

Implementing “community-led” local development in cities. Lessons from URBACT.

Paul Soto, with Melody Houk and Peter Ramsden – 29 February 2012

One important new feature of the European Commission’s proposals for the coming 2014-2020 period is that four major funds are encouraged to work together to support “community-led local development. The Commission argues that “territorial cohesion has been added to the goals of economic and social cohesion by the Treaty, and it is necessary to address the role of cities, functional geographies and sub-regional areas facing specific geographical or demographic areas.” To do this the Commission proposes to “facilitate the implementation of integrated local development strategies and the formation of local action groups based on the experience of the LEADER approach”¹.

While this is a very promising proposal, it is important to consider how such a method or model, based on a predominantly rural experience, can be applied to the urban context. In this article, we will argue that most of the fundamental principles of the LEADER approach are transferrable to the urban context. However, as with all territorial approaches there is no one model that can simply be copied. Cities are more complex than rural areas in a number of ways and it is necessary to adapt the model to their specific characteristics. URBAN, URBACT and other city initiatives offer a series of lessons which can turn community-led local development into a powerful tool in urban areas. More especially, these experiences in urban areas lead to a more complex interpretation of four of the seven LEADER pillars: the area-based approach, the integrated approach, the partnership approach and the innovative approach.

1. In the beginning... there was LEADER

LEADER is undoubtedly the longest lasting and most successful of all the local and integrated territorial initiatives launched by the European Commission in the early nineties. It has been extended during each of the last four rounds of EU programming and now around 40% of the rural areas in the EU are covered by over 2,300 “community-led” partnerships. These partnerships have an average budget of around €3.9 million of total public funding each, with which they are responsible for designing and implementing an integrated local development strategy for their area. They select local projects.

The LEADER approach is based on three interrelated elements – sometimes referred to as “the holy trinity of local development”: the strategy, the area and the partnership. The specific features of the LEADER model come from applying 7 principles: (1) Area based local development strategies for

¹ Regulation laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund COM (2011) 615 Final.



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sub regional territories; (2) local private-public partnerships (LAGs); (3) bottom up approach with decision making power to LAGs; (4) multi-sectoral (integrated) design and implementation of strategy; (5) implementation of innovative approaches; (6) implementation of cooperation projects; (7) networking of local partnerships. One of the central principles of the programme is that the partnerships should be just that – real partnerships where no one sector – whether public, private or civil society - is able to impose its will on the others. The knowledge, energy and resources that local actors bring to the implementation of a shared strategy – is considered to be the “heart” of the programme.

These principles have proved to be quite robust over both time and space (at least in theory²) and the most important have now been incorporated into the draft regulation (article 28) governing the funds for regional, social, rural, maritime and fisheries development for the next period. Nevertheless, the experience of local development in the urban context over the last 20 years shows that some of these principles need to be adapted and strengthened for community led development to reach its full potential in cities. In particular, it is necessary to rethink the definition of “local areas”, the concept of integration, what is meant by community and strengthen the potential for innovation.

2. Which local areas?

Under LEADER, the boundaries of local areas have usually decided at local level to meet local conditions and the aims of the local strategy. However, EU, national and regional regulations usually lay down some criteria about the size and types of area which are eligible. In fact the common provisions of the European Commission’s draft regulation simply state that in the future community-led local development, should be “focused on specific sub-regional territories”. So as it stands, most European cities would probably be eligible. However, further criteria will undoubtedly be added and as the reference is the LEADER approach, it is worth analysing whether the LEADER criteria for “local areas” would allow urban territories to benefit from CLLD.

Until now LEADER areas have had to meet two criteria which clarify the meaning of local. Firstly, areas are meant to be sufficiently big – or have enough “critical mass” - to be able to effectively carry out their strategy. This is usually interpreted as meaning at least 10,000 inhabitants. Secondly, the area should be sufficiently small to permit local interaction. In other words the area must not be so vast that it simply becomes a planning unit with limited possibility for direct local involvement by local citizens. The top level for LEADER was set at 150,000 inhabitants for this period although exceptions are allowed when justified.

In fact, fifty six percent of the EU urban population live in cities and towns of between 5,000 and 100,000 inhabitants³ (although many of these urban areas are contiguous parts of larger morphological urban areas). Forty five percent of the cities that have participated in URBACT II so far also have administrative areas with less than 100,000 inhabitants⁴. Most of these small and medium sized cities could be eligible for a CLLD approach as long as the boundaries for intervention

² One of the main findings of the recent Court of Auditors report on LEADER was that the effectiveness of the programme had suffered because these principles were watered down in practice by some countries.

³ Cities of Tomorrow.

http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow_final.pdf

⁴ The statistics for the two rounds of URBACT show that 70% of the partner cities have less than 250,000 inhabitants. Unfortunately the size bands have not been calculated for the number of cities under 150,000 but this would clearly be more than half of all partners.

were drawn up in a way that was coherent with the strategy⁵. Many small service centres and market towns could also enter into partnership with their surrounding rural areas.

