

Connecting cities
Building successes



URBACT Study
**New Concepts and Tools for
Sustainable Urban Development**
2014 - 2020



European Union
European Regional Development Fund

**“THE PARTICIPATORY APPROACH TO SUSTAINABLE URBAN
DEVELOPMENT IN THE COHESION POLICY PERIOD 2014-2020:
MAKING CLLD IN URBAN AREAS WORK”**

Final Thematic Report

August 2015

Authors: Darinka Czischke and Simona Pascariu

*This thematic report is part of the Study in the field of urban policies: LOT 2
“Implementing new concepts and tools for sustainable urban development 2014-2020”
commissioned to Fondazione Giacomo Brodolini by the URBACT European Programme.*

Table of contents

1. Introduction.....	4
1.1. Background.....	4
1.2. The Study: Towards a shared understanding of the concepts and tools in the new programming period.....	4
1.2.1. Aims.....	4
1.2.2. Methods and outcomes.....	5
1.3. Purpose and structure of this report.....	6
2. The Participatory Approach to sustainable urban development in the last programming period (2007 – 2013).....	7
3. The new regulatory framework for the participatory approach to sustainable urban development in 2014 – 2020.....	8
3.1. The participatory approach in the new policy and regulatory framework.....	8
3.2. Expanding the CLLD approach to urban areas.....	10
3.3. Examples of community-led approaches from the past programming period (2007-13) 13	
The Irish Local Development Framework.....	13
Community-led local development in Finland.....	14
Conclusions.....	15
4. Implementing CLLD in urban areas: Initial outlook.....	16
4.1. General overview.....	16
4.2. Urban CLLD pioneers in the new programme period.....	17
Case #1: CLLD in Gothenburg, Sweden.....	17
Case #2: CLLD in The Hague, The Netherlands.....	19
Conclusions.....	20
5. Findings from the Study’s seminar with stakeholders.....	20

5.1. Confronting national and local level approaches to the participatory approach	20
5.2. Designing a CLLD	24
Strategy	24
Partnership.....	24
Area and boundaries	25
6. Conclusions and recommendations.....	25
6.1. Conclusions	25
6.2. Recommendations.....	30
To the European institutions:.....	30
To the Member States, Regions and Managing Authorities	31
To the URBACT Programme	31
References and key resources	32
Literature.....	32
Internet	33

1. Introduction

1.1. Background

The new URBACT III operational programme was approved 12 December 2014 and set reframed objectives for URBACT to achieve as well as continuing the focus on integrated and participative approaches. The study “Implementing new concepts and tools for sustainable urban development 2014-2020” was carried out in the perspective of the new ERDF programming period, which will run from 2014 to 2020. The latter includes new tools and concepts that represent new opportunities for programming the urban dimension. For this Study, the URBACT Secretariat expressed a specific interest towards the following concepts: **integrated strategy and action plan, participatory approach** and **urban-rural partnership**.

In the new programming period, the URBACT programme will work with cities that will have to use the above concepts and the tools proposed in the new regulation of the Cohesion Policy and by the Managing Authorities for sustainable and integrated urban development. These tools include the Integrated Territorial Investment (ITI), Community Local Led Development (CLLD). In addition there will be an opportunity for so-called Article 7 cities to participate in the Urban Development Network. Therefore, achieving a common understanding of these concepts and tools amongst stakeholders in both cities and Managing Authorities who will have to implement them becomes of paramount importance.

1.2. The Study: Towards a shared understanding of the concepts and tools in the new programming period

1.2.1. Aims

Through this study, the URBACT programme aimed to:

- 1. Develop a shared understanding of the concepts and tools for sustainable and integrated urban development among the different stakeholders concerned by these concepts and tools for the next programming period;**

A first and necessary step to develop *a shared understanding of these concepts and tools* is to clarify what is meant by them, including a reflection on the main challenges and issues they may pose. To this end, the work carried out by the research team and the URBACT Secretariat, as well as with the participants of the three working seminars of the project, sought to unpack these concepts and their possibilities. In other words,

this approach is to be regarded as a critical reflection aimed at maximising the potential of these concepts and tools, ensuring as much as possible their enhanced up-take.

2. Issue recommendations so as to how these stakeholders may use these tools to foster sustainable urban development.

Following from a shared understanding of the concepts and tools for sustainable and integrated urban development, as set out above, the study's team proposed a number of concrete recommendations on how concerned urban development actors across European cities may apply these tools. These recommendations take into consideration different realities across member states (i.e. different levels of economic development) as well as different levels of action (city, region and national level), and any differences in interactions between different spatial levels.

1.2.2. Methods and outcomes

The study applied a mix of methods, including:

- **Desk research: Review of secondary data** (case studies; practice and academic literature; policy documents, etc.)
- **Interviews with key informants**, i.e. people with particular insights into each topic, representing different sectors, geographies and disciplines.
- **Three working seminars**, each focusing on a different concept/tools of this study. At the seminars, invited experts and practitioners (EU, national, regional and city levels) confronted policy approaches and good practices to issue recommendations. The seminars were not public conferences on the above topics but closed working seminars, involving 30 – 50 persons (representatives of national authorities, Managing Authorities, cities) selected to provide specific input to the study based on their concrete expertise and experience.

The outcomes of the study are:

- **Three thematic reports**, one on each of the three concepts/tools under study. These reports are based on the respective discussion papers that informed each seminar and include both the recommendations coming from the seminar as well as additional information gathered during and after the realization of each seminar. They are stand-alone documents.
- **A final report**, bringing together the main findings and recommendations of each seminar report and providing integrated conclusions and a set of recommendations on the three concepts and tools under study.

1.3. Purpose and structure of this report

This report aims to contribute to a shared understanding on the new tools to apply the participatory approach to sustainable urban development in the new period, with a focus on the CLLD approach and its applicability to urban areas. The information presented is based primarily on case study material and discussions held at the Study's seminar on this topic, held on 12 June 2014 in Thessaloniki, Greece. The report is structured as follows: Following this introduction, the second chapter provides a brief overview of the key features of the participatory approach to sustainable urban development in the previous programming period. Chapter three then goes on to outline the main characteristics of the new period, highlighting the CLLD approach and the possibility to expand it from rural to urban areas. This chapter includes two examples of past and ongoing community-led approaches on which CLLD can build on, namely in Ireland and Finland. In chapter four we provide an initial outlook on how different Member States have or haven't considered CLLD in their respective partnership agreements, up to December 2014. The chapter includes some general, provisional data, as well as more in-depth information on two pioneering case studies of CLLD initiatives currently involving urban areas, in Gothenburg (Sweden) and The Hague (The Netherlands). Chapter five presents key findings from the Study's seminar with stakeholders. Chapter six provides some concluding remarks and recommendations emerging from the study, targeting the European institutions and the URBACT programme, respectively.

2. The Participatory Approach to sustainable urban development in the last programming period (2007 – 2013)

Many EU urban policy documents, such as the Urban Acquis (2004) and the Leipzig Charter (2007) acknowledge the importance of public participation in cities, considering it as crucial to achieve cohesion in European territories and cities. However, none of these provide a full definition of the concept. Instead, many treaties and documents plead for consensus-based public participation in general terms as a way to share decision-making processes on the future of European cities.

Table 1
Examples of public participation approaches in urban projects (2007 – 2014)

Topic	Project name and location	Brief description
Social integration in deprived urban areas	“Socially integrative city”, Berlin, Germany	Community-led development at neighbourhood level within a state programme across 34 areas in Berlin supported by a federal programme tackled deprived areas. This approach sees public participation as the coordination and coproduction of strategies, as a means to improve partnership governance by involving citizens directly.
Integration of Roma communities	Alba Iulia, (Romania) and Wroclaw (Poland)	Two URBACT projects tackling deprived neighbourhoods suffering from neglect, stigmatisation and segregation. In this participatory approach, the local administration encourages the direct involvement of citizens as end beneficiaries at the micro geographic scales without necessarily having a rationale for citizens partaking in the decision-making processes.
Regenerating historic centres	“Bollenti Spiriti” Youth Programme for urban regeneration, Barletta (Italy)	The thematic focus was youth entrepreneurship and urban renewal. The participatory approach was based on empowering and acknowledging citizens’ right to participate, by providing space to dialogue with spontaneous bottom-up initiatives and proposals complying with the principles of economic, social and environmental development.

