

# Multi-funded CLLD: Background paper and outcomes of workshop in Slovenia

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# 1. Introduction and objectives

This paper provides an overview of the use of Multi-fund Community-led Local Development (MFCLLD) in 2014–20 and the experiences made with the framework. It also provides an overview of the how MFCLLD will continue in 2023–27. For this paper, MFCLLD is understood as combining more than one of the four eligible funds within the same Local Development Strategy (LDS). If a LAG is merely a beneficiary of a given fund, this is not classified as multi-fund. The focus is, unless otherwise specified, on MFCLLD combining the European Agricultural Fund for Rural Development (EAFRD) with at least one other fund: European Maritime and Fisheries Fund (EMFF) /European Maritime, Fisheries and Aquaculture Fund (EMFAF), European Regional Development Fund (ERDF), European Social Fund

Plus (ESF+). The perspective is rural, but additional information on non-rural combinations is also included where appropriate. Sources include previous research on Community-led Local Development (CLLD), a central analysis of 28 CAP Strategic Plans (CSPs), an online survey of CSP Managing Authorities (MAs) in all Member States (38 responses from national and regional authorities in 22 countries), semi-structured interviews with representatives of several Member State authorities and organisations (AT, CZ, DE, EL, PL, SI), and written exchanges with practitioners, including CSP MAs, ERDF/ESF MAs, national coordination bodies, NRNs, LEADER associations, etc.

## 2. MFCLLD in 2014–20

### 2.1. Use of multi-fund approaches in countries and regions

Since its introduction in 1991, LEADER has been funded from various funds, sometimes rebranded (Table 1). Crucially, 2014–20 saw the introduction of the term CLLD and the broadening of the LEADER method beyond rural and fisheries (since 2007) territories.

**Table 1. Evolution from LEADER to CLLD**

Stage	Period	Funds eligible <sup>1</sup>	No. of LAGs
LEADER I	1991–93	EAGGF, ERDF, ESF	217
LEADER II	1994–99	EAGGF, ERDF, ESF	821
LEADER+	2000–06	EAGGF	1,153
LEADER axis	2007–13	EAFRD, EMFF	2,200
CLLD	2014–20	EAFRD, EMFF, ERDF, ESF	3,333
CLLD/LEADER	2021–27	EAFRD, EMFAF, ERDF, ESF+	tbc <sup>2</sup>

Source: CAP Implementation Contact Point

However, only in the EAFRD is there a mandatory minimum allocation to LEADER for all Member States (5% in the current programming period), while the use of CLLD under other funds is optional. As a result, we can find a variety of models across the EU, with each Member State having a specific configuration of CLLD/LEADER, using different funds with various intensities, targeting different types of areas and beneficiaries, and using different management and implementation systems.

**In 2014–20, there were a total of 3 333 CLLD LAGs across the EU** (for an overview of all LAGs, see Annex 1), of which 2 830 (85%) included EAFRD funding i.e. LEADER LAGs. Yet only a minority combined the EAFRD with other EU funds and, instead, most models implemented

in Member States continued to be exclusively EAFRD. The vast majority of LAGs using EAFRD (2 206 or 78% of the total) continued with the traditional LEADER model, implementing CLLD only through EAFRD funding. **The remaining 624 LAGs (22% of all LAGs using EAFRD) were located in 15 countries and combined the EAFRD with at least one other fund** (Table 2).

In several countries, a multi-fund model was only applied in selected regions: *Austria (Tyrol)*, *Germany (Saxony-Anhalt)*, *Greece (Central Macedonia, Crete, Epirus, Peloponnese)*, *Italy (Puglia, Sicily)*, *Poland (Kujawsko-Pomorskie, Podlaskie)* and the *United Kingdom (Scotland)*. This is due to the regionalised implementation models in these countries, typically of the ERDF.

1 EAGGF = European Agricultural Guidance and Guarantee Fund; ERDF = European Regional Development Fund; ESF = European Social Fund, EAFRD = European Agricultural Fund for Rural Development; EMFF = European Maritime and Fisheries Fund; EMFAF = European Maritime, Fisheries and Aquaculture Fund

2 At the time of writing in autumn 2023, many Member States were still in the process of approving their LAGs.



**Table 2. Multi-fund rural LEADER/CLLD in the EU in 2014-20 (number of LAGs)**

	EAFRD	EAFRD	EAFRD	EAFRD	EAFRD	EAFRD	EAFRD	
		ERDF		ERDF		ERDF	ERDF	
			ESF		ESF	ESF	ESF	
	EMFF			EMFF	EMFF		EMFF	
Country								No. LAGs
Austria		8						8
Bulgaria		4	6			29		39
Czechia		27				151		178
Denmark	7							7
Germany						23		23
Greece	22		4		10			36
Italy	9	23						32
Latvia	6							6
Lithuania	3							3
Poland	11					29	1	41
Portugal						54		54
Slovakia		110						110
Slovenia		33		4				37
Sweden		3	2		1	28	8	42
UK	8							8
<b>TOTAL</b>	66	208	12	4	11	314	9	<b>624</b>

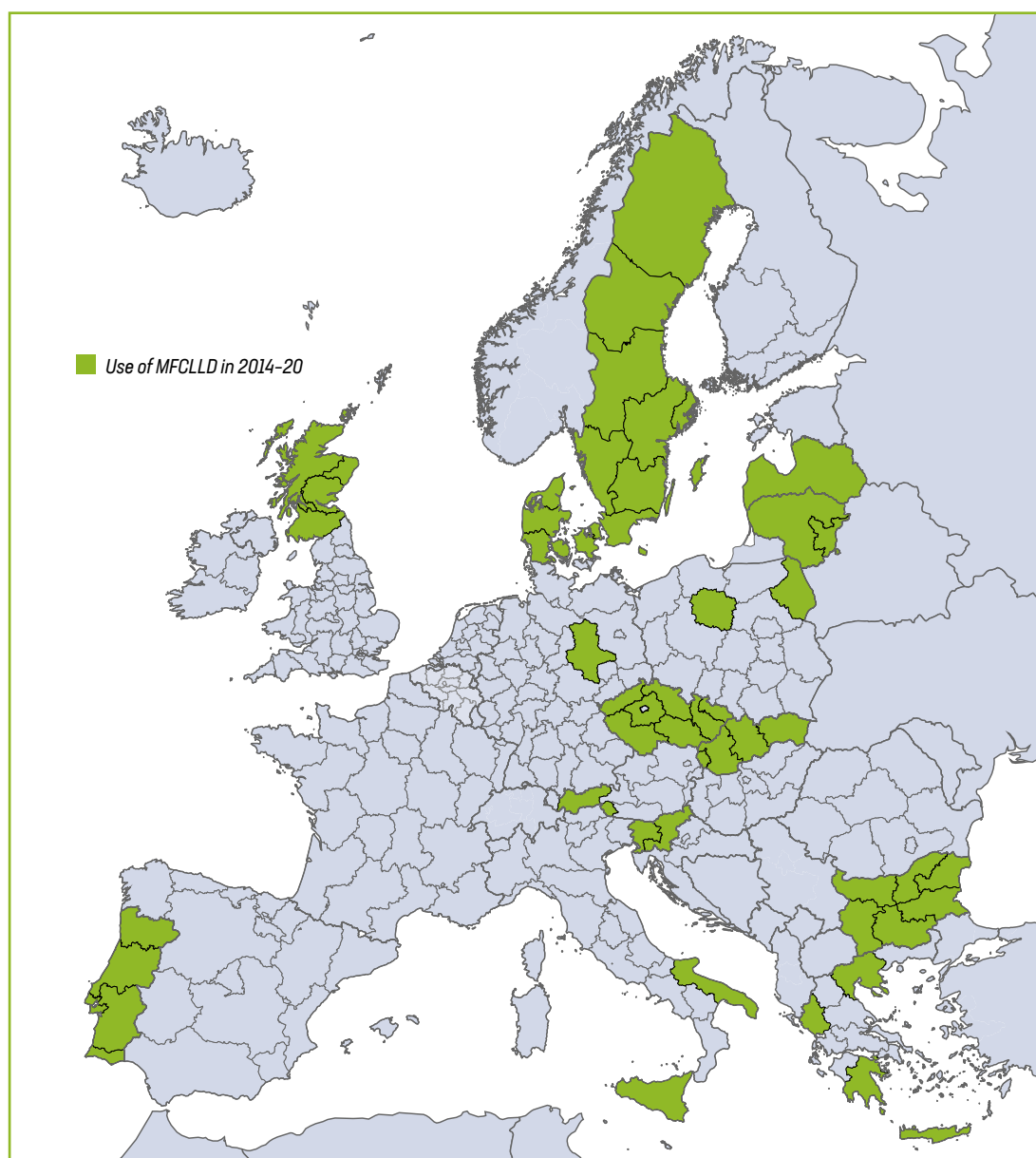
Source: CAP Implementation Contact Point.