Within larger cities, the obvious candidates for community-led development would be deprived urban neighbourhoods. However, the method could also be applied to other types of urban areas within the city – areas with particular types of housing, areas undergoing industrial change, areas facing particular environmental problems, peri-urban areas and so on.

In fact, the local development initiatives supported by other funds can often exceed the population limits mentioned above. For example, Territorial Employment Pacts usually cover a local labour market or travel to work area and these can be quite big in densely populated areas and correspond to the functional urban area. Similarly, fisheries areas can cover quite large geographical territories and populations if the fishing sector is dispersed along a long coastline, lake or river. So if there is a good justification there is a case for a certain amount of flexibility in the interpretation of these limits in cities.

3. Defining “coherent” areas

One of the central tenets of LEADER is that “the local strategy comes first”. Local partnerships do not start with predefined administrative units and simply try to compensate for problems with public money. The area is seen as a “territoire-projet” rather than a “territoire-guichet”⁶. The starting point is meant to be a forward looking vision of where the partnership want to go based upon an analysis of needs and the problems they are trying to deal with. Local partnerships, therefore, often define boundaries that cross over administrative units.

The areas are supposed to be coherent from an economic, social and physical point of view but this coherence is closely related to their “functionality” in supporting the aims of the strategy.

In the case of LEADER, the underlying rationale is to redress the balance between rural and urban areas and within rural areas themselves. Higher density towns and cities and coastal areas are often explicitly excluded. This means that the areas are often smaller than, or cut off from functional labour market areas and from the catchment areas for major public and private services (health, education, retail, business services and transport hubs).

In a sense, this approach is similar to the first generation of URBAN and URBACT programmes which explicitly focussed on redressing the balance between the most deprived urban neighbourhoods and the rest of the city. This experience and that of other major national initiatives like the UKs New Deal for Communities⁷ has shown that although physical problems can be fixed in a neighbourhood, other problems like unemployment or enterprise cannot be solved from within deprived neighbourhoods themselves. The neighbourhood has to be put into the context of its functions and links to the wider city. Urban politicians like Derek Antrobus from Salford City Council⁸ argue that there is a “politics of scale”. The wrong spatial scale may not only be inefficient; it can also

⁵ See section below on defining coherent areas.

⁶ French phrase meaning a “counter” for handing out grants

⁷ Budgets of 50 million pounds over ten years for each community led” partnership in 38 of the UK’s most deprived urban neighbourhoods with an average population of around 10,000.

⁸ URBACT Local Support Groups Summer University, August 2011, Krakow.

<http://wiki.urbact.eu/ULSG+University+talks>



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give rise to narrow “localism” where areas copy each other and compete for the same piece of cake - while trying to push the costs of development onto their neighbours.

URBACT projects focussing on deprived urban areas and on different levels of urban governance (Reg Gov, Co Net, Nodus, Joining Forces, City Regions Net, EGTC, Urbameco) have helped to produce a more complex and richer interpretation of “area-based” interventions. Areas are no longer seen as islands competing for resources but interlinked hubs of activity whose precise boundaries overlap and evolve over time. The right spatial scale of intervention depends upon the problem to be solved and intervention at one level must reinforce those at other levels.

In fact only a small proportion of city interventions take place primarily at neighbourhood level. To give an illustration, 4 out of the 37 URBACT II projects – Co Net, RegGov, Sure and URBAMECO- have focused specifically on deprived urban neighbourhoods. Others have dealt with heritage city centres. Most of the remaining networks have been dealing with urban challenges that they think would be best dealt with at city or city regional level. They are all geographic interventions but for them to qualify as community-led local development would imply a more open definition of what is meant by the integrated approach and community led.

4. From horizontal to multidimensional integration

LEADER, URBACT, URBAN, and other programmes like EQUAL all make reference to *integrated* development but the meaning they give to the term differs. LEADER stands for “Liaison Entre Actions de Développement de l’Economie Rurale”. Its integrated local development strategies focus encouraging a series of horizontal linkages within each rural area - between natural and cultural heritage, local image and identity and small scale food, tourist, craft and services activities. Measures for cooperation are used to improve linkages between rural areas at national or international levels. But as we have seen links between rural and other types of areas or between different levels of governance have not, so far, been such a priority. This is a weakness that cannot be afforded in urban areas.