Source: Authors’ elaboration on the basis of European Union 2013a

Overall, the basis of the participatory approach to urban development in EU policies can be traced back to the second phase of the Urban Pilot Projects starting in 1989. This approach ran further along the URBAN Community Initiative, launched in 1994 as an instrument focusing on urban areas in critical state. This instrument applied an integrated approach to physical and environmental regeneration, social inclusion, entrepreneurship and job creation. EU Structural Funds supported the initiative, which was initially prepared by the 1990-1993 pilot programme, for two consecutive programming periods: 1994-1999 and 2000-2006. The European Regional Development Fund (ERDF) regulation states that the fund can support *“participative, integrated and sustainable strategies to face the powerful*

concentration of economic, environmental and social problems of the urban zones" (European Council, 2006a). Cities all over Europe, encouraged by this financial support, could experiment with a range of citizen participation practices.

In the previous funding period (2007 – 2013) participation in both EU15 and EU 12 often took the shape of 'area-based' interventions, tackling the neighbourhood scale and the relationship with residents (see some examples of these projects in Table 1). The URBAN initiatives drew on and complemented national programmes, especially in the Netherlands, Denmark, Italy, Sweden, Belgium, Germany and the UK.¹

Already by the end of URBAN II and ever since, a number of reports have continuously reinforced the significance of public participation and its role in urban sustainable development. The importance of public participation in urban development was stressed by the Leipzig Charter (2007) and in the Cohesion policy 2007-2013, especially through Article 8 of the ERDF regulation. The latter focused on public participation as a means to achieve a more efficient integrated and sustainable approach to the urban regeneration of those areas that suffer from complex economic, social and environmental problems². The Barca report (2009) mentions public participation as a fundamental condition for the future of cohesion policy, stating that participation helps local choices to be more informed, in line with people's preferences, and allows citizens and collective bodies the freedom to experiment with solutions while exercising peer monitoring.

The URBACT programme has consistently applied an integrated approach to sustainable urban development since its inception. URBACT II (2007-2014) in particular has promoted the participatory approach within integrated urban development through tools such as the Urban Local Support Groups and the multi-stakeholder co-production of Local Action Plans.

3. The new regulatory framework for the participatory approach to sustainable urban development in 2014 – 2020

3.1. The participatory approach in the new policy and regulatory framework

In the new regulations, multi-stakeholder involvement, partnerships and wider public participation are mentioned in a series of policy documents as a key principle. The regulation for ESF in 2014-2020, for example, contains specific provisions to strengthen partnerships and to encourage the active participation of social partners and non-governmental organisations (NGOs) in ESF investments. In addition, it calls for an

¹ European Union (2013a)

² European Union (2013a)

³ Cohesion Policy 2014 -2020. Investing in growth and jobs. European Union, 2011.

⁴ Panorama InfoRegio, Cohesion Policy 2014-2020. Momentum builds. Regional and Urban Policy. Winter 2013, No. 48.

appropriate amount of ESF resources to be allocated to capacity building actions for social partners and NGOs in less developed regions³.

The European Code of Conduct also proposes a strengthened partnership approach in planning and spending. The code laid down a common set of standards to improve consultation, participation and dialogue with partners during the planning, implementation, monitoring and evaluation of projects financed by the European Structural and Investment Funds⁴.

The four specific objectives of the URBACT III Operational Programme 2014-2020 (see table 2) are relevant for CLLD in urban areas. For example, under ‘*Specific Objective 2: To improve the design of sustainable urban strategies and action plans in cities*’ it is stated that “Improving the quality of urban development strategies and actions implies enhancing the diagnosis phase (especially through a stronger evidence base), strengthening the integration of the different policy areas contributing to address urban challenges, and ensuring a participatory approach through the involvement of the relevant stakeholders in the action-planning process.”

Table 2	
URBACT III operational programme (2014-2020): Specific objectives	
Specific objective 1	To improve the capacity of cities to manage sustainable urban policies and practices in an integrated and participative way.
Specific objective 2	To improve the design of sustainable urban strategies and action plans in cities.
Specific objective 3	To improve the implementation of Integrated Plans for sustainable urban development.
Specific objective 4	To ensure that practitioners and decision-makers at all levels (EU, national, regional and local) have increased access to URBACT thematic knowledge and share know-how on all aspects of sustainable urban development in order to improve urban policies.
Source: http://urbact.eu/sites/default/files/urbactiii_programmanual_factsheet1.pdf	

In terms of the new tools of the 2014-2020 proposals, a core innovation in the field of public participation is the possibility to apply “Community Led Local Development” (CLLD) to urban areas. The immediate model for CLLD came from the LEADER programme, applied in the field of rural local development since 1991 (see Box 2). This has been further developed in the Axis 4 of the European Fisheries Fund in the 2007-13 period.

³ Cohesion Policy 2014 -2020. Investing in growth and jobs. European Union, 2011.

⁴ Panorama. InfoRegio. Cohesion Policy 2014-2020. Momentum builds. Regional and Urban Policy. Winter 2013, No. 48.

The main aim of the Commission’s proposal for the new programming period is to simplify and expand the use of CLLD as a development tool, including its use in urban areas. More specifically, it is expected that CLLD will encourage local communities to develop integrated bottom-up approaches in circumstances where there is a need to respond to territorial and local challenges calling for structural change. This approach should also help build community capacity and stimulate innovation (including social innovation), entrepreneurship and capacity for change by encouraging the development and discovery of untapped potential from within communities and territories. In addition, CLLD in urban areas is expected to promote community ownership by increasing participation within communities and build the sense of involvement and ownership that can increase the effectiveness of EU policies. Last but not least, this approach could assist multi-level governance by providing a route for local communities to fully take part in shaping the implementation of EU objectives in all areas.

Box 1 CLLD in a nutshell

Community-led local development is a term used by the European Commission to describe an approach that turns traditional “top down” development policy on its head. This approach is aimed at encouraging cooperation between the public, private and civil society sectors. Under CLLD, local people take the reins and form a local partnership that designs and implements an integrated development strategy. The strategy is designed to build on the community’s social, environmental and economic strengths or “assets” rather than simply compensate for the problems. For this, the partnership received long-term funding – and they have to decide how it is spent.

Source: Authors’ elaboration on the basis of “Guidelines on CLLD for Local Actors” (2014)

Furthermore, in any given area there can be a combination of sectoral policies, territorial policies and community-led approaches. In this context, CLLD could be used as a tool for bottom-up actions contributing to integrated urban development, inline with ERDF Art.7 (1):

“(…) integrated actions to tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, taking into account the need to promote urban-rural linkages”.

These integrated urban development strategies are required to draw at least 5% from each Member State’s ERDF allocation, and urban authorities implementing those are responsible for at least the selection of projects. Furthermore, urban CLLD can be used to bring together actions funded under ERDF and ESF in a more integrated way.

3.2. Expanding the CLLD approach to urban areas

CLLD is not an obligatory tool. The logic of intervention is based on the approach of LEADER which has been a key plank of rural development for the past quarter century and in which, where local action groups use this tool to implement their local strategies for a local area.

