innovative ways of empowering and integrating target groups into communities and the labour market.

In the current EAFRD Regulation,<sup>7</sup> the LEADER approach comprises the following elements:

- a) area-based local development strategies intended for well-identified sub regional rural territories;
- b) local public-private partnerships (local action groups);
- c) bottom-up approach with a decision-making power for local action groups concerning the elaboration and implementation of local development strategies;
- d) multi-sectoral design and implementation of the strategy based on the interaction between actors and projects of different sectors of the local economy;
- e) implementation of innovative approaches;
- f) implementation of cooperation projects;
- g) networking of local partnerships.

## **3. General overview of 2014-2020 EU frameworks linked to local development**

### **a. The Europe 2020 strategy**

Since March 2010 and in replacement of the former Lisbon strategy, the Europe 2020<sup>8</sup> forms the new ground in order to deliver a high level of employment, productivity and social cohesion. A **Common Strategic Framework** translates the Europe 2020 objectives and targets into concrete investment priorities for cohesion policy (ERDF, ESF and CF), rural development (EAFRD) and maritime and fisheries policy (EMFF). It is supported by a

---

<sup>5</sup> EARDF: European Agricultural and Rural Development Fund

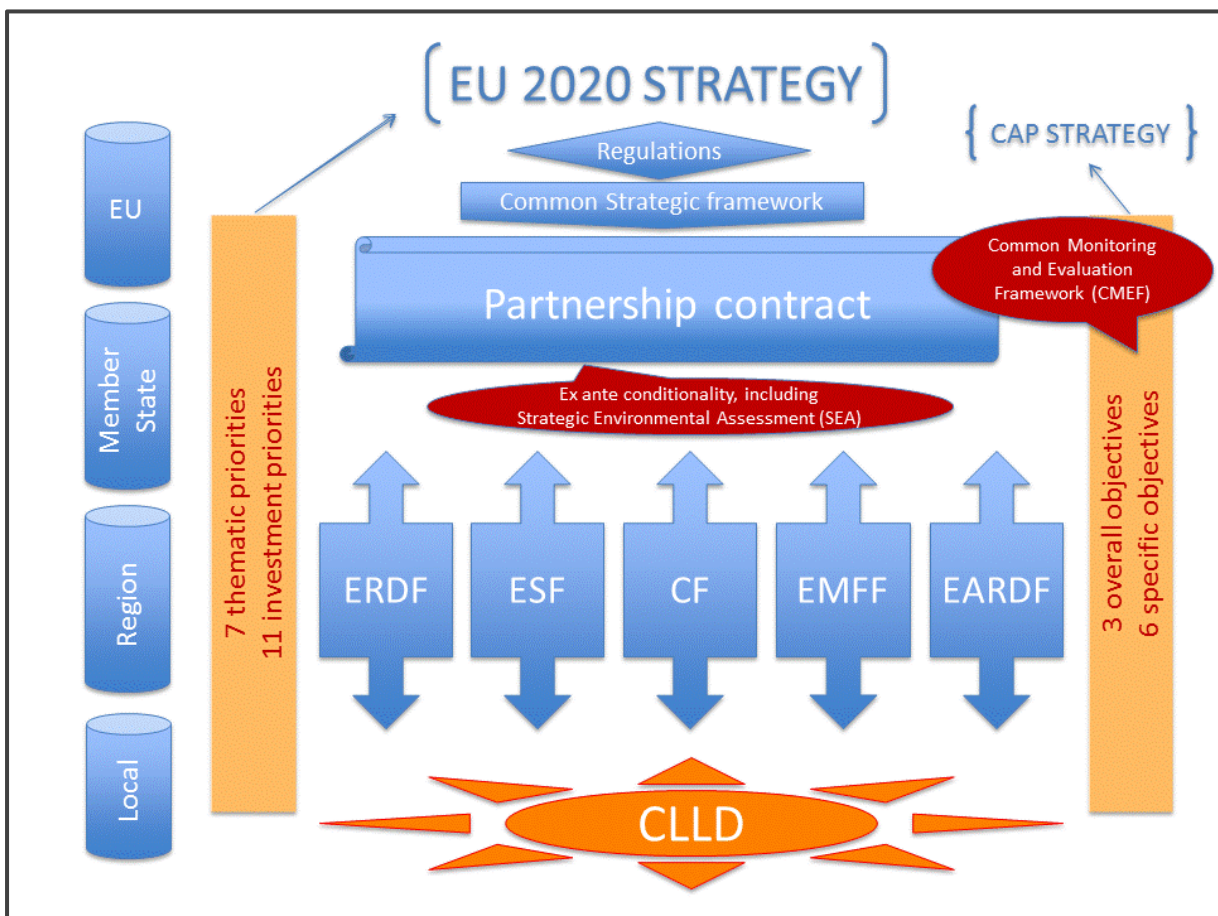
<sup>6</sup> EMFF: European Maritime and Fisheries Fund (previously called EFF –European Fisheries Fund)