Note: grey shading indicates countries where only selected regions were using MFCLLD.



Figure 1: Regions (NUTS2) using multi-fund rural LEADER/CLLD in the EU in 2014–20 below indicates the 15 Member States that used at least one other fund in combination with EAFRD.

**Figure 1. Regions (NUTS2) using multi-fund rural LEADER/CLLD in the EU in 2014–20**



Source: CAP Implementation Contact Point/MapChart

The most common combination of EAFRD is with ERDF and ESF (314 LAGs or just over 50%), found in six countries. The fund most used in combination with the EAFRD is the ERDF, included by 535 LAGs in 10 countries, followed by the ESF (346 LAGs in seven countries) and the EMFF (90 LAGs in nine countries).

It is worth noting that there were also forms of multi-funding or approaches that were not implemented in rural areas or were not explicitly MFCLLD as defined for this paper.

Across the EU there were 503 LAGs without any EAFRD component i.e. funded only by one or more of the other three eligible funds (EMFF, ERDF, ESF), in various combinations. This included 263 EMFF-only LAGs, but of particular interest are the 228 LAGs that only

used cohesion policy funds (ERDF and/or ESF), as **these almost exclusively urban LAGs were mostly multi-funded**. The 2014–20 regulatory framework introduced the eligibility of urban territories, which was an option taken up by seven countries: **Hungary, Lithuania, Netherlands, Poland (Kujawsko-Pomorskie, Podlaskie), Portugal, Romania** and the **United Kingdom** (Table 3). In these cases, urban LAGs operated in parallel to rural ones. **There were 174 multi-funded urban LAGs** combining ERDF and ESF in four countries: **Hungary, Portugal, Romania** and the **United Kingdom**. **Portugal** was the only country in which there were both multi-funded rural and urban LAGs. MFCLLD can also contribute to supporting rural-urban linkages e.g. in the 11 cities of **Slovenia** or in **Sweden** (Gothenburg) where rural LAGs covered defined rural parts of cities.



**Table 3. Urban CLLD LAGs in 2014–20**

	ERDF	ESF	ERDF	Total
<b>HU</b>			99	<b>99</b>
<b>LT</b>		39		<b>39</b>
<b>NL</b>	1			<b>1</b>
<b>PL</b>		7		<b>7</b>
<b>PT</b>			16	<b>16</b>
<b>RO</b>			35	<b>35</b>
<b>UK</b>			24	<b>24</b>
<b>Total</b>	<b>1</b>	<b>46</b>	<b>174</b>	<b>221</b>

Source: CAP Implementation Contact Point

## 2.2. CLLD funding sources

Looking at funding for CLLD overall – including in both rural and urban areas – in the period 2014–20, over EUR 9 billion of EU funding was allocated to be implemented through CLLD. It is important to note, that the majority of this is not for MFCLLD, but for traditional mono-Fund models. Three quarters, representing EUR 7 billion was coming from the EAFRD (Figure 1). The EMFF represented another 6% (EUR 548 million) of the whole CLLD funding, leaving 19% to the two cohesion policy funds: the ERDF contributed 12% (EUR 1 078 million) and the ESF 7% (EUR 653 million) <sup>3</sup>.

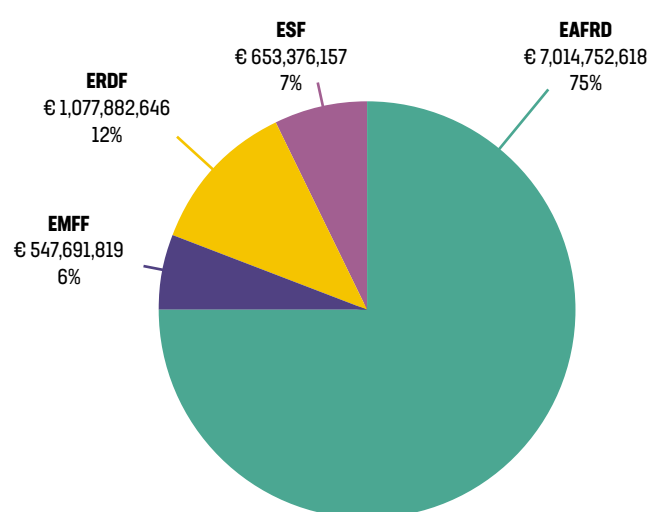
It should be noted that the initial decision to allow for the use of MFCLLD was made by the Member State or MA level, not the LAGs. However, in some cases where MFCLLD was an option, each LAG could select the funds they wanted to use (Bulgaria, Sweden). In Sweden, for instance, LAGs were offered a ‘menu’ of all four funds from which they could benefit if a local development strategy was targeted to the scopes of the various funds. Hence, in Sweden, we can find seven different combination models existing in parallel.

Figure 2 shows how much each of the four ESI funds was contributing to the CLLD allocation in each country, including both mono- and multi-fund models. The country-level overview confirms the dominance of rural funding for CLLD, the EAFRD being the most important fund in all but two Member States (Czechia and Slovakia). In some exceptional cases, the funding coming from cohesion policy (CP) – ERDF and/or ESF – was larger than rural and fisheries funding

Finally, there were frameworks in place that encouraged LAGs to make use of other funds, without including these into a multi-fund strategy, for instance in Germany and Austria. In the German federal state of Hesse in 2014–20, the regional cohesion policy MA reserved 5% of its ERDF budget for LAGs, giving them priority access to this earmarked budget. This was used for some measures in tourism, but overall interest was low. Hence, this was abandoned in 2023–27. In Austria, Tyrol only combines EAFRD and ERDF. There is no allocated ESF budget, but the responsible Intermediate Body (IB) in Tyrol coordinates its calls with the LAGs.

combined. This was the case in Czechia (80.1%), Slovakia (55%) and Bulgaria (50.4%). Also, in Hungary (44.9%), Portugal (43.6%) and Slovenia (37.1%) the contribution of CP to CLLD LAGs is sizeable <sup>4</sup>. However, in Hungary, all the funding coming from ERDF and ESF was implemented in urban MFCLLD LAGs. Also in Portugal, some CP funding was allocated to urban LAGs, in addition to rural LAGs.