Resources from the rural development programmes finance the implementation of the local strategies implementation as well as paying for animation and operating costs of the local action group. As long as the Member State's legislations provide a proper framework, even more funds (ERDF, ESF, EAFRD, EMFF) and more operational programmes resources can support an implementation of a strategy of integrated planning and implementation. In many Member States the action plans of the original LEADER groups have been supported from other funds including the EFF (in fishing areas and now renamed EMFF), and there are many examples of joint working between these two funds. In some areas LAGS have also received support from the ERDF and ESF but often this has been organized on an ad hoc basis. CLLD is based on partnership, i.e. no party, whether public, private or third sector can have more than 49% of voting rights. The population size ranges from 10 000 to 150 000 people for all ESIF.

Box 2 The LEADER Approach and CLLD

LEADER is a local development method that allows local actors to develop an area by using its endogenous development potential. The LEADER approach formed one of the four axes of Rural Development Policy 2007–2013. Since its launch in 1991 by the European Commission as a Community Initiative, the LEADER local development approach has been providing rural communities in the EU with a method for involving local partners in shaping the future development of their area. Early generations of LEADER received funding from the EU structural funds as a separate Community Initiative.

LEADER reached a "maturity" phase in 2004-2006 and has, since 2007, been co-funded under the European Agricultural Fund for Rural Development (EAFRD). Over 2500 local groups have been supported.

While LEADER receives full support from EU institutions and all related stakeholders, it was acknowledged that LEADER has not fulfilled its full potential to comprehensively integrate local needs and solutions into Local Development Strategies (LDS). Therefore in order to allow local territories better taking multi-sectoral needs into account, it is proposed that in the future LDS may be supported by other (than EAFRD) EU funds (called multi-funded approach). In this multi-fund context, the LEADER approach will be referred to as "Community-Led Local Development" (CLLD). This tool has shown to be effective and efficient in the delivery of development policies.

A lesson from the past programming period was that all types of areas could benefit from the LEADER method. One option is to use the multi fund approach, but it is also possible for a single LAG to maintain separate and independent relations with four Managing Authorities provided that no double funding takes place at the project level.

For 2014 to 2020 CLLD (LEADER) will remain a mandatory part of the Rural Development Programmes funded by the EAFRD and a possible option under the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the European Maritime and Fisheries Fund (EMFF). In order to ensure coherence of integrated LDS and actions, common rules are to be applied for these funds under the "Common Strategic Framework".

Source: Authors' elaboration on the basis of <https://enrd.ec.europa.eu/en/leader> and <https://enrd.ec.europa.eu/en/themes/clld>

As Paul Soto⁵ explains, the CLLD approach has meant a paradigm shift in local development, in at least two crucial ways. First, a move from a “*territoire guichet*”⁶ approach - focused on administrative boundaries, where a management body distributes grants to cover deficits or gaps - to a “*territoire projet*” (project-based) approach, where the emphasis is on a vision for the future, building on the assets of a local area and working with the partnership to define an appropriate (urban area to achieve this vision. Second, CLLD means a paradigm shift with regards to co-decision at local level, as it puts people facing a challenge in the ‘driving seat’. CLLD is one of the few EU-wide approaches where local actors design strategies and they go on to select projects.

Box 3 Core features of the CLLD - Art 32.2 of the Common Provisions	
1.	Focus on specific sub-regional areas
2.	Community-led by local action groups composed of representatives of public and private interests, where at the decision-making level no single sector or group shall represent more than 49% of votes.
3.	Carried out through integrated and multi-sectorial area-based local development strategies.
4.	Designed taking into consideration local needs and potential and include innovative features in the local context, networking and where appropriate, cooperation.

CLLD is a specific tool for use at sub-regional level, which is deemed complementary to other development support at local level. It has the potential to mobilise and involve local communities and organisations to contribute to achieve the Europe 2020 Strategy goals. However, some believe that the application of this tool to urban areas should consider a number of potential pitfalls.

The URBACT programme, for example, has already identified a number of questions and/or challenges for CLLD to work in urban areas. These refer mainly to the definition of who is to be considered as part of the community in a particular area. Some express concerns, for example, that the rights of democratically elected representatives and the public sector will be undermined by the proliferation of unaccountable local groups; or that the stronger interest groups could dominate these partnerships, which could be counter-productive. It should be noted that the same issues have been raised both in LEADER and in existing CLLD type actions in urban areas such as the Berlin neighbourhood fund approach. In both cases the vast majority of partnerships have satisfactorily addressed questions of representation dealt with and elected members are almost always comfortable with the situation and consider that it has enriched local democracy rather than subverted it. In Berlin it is normal for elected members to have close working relations with the neighbourhood Councils. Another challenging issue, common also to other investments in local development, is related to the long-term

⁵ Paul Soto, keynote presentation at the URBACT Study’s seminar “The participatory approach to sustainable urban development in the cohesion policy period 2014-2020: making CLLD in urban areas work”, 12 June 2014, Thessaloniki, Greece.

⁶ The French word “*guichet*” is used here metaphorically in the sense of a bank counter through which the money is handed over.

sustainability, or continuity, of the participatory process and behaviour once the financing of the specific projects ends.

Overall, there is a need to mainstream participatory approaches across the whole range of new tools proposed for sustainable and integrated urban development. A case in point is the proposal on ITIs, where there is no explicit reference to stakeholder involvement⁷. However, CLLD could be part of an ITI approach, where the participative approach offered by CLLD is a natural ally to help ITIs address intractable local problems in communities. Participatory approaches should not be designed as self-contained policy packages; in order to become a reality, they ought to be embedded in other relevant territorial development tools. Developing a common vision on how to best achieve this approach has been one of the goals of this Study.

3.3. Examples of community-led approaches from the past programming period (2007-13)

There are a number of community-led initiatives in the field of urban local development and a very large number of LEADER groups implementing CLLD over the last decades in different parts of Europe. The implementation of CLLD both in urban and urban-rural areas in the new programming period can take useful lessons from these experiences. In this section we present two concrete examples where the CLLD approach (or similar) has either already been successfully established (Ireland) or has the potential to be extended from rural and coastal areas to urban areas (Finland)⁸. In what follows, we briefly present key features of each of these examples and conclude with some possible lessons to apply to CLLD in urban areas in the new programming period.

The Irish Local Development Framework

In 1992 the public sector, national social partners, the community voluntary sector and the private sector established a social partnership framework to plan the national recovery and economic and social development of Ireland. This included setting up Partnerships Companies in disadvantaged areas (Local Action Groups). These were non-profit companies managed through boards made up of representatives of local organisations. They existed in parallel to the weak local government structures of the day and in some ways compensated for the lack of innovation and drive in the local public sector.

Up until the current programming period (2014-20) The Local Development Framework in Ireland comprised 16 Urban Based Local Development Companies and 36 LEADER Local Development Companies. These organisation deliver services to communities

⁷ Houk, M. et al. (2012)

⁸ The information presented here on both cases is based on the keynote presentation by Petri Rinne, (Vicepresident of ELARD at the time), at the URBACT Study's seminar "The participatory approach to sustainable urban development in the cohesion policy period 2014-2020: making CLLD in urban areas work", 12 June 2014, Thessaloniki, Greece.

across rural Ireland and in selected urban areas. They are funded by multiple EU, state, private, and philanthropic sources to deliver state programmes into the hearts of the communities. Many operate as social enterprises whereby surpluses generated in one activity are used to finance other investments in the community. These partnerships have a significant track record of delivering and developing EU and state funded programmes. At national level they have been supported by an umbrella company Pobal which was initiated by the Taoiseach's office in the 1990s to manage EU local development programmes and has diversified since into a wide range of local development activities related to programme management, evaluation, evidence based policy and programme development. Initiatives such as the Paul partnership in Limerick, Northside and Ballymun and Tallaght in Dublin have made major contributions in their cities.

There is a strong governance of these structures, based on a 20-years' experience developing and supporting multi-sectoral approaches. In the urban areas they are well connected to the most vulnerable communities. However, it is also worth looking at some weaknesses of this approach, in order to improve future practice. For example, one of the criticisms of the social enterprise structure of the local development companies was that they were not accountable. The new Local Government Act in Ireland requires the counties to set up local community development committees, although this means that the local partnerships will have to bid for contracts against other (possibly private) players. This experience and framework provides useful lessons to take into account when thinking of the establishment of CLLD in urban areas in Ireland and beyond. It should be noted that the Irish Government has decided to use neither ESF nor ERDF for CLLD approaches in the current period.