<sup>7</sup> COM (1698/2005) Art. 61

<sup>8</sup> COM (2010) 2020

multiannual budget of 666.1 billion € for the 2014-2020 period<sup>9</sup>. In 2013, each Member State is asked to draw up a **Partnership Contract** defining the national priorities supporting their National Reform Programmes, and containing: (i) thematic objectives (in line with the “Europe 2020” strategy); (ii) investment priorities for each thematic objective; (iii) conditions which are a pre-requisite for receiving EU funding; (iv) targets that the Member State concerned plans to reach by the end of the programming period, as well as performance indicators and milestones. Specific **Operational Programmes** are developed on a national or regional basis, outlining more precisely the use of the specific structural and cohesion funds.

The following graph is an attempt to illustrate the way CLLD is positioned in this institutional setting.



*Community Led Local development in the 2014-2020 institutional setting*

### **b. Financial counterparts**

As the financial instruments provided within this framework come as a counterpart in the partnership contract with each Member State, financial allocations for each priority have to be outlined and determined in advance, either at regional or national level. The transactions between the various decision makers tend to concentrate resources on competitive sectors

<sup>9</sup>Commission document 'EU funding instruments 2014-2020'.

and national reforms, but minimum thresholds are set for implementing CLLD, e.g. 5% for EARDF. The challenge is to match relevant EU funding for local development at the most appropriate level, in compliance with the institutional structure of each national administration, and to agree upon operational arrangements on how to manage it. For instance, EARDF and EMFF only take public funds into account, whereas ERDF and ESF include private funding in the total eligible costs. Regional or national managing authorities can also decide to use simplified procedures for CLLD, such as global grants.

### c. CLLD in EU Regulations

It is the first time that regulatory provisions are considering the local level of public intervention as a mandatory approach to be adopted by all Member States.

The following definition is used:

Community-led local development [...] shall be:

- focused on specific sub-regional territories;
- community- led by local action groups composed of representatives of public and private local socio-economic interests where at the decision making level neither public authorities as defined in accordance with national rules nor any single interest group shall represent more than 49% of the voting rights;
- carried out through integrated and multi-sector area-based local development strategies;
- designed taking into consideration local needs and potential, and including innovative features in the local context, networking and where appropriate cooperation.

*(Common Provisions Regulation proposal, Article 28.1)*

Besides, another notion is brought forward by the Regulation: the Integrated Territorial Investment (ITI), stemming from the URBAN initiative and devoted to integrated actions for sustainable and integrated urban development. In many Member States, the linkages between CLLD and ITI are the subject of sheer debates between regional authorities, cities and metropolitan areas.

### d. Several evaluation approaches and indicators' plans

As the 2014-2020 is much more geared towards performance management, specific indicators are proposed in order to assess projects and programmes. Indicators are systems of measurement to test whether and to what extent programmes achieve their objectives, whatever those objectives are. These indicators belong to complex monitoring databases and evaluation frameworks aiming at assessing each priority in terms of efficiency (outputs and results), effectiveness (outcomes) and impact.

For instance, in the case of EARDF, there are:

- 50 output indicators to measure progress at measure and priority level;

- 75 results indicators measuring direct effects on final recipients;
- 23 impact indicators measuring direct and indirect effects on target groups;
- 18 context indicators used to better assess the scope of impacts.

The LEADER approach, corresponding to CLLD for rural areas, will have to comply with all these elements in the same manner as for all other measures such as ‘adding value to agricultural and forestry products’ (measure 123) for instance. From the monitoring and evaluation point of view, it raises many questions on the way the projects promoters and local development practitioners in charge of implementation of the LEADER programme can report reliable data, as these indicators barely translate the dynamic, qualitative and innovative functions of the CLLD support.

#### 4. Discussion

##### a. Methodological reminder: for whom and with whom?

There is a common position in most evaluation reviews<sup>10</sup> acknowledging the lack of appropriate monitoring and evaluation indicators for CLLD. As the French review of the study on ESF support to Local Employment Initiatives<sup>11</sup> explains, “Evaluation gaps related to measures on experimentation will result in the impossibility of providing recommendations to improve the delivery mechanisms, and beyond that, to fully exploit the innovative results produced, which appears to be an important loss, and questions about the utility of experimentation...Networking and professionalization of networks also belong to this category of ‘evaluation gaps’.”