**Figure 2. EU funding sources for CLLD (LAG budgets)**



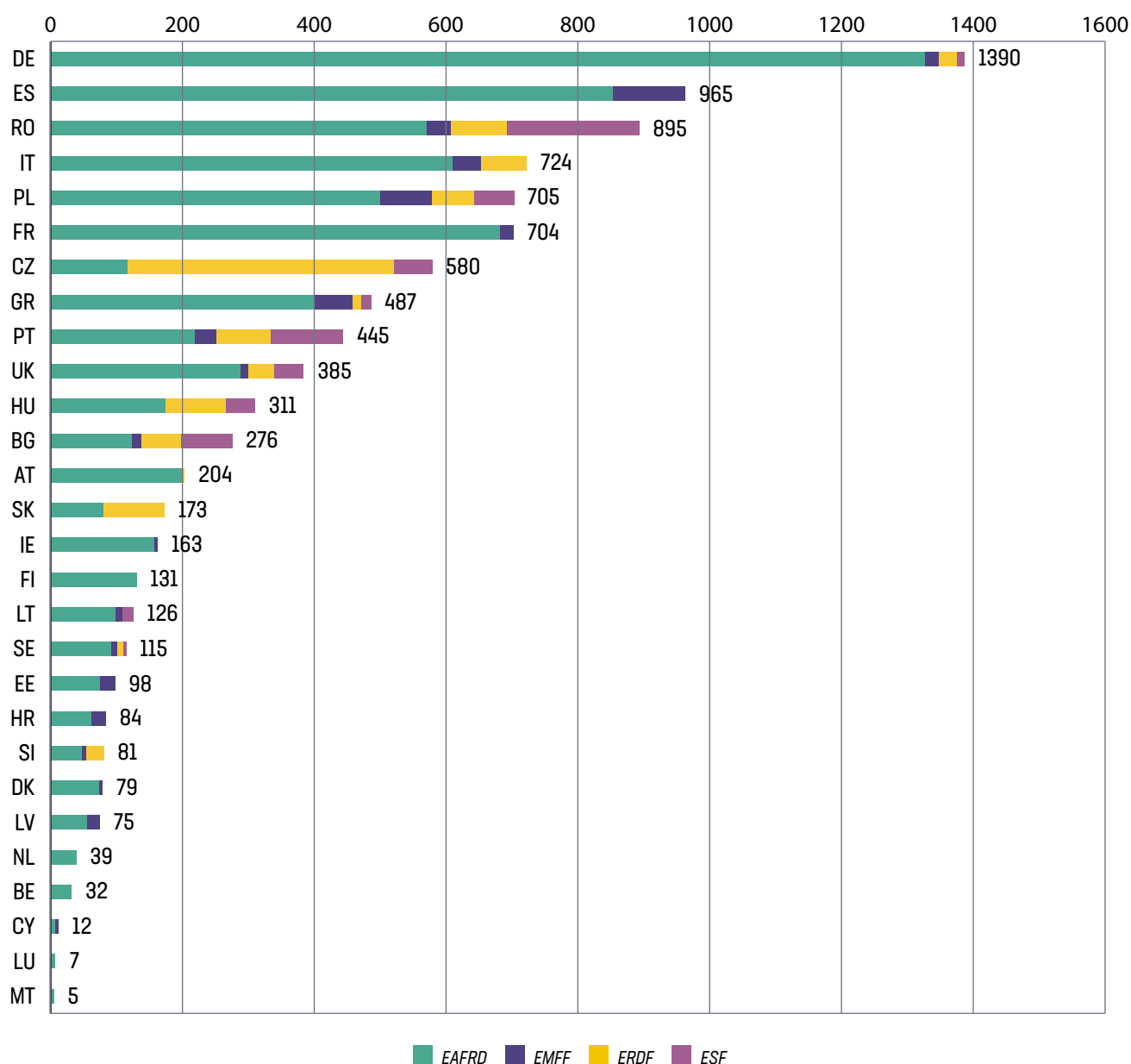
Source: EU funds, Cohesion Open Data Platform and programming documents

<sup>3</sup> Kah, S., *Where does the EU share of CLLD funding come from?*, LDnet, 2020.

<sup>4</sup> Kah S (2020) Op. cit.



**Figure 3. CLLD allocation by ESI fund in each country (EUR)**



Source: EU funds, Cohesion Open Data Platform and programming documents

**The share of CP funds used for CLLD was quite limited**, at least compared to the compulsory minimum share of EAFRD that needed to be dedicated to CLLD (5% for LEADER). In the case of LEADER, most countries did not go significantly beyond the minimum 5%, with the highest shares in **Germany** (14%), **Spain** (10%) and **Estonia** (9%). At the same time, only 0.6% of ERDF and 0.8% of ESF funding went to CLLD. In most countries, the CLLD share of ERDF remained below 2%, with only **Czechia** (3.5%) and **Slovenia** (2%) going beyond. Similarly, the CLLD shares of the ESF were not significantly higher, but two countries, **Bulgaria** (5%) and **Romania** (4%), were standing out<sup>5</sup>. While the overall shares were comparatively low, it is worth looking also at the absolute figures for the two funds and to compare their relative weight. [Figure 3](#) presents the overall ERDF and ESF

allocation to CLLD. The absolute funding amounts were significant, in the cases of rural LAGs in **Czechia** (ERDF: EUR 408 million; ESF: EUR 57 million) and urban LAGs in **Romania** (ERDF: EUR 84 million; ESF: EUR 201 million).

**Looking at the relative weight of ERDF and ESF** compared to all CLLD allocation, CP funding was dominant or equal to the EAFRD contribution in three countries implementing MFCLLD models: **Czechia** (80%), **Slovakia** (55%) and **Bulgaria** (50%). It is also worth looking at average budgets per LAG. Overall, 83% of CP funded LAGs had a budget of less than EUR 5 million<sup>6</sup>. Those LAGs using ERDF or ESF received an average CP budget of just under EUR 2.2 million, while MFCLLD LAGs in **Bulgaria** and **Poland** had average CP budgets over EUR 3 million.

5 Kah, S., CLLD comparisons: ESI funding dedicated to CLLD in different countries, Idnet, 2021. <https://idnet.eu/clld-comparisons-esi-funding-dedicated-to-clld-in-different-countries/>

6 The European Commission's Joint Research Centre (JRC) STRAT-Board





**As multi-funded CLLD LAGs implemented strategies that drew funding from a variety of ESI funds, this also meant that funding came from a diverse range of Operational Programmes (OPs) and Rural Development Programmes (RDPs).** Whenever there is MFCLLD, the LAGs operate in an environment that requires them to deal with more than one MA and programme, and this brings the challenge of having to respect two, three or even four different sets of programme-specific procedures. The LAGs listed in [Table 4](#) are all MFCLLD LAGs with multi-Fund strategies. But while the situation is comparatively 'easy' in, for instance, *Sicily* (two MAs, but both at regional level), it is very complex where there are many OPs contributing to the LAG strategy (such as four in *Bulgaria*) or where the MAs of the contributing OPs are located at different territorial levels (e.g. in *Portugal* and *Poland*). It is important to highlight this diversity, as the mix of different programmes requires the cooperation of the responsible programme management bodies,

which sometimes can be located at different territorial levels. [Table 4](#) provides examples from six countries. Funding sources differed in terms of territorial level and number of programmes:

- > Territorial level: national programmes only (*Austria, Bulgaria, Czechia*), regional programmes only (*Italy*) or both (*Poland, Portugal*)
- > Number of OPs: two (*Austria, Italy, Poland, Portugal*), three (*Czechia*) or four (*Bulgaria*)
- > This also shows that nationally and regionally managed MFCLLD models cannot always be easily distinguished. Regionalised governance models such as those in Poland and Portugal still contained a national level element, as the contributing EAFRD programme (RDP) was national in both cases.

**Table 4. Examples of OP funding sources for MFCLLD LAGs**

LAG	National OPs	Regional OPs
Austria - LAG Kufstein	Rural Development (EAFRD)	-
	Investments in Growth and Employment (ERDF)	
Poland - LAG Vistula-T.C.	Rural Development (EAFRD)	Kujawsko-Pomorskie Voivodeship (ERDF/ESF)
Bulgaria - LAG Lukovit-Roman	Innovations and Competitiveness (ERDF)	-
	Human Resources Development (ESF)	
	Science and Education for Smart Growth (ERDF/ESF)	
	Rural Development (EAFRD)	
Czechia - LAG Uničovsko	Integrated Regional Programme (ERDF)	-
	Employment, Huma, Capital and Social Cohesion (ESF)	
	Rural Development (EAFRD)	
Italy - LAG Nebrodi Plus	-	Rural Development Sicily (EAFRD)
		Sicily (ERDF)
Portugal - LAG Basto	Rural Development (EAFRD)	Norte (ERDF/ESF)

■ EAFRD 
 ■ ERDF 
 ■ ESF 
 ■ Multi-Fund

Source: CAP Implementation Contact Point



## 2.3. Governance and coordination

CLLD implementation in 2014–20 was characterised by wide range of governance and implementation models. The uptake of MFCLLD ranged from nationally designed models implemented across the country to more differentiated models. Often, this was dependent on the specific governance arrangements in place, both for policy implementation more generally and for EU policies more specifically.

