



**ILDN Discussion Paper**  
**on the**  
**Legislative Package of EU Regional, Employment and Social Policy**  
**for 2014 – 2020 proposals:**

ILDN is in the process of reviewing the above proposal for the next Multiannual Financial Framework (MFF) as outlined by the European Commission on 6<sup>th</sup> Oct 2011. The proposal encompasses all the key structural instruments to be used to channel funding support to member states for the period of 2014 – 2020. Of significance to the brief of Local Development Companies (LDC) in Ireland is the Rural Development element of EAFRD (LEADER) and the Community-led local development elements of the other EU funds i.e. European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), which all now come under the broad heading 'Common Strategic Framework' (CSF).

The EU MFF proposal outlines a strong case for grouping the above funds under the Common Strategic Framework to enable member states to implement MFF in a more structured and cost effective fashion. This will be done through Joint Action Plans comprising a group of integrated projects as part of an operational programme, with specific objectives, result indicators and outputs agreed between Member State and the Commission (5.2.2, p.11)

From a local development perspective, ILDN welcomes this approach, and with national coverage (52), Local Development Companies (LDC) in Ireland are now well positioned to continue to deepen Community-led approaches to integrated local development and to make a significant impact on areas like job creation, upskilling, lifelong learning, enterprise development and measures to promote social inclusion through Community-led local development.

ILDN will be engaging with relevant Government Departments, and key stakeholders in more detail in the coming months in relation to the design of the core Community-led aspects of the CSP (i.e. LEADER). ILDN will also be discussing other funding opportunities under CSF and ESF which can be encompassed in the Irish Multi Annual Framework Contract, with a particular focus on developing a comprehensive 'Joint Action Plan' relevant to the work of LDCs in Ireland using proven delivery models. Below we outline our initial observations to date.

## General Comments:

- The General Provision for the Funds (Article 87 p. 90-93) highlights the importance of the Operational Programmes (i.e. EAFRD, ESF) including **'Integrated approaches' for the implementation of the funding at member state level**. In particular:
  - Mechanisms that ensure coordination between different CSF Funds (c, i)
  - A planned integrated approach to territorial development of urban, rural, coastal and fisheries areas ... in particular the implementation arrangements for Article 28 (Community-led development) & Article 29 (Local development strategies) (c,ii)
  - Identification of the areas in which community-led local development will be implemented (c,iv)
  - The contribution of the integrated approaches set out in the member state Partnership Contract to address the specific needs of geographic areas most affected by poverty or to target those at risk of discrimination or exclusion, with special regard to marginalised communities (d)

ILDN welcomes the fact that the proposal in highlighting the importance of an integrated approach to programme fund implementation, and in so doing is clearly flagging the importance of the local development approach in the design and delivery of Community-led local development strategies as a key element of the multi-governance approach to the implementation of EU programme Funds under the Common Strategic Framework.

- We welcome and acknowledge the **EU support for maintaining the bottom up approach** used so effectively in Ireland by LDCs adopting the LEADER and Partnership approach, and in ensuring the critical role for the community and voluntary sector in planning and implementing local development approaches which adopt and apply EU and State policies in response to local needs. In this regard we welcome the EU proposal statement that: "Responsibility for the implementation of local development strategies should be given to local action groups representing the interests of the community, as an essential principle" (p.17 (21)).
- ILDN also welcomes the specific provisions to **strengthen partnership** and to encourage the active participation of social partners and NGOs in European Social Fund investments. In this regard and in line with EU 2020, 20% of ESF funding is to be allocated to promoting social inclusion and combating poverty, an area where LDCs are very active and have a strong local competence.
- With the **LEADER methodology for local development now firmly promoted at EU level as a multi-governance model** and Ireland being championed as a lead practitioner, moves to weaken this approach at home need to be strongly resisted through robust EU programme fund criteria i.e. independence of the Local Development model from mainstream statutory

provision and the expansion of the scope of the multi-governance approach in the implementation of the Common Strategic Framework at member state level.

- An OECD four year in-depth study of partnership work in 14 countries revealed that the main **impact of partnerships is to improve local governance** in three key ways:

1. **stimulating the uptake of public programmes** in a way that is consistent with locally shared priorities;
2. **influencing the targeting of public programmes** to better meet local needs;
3. **they combine public programmes with local initiatives**, and in so doing support the development of these initiatives and **provide a crucial brokerage function** or “glue” to bring local and national actors and resources together.