In the same study, the method adopted by the Regional Government of Andalusia (Spain) in order to select Targeted Areas for Integrated Employment and Inclusion Plans (ATIPE) is worth being looked at. It applies specific thresholds – voted by the Regional Assembly - to four categories of indicators: (i) the demographic structure (dependency index), (ii) the population growth (migration rate), (iii) the employment (activity rate, employment and unemployment rates) and (iv) the education (illiteracy rate, educational attainment among employed and unemployed). This mapping exercise was put along the annual quality of life survey produced by the National Institute of Statistics<sup>12</sup>. Despite similar patterns, the aggregate picture from the regional level concealed marked differences between local areas, which helped local stakeholders to determine and plan their distinct strategies. For instance, the city of Cordoba is focusing on its low business density and puts the priority on the promotion of self-employment, whereas the area of lower Guadalquivir, strongly dependent upon agriculture, tries to diversify its economic activities, all under the same ESF heading.

<sup>10</sup> The author is member of two European Evaluation Networks (ESF and EARDF).

<sup>11</sup> European Social Fund Actions to promote Local Employment Initiatives, AEIDL for EC-DG EMPL, May 2011

<sup>12</sup> [http://www.ine.es/en/prensa/np573\\_en.pdf](http://www.ine.es/en/prensa/np573_en.pdf) - Back in 2008, Andalusia showed the second highest rates of risk of poverty (28.9%) among Spanish Autonomous Communities, after Extremadura with 38.4%.

### **b. Towards a common baseline for assessing CLLD**

CLLD is hard to evaluate because it produces more intangible results than the usual 'quantity' of measurable effects linked to sectoral interventions. Local innovation systems that pursue the 'triple bottom line'<sup>13</sup> of sustainable development: social benefits, economic benefits, and benefits to the natural environment must find new ways to prove their impact on people and communities.

From the point of view of several Managing Authorities, the weakness of CLLD lies in the risk of biased governance of such interventions. They consider that project promoters mostly use CLLD to strengthen local partnerships and steer their coordination capacity at local level, without effective and tangible results in terms of quantitative outputs for the targeted final beneficiaries of their programme.

The idea of building a common set of indicators based on Quality of Life that are applicable to CLLD could be considered as a serious option; such systems are already implemented in the USA<sup>14</sup> and in Australia<sup>15</sup>. These indicators cover people and locations, community cohesion and involvement, community safety, culture and leisure, economic well-being, education and life-long learning, environment, health and social well-being, housing, transport and access. Quality of life indicators would help local communities to set objectives and priorities, to formulate their strategies in terms of employment, education and social inclusion<sup>16</sup>. Such indicators are already used by the European Foundation for Living and Working Conditions<sup>17</sup> for tracking data in the European Union.

Another approach, which might be complementary to the Quality of Life indicators' grid, is to integrate the evaluation system into the planning and implementation process, as a social innovation and participatory tool to be used by all stakeholders, from the payer to the final recipient. This participative technique can use evaluation frameworks and systems in order to foster civic engagement, on the same ground as local Agenda 21 have been conceived and designed in many places. The participatory development approach to evaluation requires active involvement in the decision-making process, strong communication and capacity-building among all stakeholders – a joint collaborative effort. External facilitators are usually needed to install such participatory development process.

---

<sup>13</sup>*Governing Innovation for Sustainable Development: Designing creative institutions -Working paper* by John Bryden, Stig S. Gezelius, Karen Refsgaard - Norwegian Agricultural Economics Research Institute (NILF), 2013.

<sup>14</sup>Indicators of Community Sustainability – State of Wisconsin

<sup>15</sup> Indicators of Community Strength – State of Victoria

<sup>16</sup>See the EAPN policy paper '[Developing social inclusion indicators for the structural funds](#)'

<sup>17</sup><http://www.eurofound.europa.eu/areas/qualityoflife/eurlife/index.php>



## 5. Conclusions

Within the broad spectrum of EU funding instruments, CLLD offers relatively low operational costs and strong social resilience. Simplified EU support can be entrusted to CLLD in order to unleash local social capital, a rich ferment to innovative solutions for sustainable development and better social justice. Added value could be ascertained through adjusted Quality of Life indicators built and monitored with participatory development techniques.

The promoters of EU budgetary discipline should all become '**locavores**,'<sup>18</sup> as CLLD does not require large investments or grants. It also creates economies of scale, providing that the transaction costs, or in other words the administrative procedures of getting EU funding to the final beneficiaries, are optimised and present the least possible burdens for both Managing Authorities and local stakeholders.

---

<sup>18</sup> The term '*locavore*' made its entry into the 2008 version of New Oxford American Dictionary and refers to people who prefer to eat locally grown/produced food, in a collaborative effort to build more locally based, self-reliant food economies.