We can distinguish **national models** that resulted in full or nearly full territorial coverage (**Slovenia, Portugal, Slovakia, Sweden, Czechia, Bulgaria**) and **regional models** (**Greece, Italy, Poland, Germany, Austria**). In the latter countries, CP implementation is largely decentralised, with the MAs (in **Germany, Italy, Poland, Greece**) or IBs (in **Austria**) operating at the regional levels (Table 5).

**Table 5. Territorial coverage of MFCLLD in different Member States 2014–20**

Member State	General approach	Coverage	No. of LAGs
Slovenia	National	Full country coverage	37
Portugal	National	Full country coverage	66
Slovakia	National	Nearly full country coverage	110
Czechia	National	Nearly full country coverage	178
Sweden	National	Nearly full country coverage	42
Bulgaria	National	Over half of all LAGs	39
Greece	Regional	4 Regions	16
Italy	Regional	2 Regions (Puglia, Sicily)	23
Poland	Regional	2 Voivodeships (Kujawsko-Pomorskie, Podlaskie)	31
Germany	Regional	1 federal State (Saxony-Anhalt)	23
Austria	Regional	1 federal State (Tyrol)	8

Source: CAP Implementation Contact Point

Note: discontinuing countries in grey.

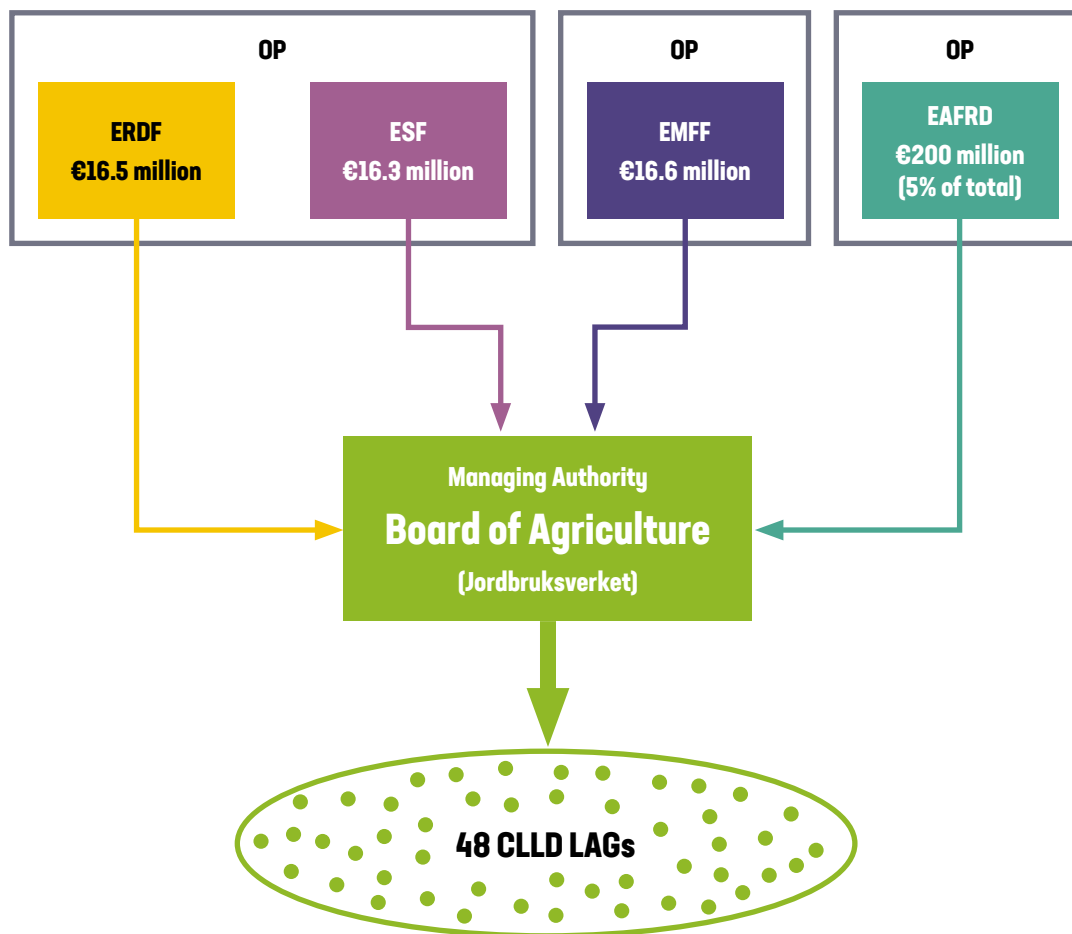
Even in models with a nationally-designed framework, we can distinguish one-size-fits-all approaches (**Czechia, Portugal, Slovenia, Slovakia**) and more bottom-up models (**Bulgaria, Sweden**), in which each LAG was able to select a range of funding sources – and thereby thematic orientation – based on a menu of ESI funds.

**Sweden** decided to allow for as much integration as possible by creating a model in which there was one single MA for all four funds, managing three OPs and where national implementation rules were harmonised (Figure 4). The LAGs on the ground acted as single-entry point for beneficiaries. Unique to Sweden was the design of a national multi-fund (ERDF and ESF) OP specifically dedicated to CLLD, with two priorities, one for each of the two CP funds<sup>7</sup>.

<sup>7</sup> Kah, S., *Implementing ERDF Through CLLD: Experiences So Far*, ESTIF, page 47–57, 2019. [https://estif.lexxion.eu/data/article/14117/pdf/estif\\_2019\\_01-008.pdf](https://estif.lexxion.eu/data/article/14117/pdf/estif_2019_01-008.pdf)



**Figure 4. Joint MA for three programmes funding CLLD in Sweden**



Source: Kah S (2019a)

**Sweden** was one of the few examples of genuinely integrated CLLD, with a governance structure combining both rural development and cohesion policy. One of the main challenges of MFCLLD was indeed that it often operated along a continuum between rural development policy and CP, requiring some degree of integration and coordination. Some of the integrated models were driven by rural development priorities, where CP funding was channelled through existing LAGs and upstream implementation mechanisms integrated into rural development policy governance, either located at national (e.g., **Slovenia, Slovakia**) or regional levels (**Germany, Italy**). In fact, most MFCLLD LAGs have been in place previously, often for several programme periods.

**Table 6** shows the variety of models between mono-funded LEADER-only LAGs (EAFRD) on the one hand and CP-only ones on the other hand (ERDF and/or ESF). Where CLLD was implemented purely with CP funds, this was almost exclusively in urban contexts. Between these two 'pure' models, we can find a variety of approaches to integration, which differ in the extent to which one of the two policy areas is driving the process, the territorial implementation level of the CP and other relevant programmes, and the use of integration mechanisms, such as joint management bodies or coordination frameworks.