#### **Specific Comments:**

- LEADER funding under EAFRD has been set at a minimum of 5% and up to a maximum of 10%. ILDN would urge that a strong case needs to be made for ensuring the **LEADER element in Ireland should be at the 10% level reflecting the needs of rural communities** heavily affected by agricultural reform, restructuring and unemployment due to the recession. Many small farmers and rural dwellers in Ireland are now also underemployed and suffering poverty due to the contraction of the economy.
- ILDN welcomes the **commitment to simplification of the rules and that emphasis is placed on measures to ensure administrative costs are proportionate and that red tape for beneficiaries is cut**. The RDP Axis 3 & 4 (LEADER) has proven very challenging to implement, particularly in the context of the Irish Rural Development Programme 2007 – 2013 (ex. Food issue) and the interpretation of the EU Programme rules. In the new RDP **Member states will consider a menu of priorities (instead of Axis) and will develop a country specific proposal**. ILDN welcomes this approach and given the complexity and difficulties of the LEADER axis of the current RDP, ILDN will be engaging with the Irish authorities early in the development process to assist in making the next programme more applicable to the needs of rural communities in Ireland.

- We also welcome the commitment in Article 31 (d) p.51 to **fund running costs and animation of the local development strategy up to 25%** of the total programme funds. This is critical, as LDCs have experienced serious cuts in administration funding in recent years making programme development more problematic.
- ILDN welcomes the approach set out under Article 28 (Community-led Development). In particular, that Local Action Groups profile and the community & voluntary percentage representation of 50% and involvement in decision-making and would urge that **LDCs continue to use the local legally constituted multi-partner board structure for delivery of local development strategies.**
- The article also states that the **broader CSF funds can be applied in furtherance of community-led local development strategies** with potential for designation of one lead fund in order to reduce administration. ILDN suggests that in order to maximise the complementary CSF funds for local development strategies, that early engagement between relevant government departments and ILDN will be critical in order to ensure maximum impact of the full suite of funding opportunities.
- ILDN endorses Article 87 (c) p.91, and the need for operational programmes to support the EU 2020 strategy for smart, sustainable and inclusive growth. We would further suggest that a **strategic link should be more implicit between EU 2020, Irelands National Reform Programme and Community-led local development strategies.** (see Fig 1 overleaf);
- Thematic objectives are outlined for the CSF funds in Article 9 p.35 in addition to 6 specific priorities for Pillar I & II of RDP programme. ILDN welcomes the stated intention that these thematic objectives and the RDP priorities will be translated into priorities specific to each CSF Fund and set out in Fund-specific rules and that **ESF Funds will facilitate the implementation of multi-dimensional and cross-sectoral interventions.** ILDN also welcomes the **Commission's intention "to strengthen Community-led initiatives,** facilitate the implementation of integrated local development strategies and formation of local action groups, based on the LEADER approach" (5.1.5, P. 9)

This in turn will facilitate Article 87 (c), (ii) & (iv) objective of a **'planned integrated approach' to the territorial development** of urban, rural, coastal and fisheries areas in the context of local development strategies.

- ILDN has **concerns in relation to the provision for reduction in co-funding by member states** for programme funds under CSP (i.e. LEADER) as outlined in 5.2.1 (p. 11). While such a reduction may benefit the member state exchequer in the short term, it would have the effect of reducing overall programme budget over the period (more frontloading) and also pro rata **reduce the funds available for the running costs and animation of the local development strategies** (i.e. 25% of overall budget) and seriously damage the capacity of Local Development companies to effectively implement their local development strategies. Operational and staffing costs are relatively fixed and the level needs to be ring-fenced at the original 25% level (in real terms) prior to any member state co-funding reduction.