Community-led local development in Finland

Historical roots of community cooperation

In 1960s a strong structural change in rural areas in Finland begun, which was characterised by, on the one hand, a significant migration from rural areas to cities and to Sweden, and on the other, a weakening of basic services in rural areas. As a response to structural changes, local actions in rural areas strengthened in the 1970s: local people became active and created solutions for local needs and viable and functional local communities managed to survive. As a result, a culture of local cooperation strengthened the ground for CLLD.

The LEADER approach and CLLD in the past programming period involved 55 rural territories (LAGs) and 8 fisheries territories (Fisheries Local Action Groups, FLAGs) in Finland.

Plans for the new programming period

The government programme and Finland's national regional development targets for 2011–2015 include the goal to strengthen local development. The recent restructuring of municipalities in Finland has led to mergers and thus bigger municipalities. This requires new tools for citizen participation and local democracy. In this context, the CLLD approach is recognised as a useful tool to achieve this aim. The local development

approach facilitates building more efficiently on residents' activities. This approach also helps in attracting private funding for development work.

At the same time, the Europe 2020 strategy and the EU's new regulations for the 2014–2020 programming period emphasize the strengthening of local development and the potential to use more than one fund to make it happen. According to the European Commission, local development is one of the main elements of cohesion policy for the new programming period 2014–2020. European Structural and Investment Funds need to respond to various development needs also at sub-regional and local level.

In the new programming period, the CLLD is included in EAFRD and EMFF programmes in Finland. The Ministry of Agriculture and Forestry already officially approved the 54 rural LAGs covering the whole rural territory of Finland in January 2015. The selection of FLAGs will follow during the Spring 2015. Urban LAGs will be launched on a project basis, supported either by ESF or ERDF. Furthermore, in the ESF and ERDF programmes the dimension of local development will be implemented as a part of normal programme procedures.

A new element in ESF and ERDF programmes is the Civic Activity Based Local Development in Urban Areas. Various methods are accepted, encompassing areas that are not included in LEADER approach (large cities and centres of medium-sized cities). These are based on local development strategies.

The goals for Civic Activity Based Local Development in Urban Areas are manifold, including: facilitating more efficient utilisation of residents' activity in urban areas; enhancing interaction between urban and rural areas; creating equality between local actors in rural and urban areas; helping in attracting private funding for urban development; helping in reaching target groups on a broader basis and in local level promotion of meeting the funds' objectives; getting ESF and ERDF closer to the citizens and to involve new actors; and strengthening vitality of urban communities.

All in all, according to Petri Rinne⁹, in Finland there is an increasing interest in the CLLD among cities; CLLD can be a potential instrument to support the implementation of Growth agreements in the thematic areas of social cohesion and community development. In addition, from a technological perspective, a recently launched new GIS based territorial classification of Finland, sets suitable ground for the development of CLLD including in urban areas.

Conclusions

Despite the very different national backgrounds, some interesting lessons can be drawn for urban CLLD in both cases. While Ireland has very marked poverty and social exclusion, in Finland there is a comparatively stronger welfare state. CLLD-style approaches in Finland respond, to a large extent, to a cultural way of doing things in terms of good governance

⁹ Petri Rinne, Vicepresident of ELARD, keynote presentation at the URBACT Study's seminar "The participatory approach to sustainable urban development in the cohesion policy period 2014-2020: making CLLD in urban areas work", 12 June 2014, Thessaloniki, Greece.

involving the local community. In Ireland, community-led initiatives have sprung out of acute local needs in a context of social and economic distress.

In both cases, solutions were found in building multi-sectoral partnerships based on mutual cooperation. Both examples show long-term approach dimension is necessary when building relationships and trust amongst different stakeholders. Another key success factors of this long-standing cooperation are suitable governance structures, which ensure the participation of local stakeholders in both the process and outcomes of these partnerships. All these factors are to be taken into account when thinking of establishing CLLD in urban areas.

4. Implementing CLLD in urban areas: Initial outlook

In this chapter we attempt to provide an initial overview on how CLLD in urban areas is being dealt with in partnership agreements for the current programming period in different Member States. It is worth noting, however, that at the time of data collection for this Study, negotiations were still ongoing in many countries. Hence, the information we have gathered so far aims to provide a general picture of the situation across a selection of member states covering various contexts across EU 28.

4.1. General overview

Overall, the state of the knowledge and information about CLLD, and about the possibility of including CLLD in urban areas in the current period, varies significantly amongst different types of stakeholders and member states. The ministries responsible for the ERDF (often Economy / Regional development / Finance or their equivalents), who developed the partnership agreements, will have the responsibility to manage CLLD in urban areas. Sweden is an exception with its arrangements under the Ministry of Agriculture. There is evidence that in general the level of information and/or participation of cities and/or civil society actors in these negotiations are rather limited. Thus, an important question to consider is to what extent local actors have been included as part of the negotiation and policy design process.

A more fundamental challenge to adopting this approach across Europe is the actual support of bottom-up development models as an approach to inclusive governance and citizen empowerment. Although it is early days to judge the level of adoption of this approach in different parts of Europe, evidence on the up-take of community-led approaches tells us that a change of mind-set may be required in places where, mainly for cultural reasons, top-down ways of doing things tend to be the norm.

According to provisional figures¹⁰ obtained in the context of this Study, 17 MS in 40 Operational Programmes will use CLLD. The total allocation for this instrument (at January 2015) amounts to EUR 2 billion (2/3 ERDF, 1/3 ESF). In most cases Member States do not specify whether they want to focus CLLD on urban areas or not. As a matter of fact, when there is a focus, it is rarely on urban areas. Moreover, Member States where CLLD is most likely to target urban areas are those where discussions on the Operational Programmes are still ongoing and their content is still being refined.

4.2. Urban CLLD pioneers in the new programme period

In this section we present data collected by this Study on two cities where the CLLD tool is currently being planned in urban areas (or as part of urban-rural arrangements) in the new period, namely: The city of Gothenburg in Sweden, and The Hague (Scheveningen) in The Netherlands.

Case #1: CLLD in Gothenburg, Sweden

Gothenburg is moving away from a “problem” approach towards a “potential” approach to urban areas, identifying and building on their economic, cultural and social assets. An example is the Sustainable Food project, which the city is currently carrying out with the URBACT programme: in the nearby countryside the local production is not enough to cater for Gothenburg’s increasing demand for ecologically grown food. At the same time, the city wants to boost the green economy. In order to respond to these different objectives, the city has decided to implement a CLLD at the interphase of its urban and rural areas, involving local “Penta helix hubs”, i.e. collaboration arrangements between university, industry, government, civil society organisations and citizens.

The idea started in the Gothenburg Northeast area, which concentrates 25% of the total surface of Gothenburg (112 km²) and is home to one in five of its inhabitants (95 000). Amongst the key assets of this area are its “global” young population, the availability of land for companies, a combination of natural and cultural assets and infrastructure. The new urban policy seeks to promote exchanges and intercultural interactions between urban and rural areas, including exchanges of people, resources, knowledge, capital, job opportunities, etc.

After the initial submission of a CLLD strategy to the Swedish Board of Agriculture (Ministry of Agriculture), the latter asked Gothenburg to be part of an existing LEADER CLLD, led by one of the neighbouring rural municipalities. The idea was to embed the ideas of Gothenburg within a broader urban-rural CLLD partnership, to be called “Along

¹⁰ Source: DG Regional and Urban Policy.