**Table 6. CLLD models between rural development policy and cohesion policy in 2014–20**

Model	Driving policy areas	Countries	Territorial (CP) level	Approach to coherence and coordination
Separate	Rural Development/LEADER only* – no use of CP funding	BE, CY, DK, EE, ES, FI, FR, HR, HU (rural), IE, LU, LV, LT (rural), MT, NL (rural), RO (rural), UK (rural)	National/regional	Rural development only
	EAFRD and EMFF	DK, LV, LT, UK (Scotland)		Rural development and Fisheries
Integrated (MFCLLD LEADER-CP)	Based around established EAFRD structures and existing LEADER LAGs  Often driven by rural development/EAFRD actors  ERDF and/or ESF are (typically) added to dominant/important EAFRD	BG, SK	National	Integrated national models
		DE, EL, IT, PL (rural), PT (rural)	Regional	Integrated regional models (selected)
		SI	National	CLLD coordination platform integrated into rural development governance
		AT	Regional	Joint regional IB and joint project implementation rules (based on EAFRD)
		SE	National	Joint national MA
		CZ	National	CLLD coordination platform integrated into CP governance
Separate	Cohesion policy only – urban territories	NL, PL (urban), PT (urban), UK (urban)	Regional	Cohesion policy only
	HU, LT, RO	National		

Source: CAP Implementation Contact Point

Note: \* including Fisheries LAGs in many cases

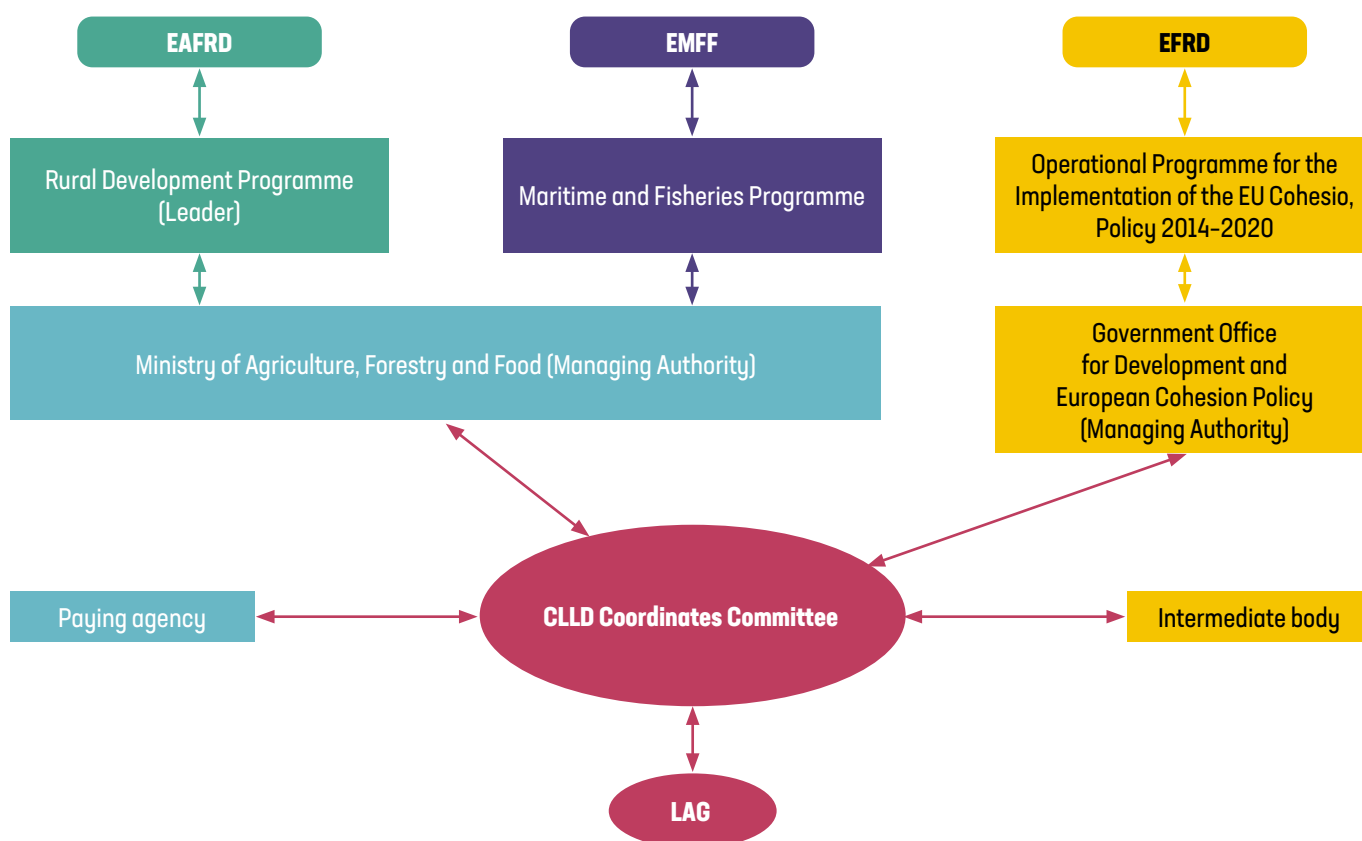
While there were models with joint management bodies across funds, e.g. a joint IB in **Austria (Tyrol)** and a joint MA in **Sweden**, most countries had to design a model of coordination. The coordination between different funds, programmes and programme management bodies is in indeed a crucial element of MFCLLD. In **Bulgaria**, for instance, the mechanism required coordination between five MAs of five OPs (Rural Development, Competitiveness, Science and Education for Smart Growth, Human Resources Development and Environment), based on a legal act describing responsibilities of each MA.

In some cases, there were formal CLLD coordination bodies, which can institutionally be located within the rural development delivery system, such as in **Slovenia**, or within the cohesion policy governance structure, such as in **Czechia**. In **Slovenia**, the CLLD coordination committee's role as one-stop-shop is seen as a success, as it facilitated improved communication and capacity building between MAs, LAGs and other actors (Figure 5)<sup>8</sup>.

8 Cunk Perklić, A., LEADER case study – Facilitating a multi-fund approach in LEADER, ENRD, 2020. <https://eu-cap-network.ec.europa.eu/good-practice/leader-case-study-facilitating-multi-fund-approach-leader>



**Figure 5. LEADER/CLLD coordination in Slovenia 2014–20**



Source: Cunk Perkljč A (2020)

In **Czechia**, the coordination role is assigned to the ministry of regional development, who is responsible for implementation of territorial dimension of EU funding. Coordination is executed by negotiations in the framework the ‘National Permanent Conference’. This meets twice a year and is organised into different sectors for different territorial instruments e.g. for Integrated Territorial

Investments (ITIs) and CLLD. The CLLD sector has a working group that meets every month and addresses more practical issues encountered during programme management. It also includes representatives of national network of LAGs and has met 99 times between December 2014 and September 2023.

## 2.4. Motivations and experiences

**Governance contexts are a crucial factor in explaining the use or non-use of MFCLLD.** This can be exemplified by the cases of **Austria** and **Germany**, where in each country only one region implemented MFCLLD and in both doing so for the second programming period:

- > In **Tyrol (Austria)**, the IBs implementing both ERDF and EAFRD funding are located within the same regional government department. This is not the case in other federal states in Austria. The LAG management bodies are wider regional development agencies for their territory, beyond the implementation of CLLD funding.
- > In **Saxony-Anhalt (Germany)**, administrative reforms provided an opportunity to introduce MFCLLD. Since the start of the 2014–20 programming period, both the ERDF/ESF MA and the EAFRD MA (now the regional body for the national CSP) are located within the same body, the ministry of finance. This is not the case in any of the other German federal states, none of which makes use of MFCLLD.

Sometimes the **motivation to make use of MFCLLD** is related to other factors, too:

- > **Expected simplification:** in **New Aquitaine (France)**, Some rural actors reported fewer implementation constraints in ERDF compared to EAFRD. So instead of asking for more than the 5% compulsory LEADER allocation, ERDF funding was seen as a suitable alternative to increase the funding available at the local level.
- > **Political bargaining:** in **Czechia**, the introduction of CP funded ITIs, which benefitted the seven major Czech agglomerations, resulted in a better access to ERDF funding sources for rural areas.



## 2.4.1. Benefits of adopting a MFCLLD model

**An obvious benefit of a MFCLLD model is increased and more diverse financial resources for LAGs.** More money allows for more investments in the territory. In *Slovenia*, the original idea of a joint CLLD approach came from the municipalities and regional development agencies, who wanted to include CP funds in a joint approach. They saw the possibility of more financial resources for local/regional development.