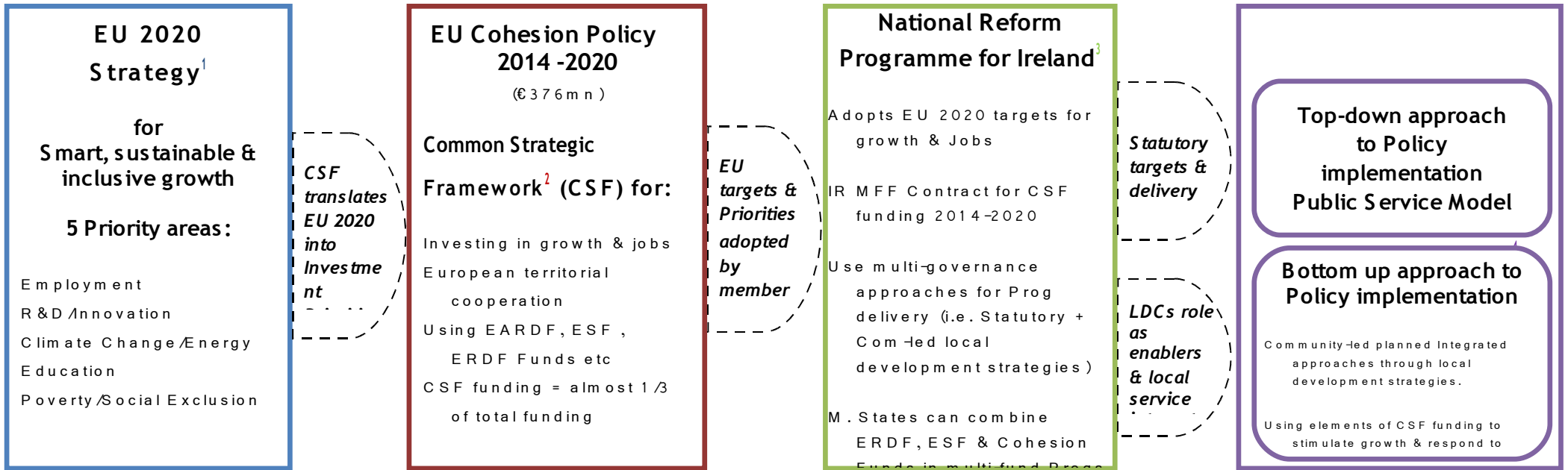
### **Multi-level Governance:**

A distinguishing characteristic of local governance partnerships (Local Development Companies) is the presence of some form of local governance structure (i.e. Local Development Company) and process at the local level (horizontal governance) which is used to link central policies (vertical governance) and locally identified needs. **This supports making policy goals consistent at local, national and European level and represents effective multi-level governance.**

(OECD, 2001 pp. 5-12). An OECD four year in-depth study of partnership work in 14 countries revealed “the main impact of partnerships is to improve local governance”. “However diverse their fields of action, all partnerships share a common goal: to improve governance i.e. how society collectively addresses and solves its problems and meets its needs.” Three factors contributing to this outcome are: First, “in all countries surveyed, partnerships stimulate the uptake of public programmes in a way that is consistent with locally shared priorities. Second, “there are many instances in which partnerships have influenced the targeting of public programmes to better meet local needs” Third, “they combine public programmes with local initiatives, and in so doing, support the development of these initiatives” (Ibid) and they “...provide a crucial brokerage function or “glue” to bring local and national actors and resources together...(OECD. 2001 p.155; Turok. 2000 p. 16).

A common provision governing all structural instruments covered by the Common Strategic Framework is the **general principles of support such as partnership, and multi-level governance**. In this regard ILDN welcomes the EU proposals’ commitment that “a Member State should organise a partnership with the representatives of competent regional, local, urban and other public authorities, economic and social partners, and bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination. **The purpose of such a partnership is to respect the principle of multi-level governance, ensure the ownership of planned interventions by stakeholders and build on the experience and know-how of relevant actors.**”

Fig 1.



Strategic Policy Drivers for EU 'Common Strategic Framework' & - Policy linkages &

1. The Europe 2020 Strategy has been adopted as a successor to the Lisbon Strategy for Jobs and Growth and aims to enable Europe to emerge stronger from the current economic crisis and to turn the European Union into a smart, sustainable and inclusive economy. Five headline targets for 2020 have been set at the level of the EU as a whole, covering employment, research and development, climate change, education and poverty.
2. 'Common Strategic Framework' means the document translating the objectives and targets of the Union strategy for smart, sustainable and inclusive growth into key actions for the CSF Funds, establishing for each thematic objective the key actions to be supported by each CSF Fund and the mechanisms for ensuring the coherence and consistency of the programming of the CSF Funds with the economic and employment policies of the Member States and of the Union; (Article 2, (2) p.29)
3. Ireland's National Reform Programme identifies national targets in each of the five headline areas outlined in EU 2020, the main bottlenecks to reaching these targets and sets out the measures necessary to allow Ireland overcome these and achieve its national targets. The National Reform Programme complements the Stability Programme Update as part of the European Semester.
4. In accordance with the multi-level governance approach, the partners shall be involved by Member States in the preparation of Partnership Contracts and progress reports and in the preparation, implementation, monitoring and evaluation of programmes. The partners shall participate in the monitoring committees for programmes". (Article 5, (2) p. 33)