The scale and complexity of the challenges faced at urban level mean that urban strategies usually include things that the city would like to do but does not have the resources or competences to achieve on its own. This leads to two developments. Firstly, more attention has been paid to working with other levels of government and with both private and public bodies from outside the city. In other words cities have had to develop vertical linkages along governance and supply chains (as well as other forms of integration⁹). The lesson is that the “integrated” nature of area based initiatives can take place along a number of dimensions. Some, mostly very small, area based initiatives will focus on the horizontal linkages between all the activities in a given area. This has been the approach in deprived urban areas and in dealing with historical centres. Other initiatives may place more emphasis on the vertical linkages between all the actors concerned with a particular problem or challenge.

Secondly, while both forms of integration should be present in an area-based strategy, it is rarely possible, or advisable to do everything at the same time. Most cities will already have an overarching master plan or strategy, but this usually tries to identify the concrete steps that the city can take to respond to the most important local challenges or needs. The result is often a series of interlinked but

⁹ Between economic, environmental and social goals, between physical and immaterial investments, between different areas of life and the departments responsible for them, etc.

distinct initiatives based on certain thematic, sectoral and target group priorities. This approach has led programmes like URBACT to identify a series of 8 broad priority topics or themes (which are closely related to the EU 2020 strategy) as a basis for learning and exchange between cities. These form part of an “integrated approach” in the sense that “it is expected that the topic chosen will be the main entry point into the network while allowing partners to explore interconnections with other topics”¹⁰.

The thematic entry point to integrated local strategies is also dominant in the local projects supported by other funds like the Social Fund (which concentrate certain aspects of labour markets, poverty reduction, the problems faced by particular target groups, etc) and the Fisheries Fund (the challenges faced by fishing communities). In fact, this approach was also taken in the previous period by LEADER + which argued that local “strategies must encourage interaction between actors, sectors and projects built around a strong theme”¹¹.

Given the complexity of defining standard local units for dealing with every problem – it makes sense to use community- led local development to support local projects which have a thematic or target group “entry point” as well as more traditional area based initiatives which focus more on smaller areas and bring together actions through horizontal integration. Such an approach would allow local actors to build links outwards organically from the core concerns of local projects supported by many different funds. For example, most of the cities participating in URBACT thematic networks would be able to use CLLD to take their local action plans one step further - as long as they met certain other conditions – particularly those concerning strong community participation in the partnership.

5. Led by what community?

As mentioned the real value added of CLLD for both cities and other stakeholders lies in the ability to mobilise a far wider range of public and private stakeholders. This takes time and energy and to compensate for this both ERDF and ESF cofunding rates can be increased by up to 10%.The partnerships (local action groups) responsible for community-led development local development have to be “*composed of representatives of public and private local socio-economic interests, where at the decision making level neither the public sector nor any single interest group shall represent more than 49 % of the voting rights*”¹²;

The key idea is that the direct users or beneficiaries of a programme must have a central place at the partnership table while at the same time no one group or sector should dominate. This has been the driving force behind the success of Local Action Groups in rural areas and Fisheries Local Action Groups in coastal areas. However, this has sometimes been seen as an obstacle to their establishment in urban areas where investments tend to be larger and the public sector tends to be the initiator of regeneration schemes.

¹⁰ 3rd Call for Proposals for the Creation of Thematic Networks. URBACT II Operational Programme

¹¹ Four rather wide priority themes were suggested: the used of new know-how and new technologies; making the best use of natural and cultural resources; adding value to local products; and improving the quality of life (mainly services to the population and the environment). These thematic “entry points” have been discontinued in the current period but an important effort is being put into improving the quality of local strategies in order to link them more closely to the needs and opportunities of each area and avoid a dispersal of resources due to a lack of prioritisation.

¹² As above. Article 29.

One common fear is that the rights of democratically elected representatives and the public sector will be undermined by the proliferation of unaccountable local groups. The experience of both LEADER and FARNET show that this is not the case. The public sector sets the terms of the “contract” by which the local action group designs and implements the strategy. Moreover, there are various ways of organising delivery mechanism to ensure public sector oversight. (payment and control functions can be retained at a higher level and local public sector “accountable bodies” can play an important role as lead partners).

If anything, the risk is that these “safety” measures can actually reinforce public sector control and reduce the scope for local innovation. This is a particular problem where public agencies are the only ones with cofinancing and can control the content of action plans because they have a monopoly on funding. To counteract this, the European Commission has recommended that cofunding should be awarded in a block to the partnership on the basis of its strategy and in parallel with EU funding. The partnerships should work within clearly defined terms of reference but they should be independent. NGOs can and should take the lead in some cases.

Another objection is that partnerships could be dominated by the stronger interest groups and this could be very counterproductive – particularly in conflictive urban areas. However, once again the rules about the composition and functioning of the partnership do not allow control by any one sector and further safeguards can be put in place in specific circumstances.