**Sometimes additional funding from one fund can come in combination with reduced funding from another.** In *Poland*, the ministry of agriculture encouraged Voivodeships and LAGs to adopt a multi-fund model, as the EAFRD funding decreased between 2014–20 and 2023–27. In this way, MFCLLD allowed some of the EAFRD funding to be replaced with regional ERDF and/or ESF+ funding. MFCLLD can therefore be a way to reduce the reliance of LAGs on a single funding source. In *Slovenia*, there were attempts to add the ESF+ to the range of available funds. Instead, a simpler solution was found by increasing the ERDF funding, as some of the objectives of the two funds were similar enough that it was still possible to cover several social themes in this way.

**As can be expected, the attitude of LAGs towards MFCLLD is generally positive**, not only in terms of funding but also in terms of the opportunities offered by MFCLLD (e.g. *Bulgaria, Czechia, Finland, France*), sometimes explicitly expressing interest in a specific fund (ESF+ in *Romania*). Still, in *Slovenia*, fisheries LAGs saw more disadvantages of making use of a common approach, so the EMFAF was not designed into the Slovenian MFCLLD model in the programming period 2023–27.

**A key difference between mono-fund LEADER and MFCLLD is that using other funds such as ERDF and ESF allows implementing additional types of projects.** The option to carry out a wider range of activities is an important not only for countries that implemented MFCLLD in 2014–20 (*Bulgaria, Czechia*), but also for those countries starting a MFCLLD model for the first time (*Estonia, Romania*). A wider range of activities also allows for linking interventions, e.g. implementing follow-on activities, such as ESF interventions following an EAFRD one. It could be argued that only MFCLLD, i.e. a thematically open or at least wider approach, allows local strategies that are truly bottom-up and integrated to be created.

Some of the benefits experienced relate to the **type of actors and activities**. MFCLLD allows for:

- **Interdisciplinary and complex interventions (*Czechia, Slovenia*)** – the MFCLLD approach can enable the implementation of comprehensive and complex projects through various funding sources, e.g. in the fields of tourism and village reconstruction and development (*Slovenia*) and allows covering complex themes, such as adaptation strategies for climate change (*Czechia*).
- **The creation of new stakeholder networks in rural areas (*Czechia, Slovenia*)** – MFCLLD allows new stakeholders to apply for support, participate (*Czechia*) and connect stakeholders in rural areas beyond the typical rural development actors (*Slovenia*). This includes, for instance, actors in social fields and education.

- **New actors to enter local development activities (*Czechia*)** – many project applications came from new actors that would unlikely have applied otherwise.
- **Innovative projects that otherwise would not have been realised** – MFCLLD or rather the use of other funds beyond EAFRD, can allow for more innovation in rural areas. This is related to using other funding sources in a community-led way rather than the combination of funds. Such innovative projects are felt to be especially visible in the case of the ESF, which is perhaps the least ‘territorial’ of the different EU funds. The CLLD method allows for the involvement of a body that is close to the ground, such as a LAG, and results in projects that would have unlikely be developed by an ERDF or ESF MA (see Box 1).

### Box 1. Practical examples of MFCLLD on the ground in Saxony-Anhalt

The project Landmarkt Veckenstedt, implemented by the LAG Harz, is about the development and establishment of a country market in 1 500 inhabitant village in a structurally weak region. The applicant has submitted two applications for funding, one for EAFRD and one for ESF support. The first one was for construction measures funded from EAFRD (EUR 44,900) in 2016–17, and the second one for staff costs funded from the ESF (EUR 37,750) in 2017–18. The latter was done through the CLLD measure ‘Coping with social consequences of demographic and structural change’. These two operations were clearly distinguished from each other but built on each other in terms of content.

Source: Government of Saxony-Anhalt and <https://leader-harz.de/2017/12/08/landmarkt-veckenstedt/>

Finally, **MFCLLD can benefit administrative procedures and capacities**. This is both the case at local level, where a multi-fund approach improves the capacities of LAGs (*Bulgaria*), and at programme management level. *Czechia* emphasises improved cooperation between different government departments and sectors. The CSP MA is now not only regularly exchanging with LAGs and other rural actors, but also with the MAs of the other programmes involved i.e. ERDF and ESF+ actors. They can discuss implementation issues with them and find joint solutions. Within the framework of the national standing conference, which has its own special chamber for CLLD, they meet and establish contacts with other territorial partners/actors.



## 2.4.2. Challenges

**Administrative burden** associated with MFCLLD is the key challenge for many countries and the expected administrative burden also the main reason for not making use of it.

For those countries using MFCLLD, the different funds having **different requirements and implementation mechanisms** (e.g. different application procedures for funding) is the main reason for complexity (*Bulgaria, Estonia, Italy, Lithuania, Slovenia*), both at EU and domestic levels. Consequently, in several countries, there are steps to harmonise the domestic side of rules (*Austria, Romania, Slovenia*).

At the local level, this means that LAGs must deal with differences in proposal application requirements, not just within one fund, but especially different funds are used, as each operation will typically still be funded from just one programme. This requires **strengthening the capacities** of LAGs, not least to reduce errors in application and payment procedures.

Where coordination frameworks were in place, **integrating a variety of actors from different funds** – e.g. three MAs in *Slovenia* – proved to be complex, including practical aspects such as appropriate communication channels and the organisation of regular meetings.

**Selecting LAGs and related LDS** is one aspect complicated by a MFCLLD approach. In *Slovenia*, there was a joint selection procedure for all three Funds in 2014–20, with a special selection committee within the CLLD coordination committee.

Other, specific challenges relate to:

- For *Poland*, the **diversity of the approaches** across the 10 Voivodeships makes it difficult for the national level. Despite national regulation for CLLD, there is a perceived lack of common procedures. Also, there is asymmetry between the CAP side, where each of the regional self-governments acts as intermediate body for LEADER and MA for cohesion policy (ERDF and ESF).
- In *Austria*, **involving new actors in stakeholder networks** that have been established over several years poses a new challenge.
- In *Slovenia*, there were challenges with the **IT systems**, where for some time the LAGs could not use the ERDF system to apply for projects.

Looking at the **countries that decided not to use MFCLLD**, the main reason is the expected (*Croatia, Cyprus, Finland, Hungary, Ireland, Luxembourg, Spain*) or experienced (*Portugal, Slovakia, Sweden*) complexity and administrative burden resulting from combining different funds. This relates to, for instance:

- the **preliminary work** required by participating bodies to establish a multi-fund approach (*Croatia*);
- respecting **different reporting requirements** for funding from multiple sources (*Ireland*); and
- a perceived **lack of coordination** between the relevant institutions at both regional and national levels (*Spain*).

Sometimes the reason for not using MFCLLD can be related to **limited funding**. In *Cyprus*, the small budget allocated to LEADER makes it difficult to further develop associated models. In *Germany*, the federal state of *Lower Saxony* has considered the introduction of MFCLLD in 2023–27, but then decided against it as the increase of the compulsory national-level ERDF allocation to sustainable urban development from 5% (2014–20) to 8% (2021–27) meant that the potential ERDF funding for MFCLLD was too limited to justify dividing it up amongst the approximately 40 LAGs in *Lower Saxony*. In *Italy*, most regional ERDF MAs decided not to use MFCLLD, as *Italy* implements a similar model based on local development around its National Strategy for Inner Areas (SNAI). Yet, SNAI is also based on a multi-fund model, combining domestic resources with EAFRD, ERDF and ESF.

Taking the example of *Hungary*, there are **wider reservations about joint financing of rural LAGs from several funds**. This is made very complicated not only by the different regulations of the funds, but also by the differences in European and Member State structures. There are big differences between the two systems of CAP and cohesion policy, expressed in basic concepts of Member States, the structure of the MAs and the procedures for calls etc. *Hungarian* MAs are averse to risking being dependent on another MA, to any extent, and not being able to make autonomous decisions. At the same time, the *Hungarian* EAFRD MA considers the idea of financing local strategies from several funds to be very good. Yet, this should not be done at the level of a measure, but rather at the level of beneficiary, which can be the LAG itself, for instance for umbrella projects. As emphasised also by *Croatia, Lithuania and Portugal*, continuing mono-fund models does not prevent LAGs from participating in the implementation of projects financed from other funds.