Göta Älv”. The overall aim of this CLLD is to increase the visibility of the area and to engage citizens in the development of the local community. One specific aspect that the city of Gothenburg wants to bring to the partnership is its highly multi-cultural character. Geographically, the CLLD consists of parts of five municipalities where many of the more densely populated areas are excluded: the northern parts of the City of Gothenburg, the municipalities of Vänersborg, Ale, Trollhättan and Lilla Edet.

The overall aims of this CLLD partnership are:

- To stimulate creativity, entrepreneurship and business development in the area.
- To foster sustainable production and consumption that drives responsibility, development and innovation.
- To contribute to knowledge development in the area.

The partnership already submitted an initial strategy to the Swedish Board of Agriculture (Ministry of Agriculture), on which the Board (Ministry) has requested some changes. At the moment they are revising their strategy and expect to have the Board’s final approval by April 2015.

Box 4 Urban-rural CLLD in the new period: the case of Gothenburg

Gothenburg has a population of around 533,000 and is Sweden’s second largest city. The Gothenburg region, which spans 13 municipalities in Greater Gothenburg, has a population of 1.1 million. 23% of the people living in Gothenburg were born outside of Sweden. There are currently 315 894 jobs in Gothenburg, with the biggest employer being the City of Gothenburg, employing 49 000 local people across over 100 different professions in city districts, specialist administrations and municipal companies. In the past decade the city has enjoyed steady growth with a population increase of 55 000; the figure for the whole Gothenburg region is 125 000. In particular a lot of young people want to move there – the predominant group is young adults aged 20-27. During the same period more than 90 000 new jobs have been created in the Gothenburg region.

Box 5 CLLD in Sweden: the National context

Sweden was one of the first EU countries to confirm its intention to apply Community-Led Local Development (CLLD) in all four European Structural and Investment (ESI) Funds. The managing authority is the Ministry of Agriculture and CLLD will combine urban and rural territories. It is possible that one fund takes a leading role in some areas.

In Sweden it will only be possible to use CLLD in cities/areas below a certain population/density, e.g. mixing urban and rural areas. Local action groups will not only have the possibility to seek funding for fisheries and rural development, but also to address social issues and skills development. This opens many opportunities (as well as challenges) to develop the CLLD even if (at least initially) in low population urban areas.

Case #2: CLLD in The Hague, The Netherlands

The idea started with The Hague's Integrated Territorial Investment (ITI). The City administration thought it would add value to the programme to have a CLLD approach to working with community actors on local development issues as part of the ITI. The original idea was to link the CLLD initiative to a possible FLAG (Fisheries Local Action Group) but that was not possible in the new programme because there is no budget allocated within the fisheries programme. The target area is Scheveningen, a harbour and beach at the core of The Hague's economic development policy in the new period. The specific thematic focus of the CLLD is on entrepreneurship and job creation for local residents in the tourism and SME sector. While the long term economic strategy of The Hague focuses on structural, high-skill and innovation sectors, the CLLD aims to work on short term results for the labour market with low skill jobs needed in the tourism and local manufacturing industry, which can be better matched to the local skills base.

The operational programme for The Hague, including the CLLD, was agreed with the EC in December 2014.

A local group has been formed, involving local stakeholders, notably:

- 3 groups of SMEs (fisheries, entrepreneurs around the Harbour area and entrepreneurs around the beach area)
- A representative of the cultural sector
- A representative of the sport's sector (sailing)
- 3 groups of local residents

The City has hired an independent Chair for the group. The group is currently working on a SWOT analysis of the area to feed into the CLLD strategy.

Financially, the City has allocated EUR 0.4 Mill to the CLLD from the ERDF Programme over the next three years out of the total ITI budget. The overall budget will be 1.2 Mill with co-financing from the city's budget and from other parties. This budget will be allocated as follows:

- EUR 100,000 for administrative costs per year (3 years – 0.3 Mill)
- EUR 100,000 for each action line, per year (3 years, 3 action lines – 0.9 Mill)

The City acts as a facilitator, leaving the local stakeholder group to lead the process, thereby adopting a low-key approach for their involvement in the CLLD. For example, a City representative takes part at the group's meetings only to provide information about the operational programme and to provide updates, and then steps out to leave the group to continue with their discussions. The city is planning to become more involved after the SWOT analysis is delivered and the different groups in Scheveningen have identified their common interests,

Conclusions

Each case illustrates a different approach to CLLD in the new period. In the case of Gothenburg, CLLD will combine urban and rural instruments in a territorially integrated approach. It will draw on different funds to meet different objectives, thereby achieving complementarity. The pre-existing rural partnership will take the lead, while the role of the City will be of a newcomer, gradually embedding its priorities and bringing in its assets into the mix. This approach has a rich potential for urban-rural synergies and complementarities. Challenges, in this regard, will probably relate to learning to combine the differences between rural and urban contexts in terms of target groups, agendas and other specificities, while creating win-win dynamics that enrich both contexts.

The Hague is an interesting example of the combination and complementarity of new tools for sustainable urban development. While the ITI strategy focuses on longer-term, structural aspects linked to innovation and high skills jobs creation in The Hague area, the CLLD focuses on short term local needs targeting vulnerable groups in a specific area of the wider urban region, namely Scheveningen. Another interesting aspect of this CLLD is the enabling leadership approach taken by the city, which responds to the perceived need to generate trust amongst local stakeholders.

5. Findings from the Study's seminar with stakeholders

In this chapter we summarize the main findings of the seminar held in the context of this Study in Thessaloniki on 12 June 2014, which focused on the CLLD approach in urban areas in the new period. The seminar was attended by a variety of national, regional and local stakeholders (see agenda and list of participants in the annex to this report).

5.1. Confronting national and local level approaches to the participatory approach

National and local representatives and experts from Germany, Sweden, Greece and Czech Republic briefly presented their respective past experiences with participatory approaches to sustainable urban development, and their expectations for CLLD in the current programming period. An open exchange with representatives from other countries in the audience ensued. The CLLD initiative in Gothenburg - already presented in the previous chapter of this report - was, beginning to take shape at the time of this seminar. Overall, Swedish participants referred to the long tradition of self-government in their country, which would facilitate the acceptance and implementation of the CLLD approach.

A representative from France explained that urban integrated strategies will have a participatory component and that there are plans to develop neighbourhood councils to channel residents' participation in urban development in the future. France, like Germany or

Czech Republic, intends to mainstream participation through other instruments, but not necessarily applying the CLLD approach.

Tables 3 and 4 provide more detailed information on the main aspects of this discussion in Germany and Greece, two countries that represent very different situations in terms of both their approach to and past experiences with participatory approaches.

Table 3	
Participatory approaches and CLLD in urban areas: national and local level perspectives in Germany	
National level perspective	<p>Participatory approach in the country</p> <p>The country has a strong track record of participatory approaches to sustainable urban development, notably through the “Soziale Stadt” programme. The implementation of urban policies in the last period included a fairly strong participatory approach.</p> <p>View on CLLD in urban areas in the new period</p> <p><i>‘The German partnership agreement in the new period includes different possibilities to implement the integrated urban development approach. CLLD is mentioned as one of such possibilities. The approach is to ensure that the options are open. However, most German Länder are focusing on their positive past experiences with mixed priority axis, more than on CLLD.’</i></p>
Local level perspective	<p>Participatory approaches at local level</p> <p><i>‘Some German cities do and some others don’t apply a participatory approach to urban development. It depends greatly on the willingness of each local authority.’</i></p> <p><i>‘There is good practice working together among German cities on participatory approaches, as it the case of networks / social networks where they learn from each other. Topics include housing, education, boosting the local economy.’</i></p> <p><i>‘There are different types of city networks in the country; thematic, target and area based – a spider web all over Germany on participatory approaches, lots of learning from each other. For example, the urban development plan for the city of Duisburg was made by a large number of citizens; there was already a vision for the whole city as well as for specific areas. Local citizens, private and others are already working together.’</i></p> <p>On the question ‘what could other countries could learn from the German experience with participatory approaches?’ local level representatives suggested to look at their experience with city networks working with the Roma population (e.g. immigrants from Romania and Bulgaria). In this respect it is possible to develop future partnerships involving people and (administration /governance) from cities facing both ends of the problem, i.e. cities from where these populations emigrate and cities of immigration.</p>

The German approach to public participation in urban development is rooted in well-established structures and procedures designed to this end. However, the seminar discussion shows that these structures and the degree to which ‘real’ participation is

included (i.e. beyond consultation) vary not only by Land, but also in every city. Higher levels of participation come close to co-decision approaches (at the core of the CLLD approach), which involve greater delegation and power sharing. Nonetheless, this often creates tensions between local and regional governments and citizens' groups aiming for greater involvement in key urban development decisions in their cities.