In fact, the experience gained by URBACT offers some ideas of how community-led local development could be applied in cities. One of the key innovations of the URBACT II programme has been to introduce the idea of multi-stakeholder “local support groups” (USLGs) which produce “local action plans” (LAPs) designed to improve the local impact of transnational exchanges between cities. A recent survey of 201 active USLGs showed that while the public sector was very clearly important it was not dominant in numerical terms.. On average USLGs were composed of between 10 and 15 members with just over one third from the local administration (35.03%). (NGOs – 21.7%, Private companies- 11.3%, schools and others – 9.45%, universities – 4.7%, private citizens -2.7%).

One key difference, however, was that the groups also managed to mobilise key players from other levels of public sector governance: from regional administrations (7.7%), from national administrations (3.5%) and from managing authorities (2.95%). The extent of their *vertical* partnership could be an important advantage in cities.

Secondly, as we have seen the “entry point” of most Urbact Local Support Groups is thematic. The aim of these USLGs is not to create a sort of parallel democracy or to mirror the socio-economic structure of the entire city. The aim is more modest and perhaps more appropriate in an urban context. They try to bring together an alliance of all the key local stakeholders concerned with the theme or problem they are trying to tackle in their local action plans.

Although most USLGs are “geographically bounded” their concept of “community” is close to that of a “community of interest”. The groups aim to bring together key stakeholders and potential allies required to drive innovation and change on the ground in a particular field. This has close parallels to the more thematically or target group orientated partnerships supported by the both the ESF¹³ and the EFF. Some, URBACT projects, like My Generation, for young people, have been particularly

¹³ Both thematic and local partnerships were supported under the EQUAL Community Initiative although trend in the current period is towards communities of practice and/or learning networks which are not (usually) geographically bounded

imaginative in developing ways of increasing the participation of users and target groups in a genuine process of co-production.

As long as users and direct beneficiaries are kept at the centre, and there is a “coherent” local dimension, then this more strategic, action-orientated interpretation of community could be used in cities to mobilise groups of local stakeholders in the design, testing and implementation of local action plans dealing with a wide range of urban challenges. Although they still have some way to go, many URBACT local support groups could become the embryos of local action groups.

6. Innovation requires more than just sharing good ideas.

Innovation is given a primary role within the EU 2020 strategy. It is simultaneously meant to deal with two questions: how to create new growth and jobs as public deficits are reined in and the labour force begins to shrink; and how to tackle growing societal challenges like climate change, energy supply, the scarcity of resources and the impact of demographic changes¹⁴. To meet these twin challenges the Commission has adopted a more open demand-driven concept of innovation than the narrower technology-led definitions used in the past. This more “open” approach essentially involves a broadening of innovation processes to other partners and players (other knowledge producers, firm’s public authorities, NGOs, users and citizens).

Initiatives such as LEADER, URBAN, URBACT, FARNET (and some local employment initiatives supported by the ESF) all have the explicit goal of encouraging innovation in order to shift particular types of areas towards more sustainable paths of development. They all rely on various forms of partnership working in order to co-produce innovation and change on the ground. However, so far, there has been little connexion between mainstream innovation policy – or even the growing interest in “social” innovation – and the potential that these initiatives have for mobilising large numbers of stakeholders for innovation.

In addition, if one thing has been learned in successive rounds of community initiatives it is that “letting a thousand flowers bloom” is not enough. There needs to be a clear path for scaling up and generalising good ideas in the mainstream programmes. This means dealing systematically with gaps and barriers in finance, the legal framework, human resources, marketing, evaluation and political support.

At present this link between the exchange of good ideas and wider implementation is seriously defective. For example, there is no clear path for moving from a well-designed URBACT local action plan and by larger scale implementation by the structural funds. In fact, a surprising number of URBACT Local Support Groups have managed to lever in some additional resources for implementing their plans. But this has been because of their individual commitment and energy rather than because there is an organised channel for doing so. In some cases it has taken too long because there is no defined path into the programmes.

If properly used the Commission’s proposals for the next period could offer cities a major opportunity for creating just such channels for innovation.

- Exchange and learning programmes like URBACT could act as the incubators of ideas and practice.

¹⁴ Europe 2020 Flagship Initiative. Innovation Union. Brussels 6.10.2010 (COM) 2010 546

- Cities would then have a range of alternatives for scaling up the ideas that worked:
 - Innovative Actions for studies and pilot projects,
 - Community Led Local Development for smaller scale focussed initiatives which benefit from broad stakeholder involvement.
 - Integrated Territorial Investments for the larger scale investments
 - And the mainstream Structural Funds themselves.

The immediate operational challenge will be to ensure that all these tools are organised in a way complement each other and open up the possibility of real change in our cities.

This article contains some preliminary ideas about how Community Led Local Development could be interpreted to make it a really powerful tool for change in our cities. We hope it will start a debate. At the same time the proposals for the future are being developed as we write. It is essential to bring in the experience of different cities in different parts of Europe to ensure that these proposals are translated into operational proposals that can live up to the challenges cities face.



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