Finally, it has been noted that some **circumstances at EU level** also contributed to the limited use of MFCLLD. The separation of rural development from cohesion policy, e.g. with the EAFRD operating largely outside the Common Provisions Regulations, may have contributed to increased complexity associated with the use of MFCLLD from the Member States' point of view.



## 3. MFCLLD in 2023-27

### 3.1. Use of multi-fund approaches in countries and regions

The use of MFCLLD in 2023-27 (planned indicatively as of November 2023) is presented in [Table 7](#) and [Figure 6](#).

**Table 7. Multi-Fund LEADER/CLLD in the EU in 2023-27**

	EAFRD	EAFRD	EAFRD	EAFRD	EAFRD	
		ERDF		ERDF	ERDF	
			ESF+	ESF+	ESF+	
	EMFAF				EMFAF	
Country						No. LAGs
<b>Austria</b> ( <i>Tyrol</i> ) <sup>a</sup>		<b>10</b>				<b>10</b>
<b>Bulgaria</b> <sup>b</sup>				<b>100</b>		<b>100</b>
<b>Czechia</b> <sup>c</sup>		<b>20</b>		<b>160</b>		<b>180</b>
<b>Estonia</b>			<b>26</b>			<b>26</b>
<b>France</b> ( <i>New Aquitaine</i> )					<b>52</b>	<b>52</b>
<b>Germany</b> ( <i>Saxony-Anhalt</i> )				<b>22</b>		<b>22</b>
<b>Italy</b> ( <i>Sardinia</i> ) <sup>d</sup>			<b>17</b>			<b>17</b>
<b>Latvia</b>	<b>6</b>					<b>6</b>
<b>Poland</b> <sup>e</sup>		<b>17</b>	<b>94</b>	<b>91</b>		<b>202</b>
<i>Kujawsko-Pomorskie</i>			<i>29</i>			
<i>Lubuskie</i>			<i>12</i>			
<i>Małopolskie</i>				<i>27</i>		
<i>Podkarpackie</i>			<i>26</i>			
<i>Podlaskie</i>				<i>19</i>		
<i>Pomorskie</i>				<i>15</i>		
<i>Śląskie</i>			<i>14</i>			
<i>Świętokrzyskie</i>		<i>17</i>				
<i>Wielkopolskie</i>				<i>30</i>		
<i>Zachodniopomorskie</i>			<i>13</i>			
<b>Romania</b>			<b>239</b>			<b>239</b>
<b>Slovenia</b>		<b>37</b>				<b>37</b>
<b>TOTAL</b>	<b>6</b>	<b>84</b>	<b>376</b>	<b>373</b>	<b>52</b>	<b>891</b>

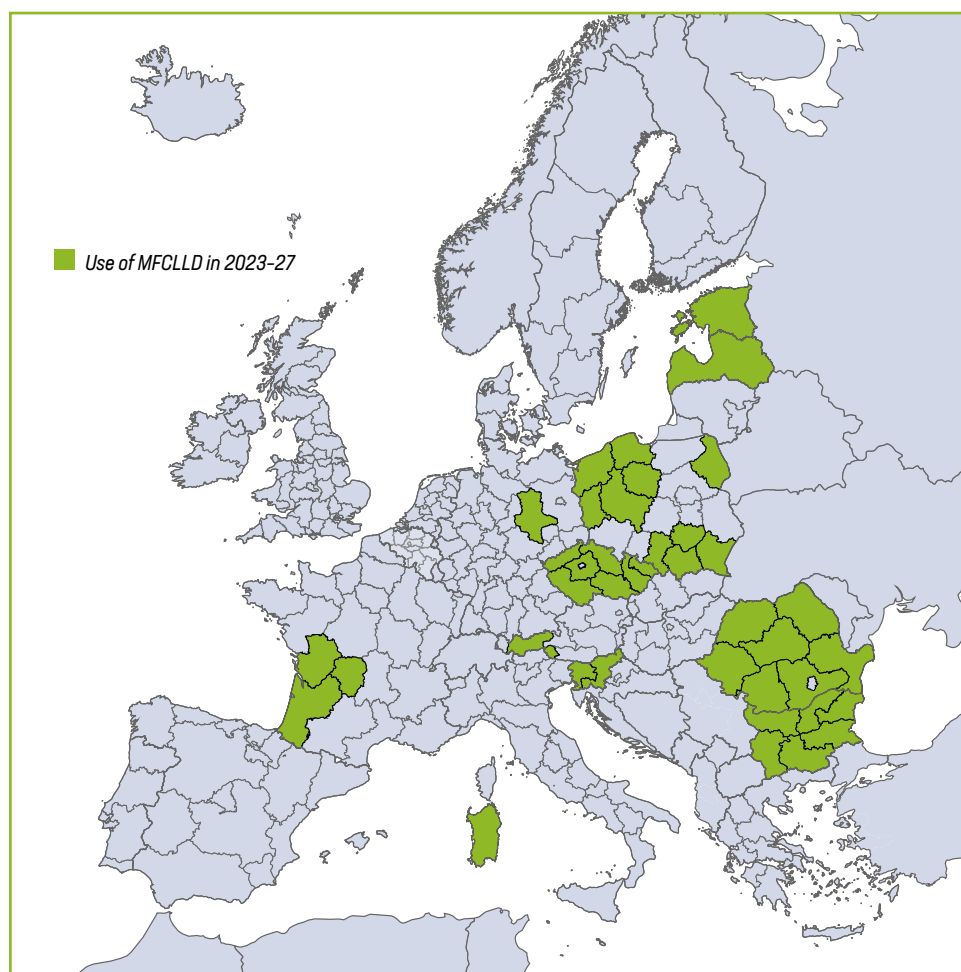
Notes: green shading indicates countries/regions which implemented MFCLLD already in 2014-20, yellow those that newly introduced it in 2023-27. <sup>a</sup> In addition, there is a cross-border LAG between Austria and Italy that includes parts of Carinthia, using EAFRD and ERDF from the Interreg Italy-Austria Programme. See also Verduyck (2023); <sup>b</sup> LAG selection underway, 100 LAGs estimated; <sup>c</sup> LAG selection not finalised yet; <sup>d</sup> both Puglia and Sicily discontinued MFCLLD, while Sardinia starts using it; <sup>e</sup> 202 LAGs have applied, expectation to select c. 190.

Source: CAP Implementation Contact Point compilation based on survey and interviews.





**Figure 6. Regions (NUTS2) using MFCLLD in 2023-27**



Source: CAP Implementation Contact Point/MapChart

11 Member States will combine the EAFRD with at least one other fund, resulting in an estimated 891 multi-funded LAGs in 2023-27. Some points to note:

- **The number of Member States using MFCLLD in LEADER goes down from 15 to 11.**

  - **Seven countries stopped using MFCLLD: Denmark, Greece, Lithuania, Portugal, Slovakia, Sweden, and the United Kingdom** which left the EU.
  - **Three countries started using MFCLLD: Estonia, France, and Romania.** While there are nation-wide models in **Estonia** and **Romania**, in **France** only one region will use MFCLLD (**New Aquitaine**). In **Italy**, two regions (**Puglia, Sicily**) stopped MFCLLD, while one region (**Sardinia**) will use it for the first time.
  - **The overall number of MFCLLD LAGs in LEADER goes up by a third.** From 624 MFCLLD LAGs in 2014-20, the number can increase by as many as 267 (43%) to 891 LAGs. However, it is important to note that 621 of these potential<sup>9</sup> SLAGs are in only three countries, the new entrant **Romania** (239), the expanding case of **Poland** (202) and the comparatively stable case of **Czechia** (180).
- **There is again a mix of national (six) and regionalised (five) models.** Amongst the three new entrants, both **Estonia** and **Romania** apply a national model, while **France** has a regionalised system in place. One country with a regionalised system has stopped (**Greece**), while five countries with national approaches did so. Of these, three had more comprehensive models involving cohesion policy funds (**Portugal, Slovakia, Sweden**) and two countries only combined the EAFRD with the fisheries fund (**Denmark, Lithuania**) (see point on fisheries below).
- **The fund most combined with the EAFRD is the ESF+.** The ESF+ is used by 84% of all LAGs combining other funds with the EAFRD.