Table 4
Participatory approaches and CLLD in urban areas: national and local level perspectives in Greece

<p>National level perspective</p>	<p>Participatory approach in the country</p> <p><i>'The integrated approach is a political approach i.e. it has to do with decisions. The participatory approach is about the delegation of duties.'</i></p> <p><i>'There are blurred points in the new EC regulations that have not been clarified; some gaps are transferred to the national level and then on to the local level. This creates problems in the delegation process. There is a need for clarification of duties, and responsible bodies.'</i></p> <p>View on CLLD in urban areas in the new period</p> <p>Despite the relative lack of a strong tradition of participatory approaches, in Greece the CLLD approach is considered potentially effective, in particular on themes common to many cities. It is expected that some smaller cities will follow the LEADER approach and others have expressed interest in applying CLLD.</p> <p>The Ministry of Agriculture will be in charge of CLLD.</p> <p><i>'Initially there is not going to be CLLD in cities. However, as in Greece there are few 'pure' rural areas, there is already an element of urban in rural partnerships.'</i></p>
<p>Local level perspective</p>	<p>Participatory approaches at local level</p> <p>There are some experiences with the involvement of NGO's platforms and other bottom-up approaches. So far, the participation of artists, creators, universities, foreign (cultural) institutes in urban development are successful examples at local level.</p> <p><i>'To improve the quality of life it is important to work with the top-down approach: some local governments have some initiatives for debating with civil society.'</i></p> <p><i>'One problem is that often there are lots of visions about the same topic; for example, in a recent urban mobility project seeking to decrease the number of cars in the centre, the city was divided; half of the residents wanted to get rid of the cars and the other half wanted the cars. We don't have the knowledge and tools to deal with this problem.' (...) 'We do not always have the adequate tools and approaches to manage this type of "dividing" situations.'</i></p> <p><i>'People are very suspicious of [local] governments but at the same time there are lots of bottom-up initiatives in cities, largely as a consequence of the crisis.'</i></p> <p><i>'There is lack of trust, or at least suspicions in the beginning, that lead to problems. A possible approach is building trust among actors in a step-by-step process. A good</i></p>

Table 4

Participatory approaches and CLLD in urban areas: national and local level perspectives in Greece

example is the URBACT ULSG Action Plan, where the interest is growing and situations are “maturing”, hopefully in a good direction.’

‘It is difficult to implement participatory approaches but the interest is growing even at national level.’

‘According to the latest plan all cities are obliged to create different committees to carry out consultation; but it’s a top down approach, just consultation.’

‘Another problem is trust. For example, the URBACT LINKS project, created a ULSG with different stakeholders. This was a success; we started involving people from the beginning, at first very suspicious but gradually they started to come around it.’

‘There are different citizen organizations in Greece taking action and trying to communicate with the municipality.’

‘Sometimes people from the city of Veria bring ideas to the Mayor and try to collaborate.’

View on CLLD in urban areas in the new period

‘Some cities are more prepared than others to use an integrated and participatory approach, including CLLD. However, cities and Managing Authorities do not feel very comfortable with the CLLD approach, considering it “a new element”.’

‘The idea of CLLD is great and everyone understands that participation is key to succeed but sometimes is very difficult to manage it. What is missing are knowledge and tools.’

The latter was also highlighted in the Greek example, where delegation is acknowledged as a political issue. As a key principle on which CLLD is based, power sharing and co-decision require trust building. This should be regarded as a long-term, step-by-step process, especially in contexts where residents’ participation is alien to the urban policy process. The current political and social context in Greece, however, may act as a catalyser for this approach. As the findings from the seminar discussion show, there are a number of bottom-up initiatives emerging and some attempts to work together with local authorities in this field. This may pave the way for the adoption of CLLD or similar types of participatory approaches in Greek cities. Furthermore, past and ongoing URBACT projects and their ULGS and LAPs were mentioned as successful concrete experiences on which to build in this direction.

5.2. Designing a CLLD

On the basis of the methodology proposed in the CLLD Guidance for Local Authors (2014), seminar participants reflected on the rational and multi-stakeholder process of working with a CLLD in an urban context. The latter consists of an iterative process with 8 schematic steps to define three core elements: 'Strategy', 'Partnership' and 'Area' (see Table 5).

Table 5		
Steps to designing a CLLD		
Step	Element	Action
1	Strategy	Decide what you want to change
2	Partnership	Build trust and alliances with the people that can help to make the change
3	Area	Define the boundaries of your area
4	Strategy	Prepare the local strategy for change based on the involvement and needs of local people
5	Partnership	Agree on a partnership structure and clarify who does what
6	Area	Adjust boundaries
7	Strategy	Prepare an action plan and funding application
8		Establish a system for periodically reviewing, evaluating and refreshing the strategy

Source: Author's elaboration on the basis of CLLD Guidance for Local Actors (2014)

Strategy

Regarding choosing a focus for the CLLD, some participants felt that there should be no limits on the possible themes that CLLD ought to address. Others considered "deprived neighbourhoods" as a key issue that CLLD would be particularly well suited to address, because these are issues that local authorities cannot manage alone.

Partnership

There was widespread agreement on the key role that trust building plays in the CLLD approach; different ways of building trust were identified, which are more or less suitable depending on specific (cultural) contexts. For example, in some cases, trust building could be achieved by introducing bottom-up-style approaches by law, such as in France. In Greece, participants considered that the best way would be by overcoming bureaucracy and by local authorities fulfilling their promises. Key enablers identified by participants were the figure of committed "activators" (i.e. individuals who act as facilitators in the process of trust-building) as part of a model for successful partnership building. Education and training were also mentioned as crucial enablers to build good partnerships.

Area and boundaries

Participants agreed that there are a number of challenges with regards to indicators to clearly establish meaningful boundaries for CLLD. There are at least three types of considerations in this regard: first, many cities do not have indicators that are sufficiently disaggregated, and often they are not up to date. Second, indicators can only be used as a rough guide to selecting areas, as the area needs to make sense to the local population and have an identity that goes beyond a statistical construct. A third type of problem with indicators is that the economic solutions to an area are found at a higher spatial level than the problems.

Starting from recognizing these limitations, it was concluded that it is necessary to work with functional urban areas rather than with administrative boundaries, which usually do not match real needs and social and economic linkages at local level.

6. Conclusions and recommendations

6.1. Conclusions

The available evidence shows that CLLD in urban areas is being included in a limited number of national partnership agreements. Furthermore, given that Member States are not asked to specify whether their CLLD will be in rural or urban areas (or in a mix of both), it is not possible at this point to have a clear idea of numbers. However, at the time of writing this report, the available evidence pointed to **a relatively low take-up of CLLD in cities across the EU in the partnership agreements**. According to our findings, possible reasons for this may include:

- Despite the publication of two guides in all EU languages, the first aimed at Managing Authorities and the second at Local Actors (European Commission 2013, 2014) there is still a lack of awareness at sub national level (regions, cities and neighbourhoods) about the possibility to use CLLD in urban areas.
- There is a perception of high level of administrative risk of using CLLD because many of the project promoters are small associations, NGOs and/or enterprises and there are a relatively large numbers of projects per million of expenditure. Risk is also associated with delegating powers to the local (often sub municipality) levels including fear of conflicts of interest (linked to concerns expressed by the Court of Auditors with LEADER¹¹).
- The multi-fund options are seen as being complex to implement and there is still some way to go to harmonise practices between the four funds at national and regional level on questions such as those around what expenditure is eligible.

¹¹ See: European Court of Auditors (2010). It is worth noting that the same report made recommendations for how this can be better managed within LAGs.

- There is some reluctance by different levels of government (including cities, regions and Member States) to engage in multi-stakeholder processes at levels below their own. This may be allied to fears among local politicians, with no experience of CLLD, of the development of alternative power bases.
- In some Member States the level of activity and capacity of civil society actors is low, which may be regarded by some as a barrier to implementing a locally driven approach such as CLLD.
- There is a tension between the results-based measurement system imposed by the European Commission and more bottom-up processes. The strong emphasis on concentration on a limited number of TOs and results measurement for each thematic objective may work against CLLD, which is normally put under TO9 but may contribute results to other TOs.
- There is a risk of slow absorption of funds in a situation where several years of animation and capacity building may be required to build capacity and produce a pipeline of viable projects.
- The fact that CLLD is voluntary under the Cohesion Policy, i.e. the ERDF and the ESF, has to be taken into account when assessing the take-up of this approach when compared to the urban development tool offered for the urban areas (i.e. obligatory minimum 5 % ERDF allocation to integrated urban development strategies). Many Member States have also decided to complement urban strategies through ESF funding.
- Some Member States have very concentrated programmes with a small amount of EU funding. In many cases, they have opted to leave some (non-compulsory) themes outside Cohesion Policy programming, including bottom-up actions in particular if this type of activity is supported in the national system.
- The Commission has offered Member States a joint approach to CLLD by the four ESI Funds. Member States have been able to choose one or several of these Funds for CLLD implementation, taking into account that every Member State has the obligation to implement LEADER (minimum 5 % from the EAFRD). Nevertheless, in this first programming round, half of the Member States are programming it under the ERDF and the ESF. These two Funds can be used in all types of territories, urban and rural.

We also found that country specificities play a key role in the possibilities for CLLD to be considered as a valuable approach in different contexts. This is for at least two reasons: first, **territorial structures across countries vary greatly** thereby presenting different conditions for the use of such an approach. For example, in Sweden and Finland, both sparsely populated countries, the CLLD approach or similar have proven a useful tool to bring rural communities to work together on a shared vision for their areas. In more densely populated (urban) areas, however, the question is whether an approach such as CLLD, which requires high levels of trust and a common vision, could work with the variety of target groups and agendas. In urban areas, we need to look at the existing experiences with, for example, neighbourhood development in cities in North Rhine

Westphalia (Germany), or with participative budgeting in urban areas¹², to show to what extent and how urban communities are also capable of coming together around common objectives. In addition, there is a need to bridge the urban-rural divide to think about integrated, complex, “hybrid” territories. As illustrated by the Gothenburg case, urban and rural areas are tightly inter-linked, particularly through production-consumption processes, which can greatly benefit from an approach such as CLLD as part of wider territorial strategies.

Second, we have seen that diverse **institutional and political cultures** may either hinder or facilitate take-up of this approach. Again, our examples show that places with a tradition of self-governance and horizontal decision-making processes at local level tend to be more fertile ground for such approaches (e.g. Finland, Sweden, the Netherlands). However, we have also seen - as in the case of Greece - that places without a tradition of public participation in urban policies could also begin to change in that direction in a context of acute social and economic need.

On a more conceptual level, we have seen that the CLLD approach as part of a **wider paradigm shift to public participation**¹³, underpinned by the recent (re)emergence of concepts such as ‘co-production’, ‘social innovation’ and ‘social experimentation’.

The concept of “co-production” was first coined by Elinor Ostrom in the late 1970s and in the past two decades has been revisited by scholars seeking to interpret new social phenomena involving ‘...the mix of activities that both public service agents and citizens contribute to the provision of public services. The former are involved as professionals, or ‘regular producers’, while ‘citizen production’ is based on voluntary efforts by individuals and groups to enhance the quality and/or quantity of the services they use.’¹⁴ In the current context, co-production is mostly used to strengthen the involvement of users or citizens in the design of public services.

Following The Young Foundation and the Bureau of European Policy Advisors (BEPA) (2010), social innovation can be understood as new ideas (products, services and models) that simultaneously meet social needs and create new social relationships or collaborations. While ‘innovation’ refers to the capacity to create and implement novel ideas which are proven to deliver value, ‘social’ refers to the kind of value that innovation is expected to deliver: a value that is less concerned with profit and more with issues such as quality of life, solidarity and well-being. Social innovations are innovations that are social in both their ends and their means. (BEPA, 2010). Social experimentation is a concept closely linked to social innovation and promoted by the European Commission as part of the PROGRESS programme 2007-13. This concept will also feature in the new Employment and social innovation EASI programme by DG Employment.¹⁵ The principle of social experimentation is to test a policy intervention on

¹² For an analysis of the success of participatory budgeting in European cities, see: Sintomer, Herzberg, & Röcke (2008).

¹³ The World Bank, for example, has carried out extensive work on community-led approaches. See, for example: <http://www.worldbank.org/en/topic/communitydrivendevelopment>

¹⁴ Parks et al. (1981, 1999)

¹⁵ See: <http://ec.europa.eu/social/main.jsp?catId=1081>

a small population so as to evaluate its efficacy before deciding whether it should be scaled up. Therefore, social experimentations require both designing a potentially policy-relevant intervention and measuring its actual efficacy.¹⁶ It is worth noting that social experimentation implies much stricter measurement and evaluation than other similar concepts, usually through the use of randomized control groups.

These and other related concepts and ideas have in common that decision-making about key public services cannot continue to be the monopoly of hierarchical power structures, but should be a collective process involving citizens and service users. As such, the CLLD approach to sustainable urban development fits in with this wider paradigm shift and could find numerous synergies with a series of existing local development initiatives across Europe following this philosophy. Moreover local development action groups are fertile ground for exploring and testing new social innovations at local level.

As shown earlier, there is a history of programmes funded by ERDF and ESF containing elements of CLLD in cities; URBAN I contained both funds, while URBAN II had a focus on social inclusion while being financed by ERDF. As stated in the CLLD Guidelines for Local Actors (2014) there is in fact a wide - mostly urban - pool of experiences to draw on for this model. Different governments across Europe have fostered local cross-sector partnerships to overcome disadvantage in cities. There are, however, **important specificities to take into account when applying the CLLD approach in cities**. Following Paul Soto¹⁷, these include that compared to rural areas the problems are more complex and the institutional structures are more varied. Urban areas present a more crowded playing field to take into account, with more marked differences in competences between public authorities and a plethora of agencies as well as the presence of multiple interest groups – each with their own (often) conflicting agendas. In addition, it is important to recognize the differences between morphological and functional urban areas, and the fact that neighbourhoods and small areas need to be placed within these broader spatial contexts. All in all, CLLD has to work with this existing mosaic in cities.

It is anticipated that CLLD will be applied in a variety of **different spatial configurations** ranging from small areas within cities (e.g. deprived neighbourhoods, historic centres, etc.) to the entirety of smaller cities and to urban rural partnerships. In addition, different types of approaches include focusing on specific target groups (e.g. the young, the elderly, ethnic minorities, etc.) and thematic approaches (e.g. housing, mobility, economic development, etc.). The URBACT programme has developed a wide range of the thematic approaches through its city networks.

Another important aspect to take into account, specific to the new programming period, is the **very different macro-economic context for the new EC regulation after the recession**. Following the economic crisis and the variety of policy responses across

¹⁶ J-Pal Europe (2011)

¹⁷ Paul Soto, keynote presentation at the URBACT Study's seminar "The participatory approach to sustainable urban development in the cohesion policy period 2014-2020: making CLLD in urban areas work", 12 June 2014, Thessaloniki, Greece.

the EU, the new landscape is characterised by a trend towards more divergence of regional economies, which means that there is a greater need for tailor made responses to match different socio-economic realities across the EU.

The new regulations aim to improve the quality of local development strategies and to strengthen local partnerships. However, as we have seen in our Study's seminar findings, some Member States expect more clarity on these regulations.

An important aspect highlighted in the study's seminar discussions was **delegation**. There was acknowledgment that this is a political issue. Since managing authorities retain responsibility vis-a-vis the EU, it is important that the added value of higher levels of delegation, such as those required by the CLLD approach, be measured in terms of greater involvement of stakeholders and quality of the projects that are funded. These aspects can be seen to compensate for the risks and costs of higher delegation.

The Study identified a series of needs for capacity building relevant to CLLD, such as:

- Building capacity amongst local stakeholders to adequately identify and analyse specific local needs, from which precise objectives and suitable progress indicators can be established.
- Developing multi-stakeholder processes for defining the role and focus for CLLD in cities;
- Devising methods to define criteria and procedures for selecting local areas, strategies and partnerships;
- Developing capacity to devise budgets and funding procedures, as well as roles and institutional arrangements.

As highlighted by seminar participants, these tasks and skills are very close to URBACT's method used within thematic networks developing local action plans. Thus, it makes sense to build on this experience to work with CLLD in urban areas. Specific recommendations in this direction are proposed in the next section.

6.2. Recommendations

In line with our conclusions, we would like to propose the following recommendations to the European institutions and to the URBACT programme, aimed at fostering the adoption and effective implementation of the CLLD approach in urban areas from their respective roles and competences:

To the European institutions:

1. Enhance the dissemination of urban CLLD as an approach by promoting it as a possibility for the mid-term review;
2. Capitalise emerging knowledge about how CLLD type approaches are being explored in the regional programmes and take a wide definition to include participatory and neighbourhood budgeting approaches (e.g. PL, DE) and other deep participation methods;
3. Encourage Member States with limited experience of participative approaches to use their own technical assistance resources to support nascent local action groups using the preparatory support specified under the regulation;
4. Target additional customized support on countries that decide to use CLLD where there has not previously been a strong participation culture (e.g. Romania, Bulgaria and Greece). This support could consist, for example, of a set of actions drawn from EAFRD and Axis 4 of the last EMFF, such as: European level capacity building and training sessions for coordinators and members of LAGs, training and capacity building in country in national languages, in-country support, etc.;
5. Invest in and promote capacity building with key local stakeholders. This should have two different components: one, more technical (training) and the other, a facilitating or accompanying feature, enabling different local stakeholders to build trust and work together;
6. Identify, map and keep track of initial “pilot” cases of urban and / or urban-rural CLLD (e.g. Gothenburg, The Hague) to learn and feed back into future rounds of CLLD. This could perhaps be done as part of the UDN;
7. Link up with existing European and national networks on local development issues, so as to jointly identify opportunities to share experience and good practice with a view to longer term promotion of the CLLD approach in urban areas and / or in urban-rural territories;
8. Encourage CLLD as a local component of larger-scale urban strategies such as ITI (as for instance, in The Hague) or as a way of organising urban-rural linkages.

To the Member States, Regions and Managing Authorities:

Use technical assistance from operational programmes to support the rollout of territorial tools such as CLLD in regions where these tools are being deployed. Support actions could include:

9. Producing guidance in national languages aimed at both MAs and LAGs;
10. Building capacity at Managing authority and Intermediate body level on CLLD;
11. Liaising with MAs that are implementing EAFRD, ESF and EMFF versions of CLLD to develop a common picture of eligibility and governance and to improve the smooth running of CLLD at Local Action Group level;
12. Working on benchmarking performance of MAs and intermediate bodies to ensure responsiveness and sensitivity to local needs;
13. Encouraging the use of CLLD within ITI and urban strategies, and also as part of urban rural linkages.

To the URBACT Programme:

14. Encourage cities doing CLLD to bid for the three types of URBACT networks to be financed under URBACT III, (action planning, transfer and implementation);
15. Develop the URBACT method of forming local support groups and action planning within action planning networks and actively disseminate the results of these urban pathfinders;
16. Build capacity among key local actors of cities participating in URBACT networks including technical and 'softer' aspects, notably trust building (e.g. mediation and conflict resolution approaches) and partnership working;
17. Specify topics in future calls that are relevant to CLLD e.g. disadvantaged areas, social inclusion, housing, employment creation for key target groups at local level, promotion of local SMEs, low carbon communities etc.;
18. Collaborate with other local development networks (e.g. ENRD, FARNET) to identify possible synergies;
19. Coordinate efforts on all the above points with the activities carried out by the European institutions in this direction, notably for the Urban Development Network (UDN).

References and key resources

Literature

Colini, L. & Tripodi, L. (2010). *Sustainable urban development - Implementation praxis of Article 8. Study for the European Commission*, available at:

http://ec.europa.eu/regional_policy/tender/pdf/201135/urban_development_praxis.pdf

European Economic and Social Committee (2014). ECO/366 Community Led Local Development (CLLD). Revised Preliminary Draft Opinion of the Section for Economic and Monetary Union and Economic and Social Cohesion on Community Led Local Development (CLLD) as a tool of Cohesion Policy 2014–2020 for local, rural, urban and peri-urban development (exploratory opinion at the request of the Greek Council presidency). Brussels, 24 October 2014.

European Court of Auditors (2010) *Implementation of the LEADER approach for rural development*. Special Report No 5.

European Union (2014). *Guidance on Community-Led Local Development for Local Actors*. April 2014.

European Union (2013a). *Urban Development in the EU: 50 Projects supported by the European Regional Development Fund during the 2007-13 period*. March 2013.

European Union (2013b). *Panorama InfoRegio: Cohesion Policy 2014 -2020. Investing in growth and jobs*. Winter 2013, No. 48.

European Union (2013c). *Guidance on Community-Led Development for Managing Authorities*.

European Union (2010). *Cohesion Policy Support for Local Development: Best practice and future policy options. Final Report*. CCI n.2009.CE.16.0.AT.081. April 2010.

J-Pal Europe (2011). *Social Experimentation: A methodological guide for policy makers. Published by the Directorate General for Employment, Social Affairs and Inclusion*. European Commission. Brussels.

Parks, R.B. (1981). Consumers as co-producers of public services: Some economic and institutional considerations, in: *Policy Studies Journal*, 9(7), 1001–1011.

Ruede, D. & Lurtz, K. (2012). *Mapping the various meanings of social innovation: Towards a differentiated understanding of an emerging concept*. EBS Business School Research Paper Series 12-03.

Sintomer, Y., Herzberg, C., & Röcke, A. (2008). Participatory budgeting in Europe: potentials and challenges. *International Journal of Urban and Regional Research*, 32(1), 164-178.

Soto, P., Houk, M. & Ramsden, P. (2012). *Implementing “community-led” local development in cities. Lessons from URBACT*, paper available at: <http://urbact.eu/en/header-main/news-and-events/view-one/news/?entryId=5131>

Internet

European Commission's proposals for a Common Strategic Framework. Available at:
http://ec.europa.eu/regional_policy/what/future/index_en.cfm

European Common Provisions for the ERDF, ESF and Cohesion Fund. Available at:
http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2014/proposals/regulation/general/general_proposal_en.pdf

Factsheet "Community-Led Local Development", European Commission (2011): Available at:
http://ec.europa.eu/regional_policy/conferences/od2012/doc/community_en.pdf

URBACT III Programme Manual. Fact Sheet 1 The URBACT Programme. Available at:
http://urbact.eu/sites/default/files/urbactiii_programmemanual_factsheet1.pdf

World Bank on Community-driven approaches
<http://www.worldbank.org/en/topic/communitydrivendevelopment>