  - These 749 LAGs are in seven countries: **Bulgaria, Czechia, Estonia, Germany, Italy, Poland** (five regions) and **Romania**.
  - The most common combinations are of the EAFRD with ESF+ only (376 LAGs, 42% of all MFCLLD LAGs), found in four countries: **Estonia, Italy, Poland** and **Romania**, and of EAFRD with both ERDF and ESF+ (373 LAGs, 42%) in four countries: **Bulgaria, Czechia, Germany** and **Poland** (four regions).

9 At the time of writing the document (November 2023) the final number of fully approved and operational LAGs was not known for all Member States.



- > **The ERDF was the most popular fund to combine with EAFRD in 2014–20** (see section 2.1) but now only accounts for 57% of all LAGs combining other funds with the EAFRD.
  - > These 509 LAGs are in eight countries: **Austria, Bulgaria, Czechia, France, Germany, Poland** (four regions) and **Slovenia**.
  - > Most of the LAGs using ERDF combine the EAFRD with both ERDF and ESF+ (373 LAGs, 42% of all MFCLLD LAGs), while only 84 LAGs (9%) combine the EAFRD only with ERDF.
- > **In 2023–27, there remain only two countries combining the EAFRD with the EMFAF. France (New Aquitaine)** will combine all four funds in 52 LAGs, while **Latvia** will continue its six EAFRD-EMFAF LAGs. This is a significant change from 2014–20, when the fisheries fund was combined with EAFRD in 90 LAGs across nine countries. Seven countries have stopped combining it with EAFRD, not only those who stopped MFCLLD completely, but also two countries continuing (**Slovenia**) or even expanding (**Poland**) their MFCLLD approach.
- > **Two models of combinations with the EAFRD that were in place in 2014–20 are not used anymore.** There are no LAGs combining both EAFRD and EMFAF with either ERDF or ESF+ only.

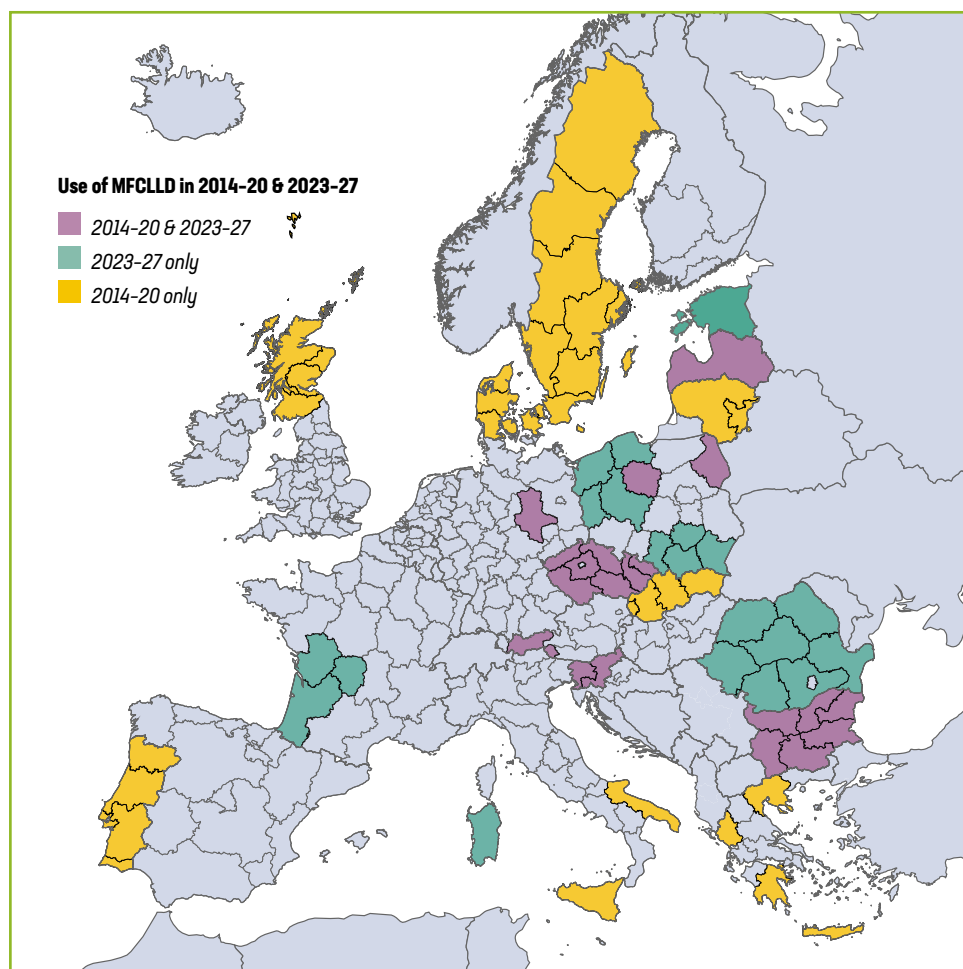
### 3.2. Key changes

Eight of the 15 Member States that used MFCLLD in 2014–20 are continuing to do also in 2023–27: **Austria (Tyrol), Bulgaria, Czechia, Germany (Saxony-Anhalt), Italy (new region Sardinia), Latvia, Poland and Slovenia**.

In terms of **territorial coverage** of MFCLLD, only **Poland** is increasing coverage to a significant extent by moving from two to 10 Voivodeships. There is also an increase of territory covered in **Austria**, where the number of LAGs grows from eight to 10, thereby

covering the entire federal state of **Tyrol** except for the capital Innsbruck and its surroundings. There are some minor changes in **Czechia** (from 178 to 180 LAGs) and **Germany**, where the LAGs have been reconfigured in **Saxony-Anhalt**, resulting in an overall increased territory. Interestingly, also the three previously excluded major cities in **Saxony-Anhalt** (Magdeburg, Halle, Dessau) are now covered. The rural parts of the cities are eligible for EAFRD, while the central more urban parts remain eligible for ERDF and ESF+ measures.

**Figure 7. Change in regions (NUTS2) using MFCLLD between 2014–20 and 2023–27**



Source: CAP Implementation Contact Point/MapChart



Four of the countries continuing MFCLLD apply a **national level model**, which results in the inclusion of all the country's municipalities in a LAG (**Slovenia**) or the coverage of almost the entire rural territory (**Czechia**). Coverage is more selective in **Bulgaria** and limited to six LEADER and fisheries LAGs in **Latvia**.

In four of the continuing countries only a **limited number of regions** are using MFCLLD. This is due to the regionalised nature of these countries' cohesion policy implementation models, especially ERDF:

- **Austria**: the 10 LAGs in the federal state of **Tyrol** (1 of 9) combine EAFRD and ERDF.
- **Germany**: 23 LAGs in the federal state of **Saxony-Anhalt** (1 of 16 federal states in Germany) combine EAFRD, ERDF and ESF+.
- **Italy**: while **Puglia** and **Sicily** stopped MFCLLD, **Sardinia** started combining EAFRD with ESF+ in 17 LAGs.
- **Poland**: 10 Voivodeships (of 16 in total), varying combinations of EAFRD with ERDF and/or ESF+.

Looking at the **use of different funds**, there is no change regarding the combination of funds in **Austria (Tyrol)**, **Czechia**, **Germany (Saxony-Anhalt)** and **Latvia**, which all continue the 2014–20

combination, i.e. with ERDF only in **Tyrol**, with EMFAF in **Latvia** and with both ERDF and ESF+ in **Czechia** and **Saxony-Anhalt**. In **Bulgaria**, each LAG decides which funds it applies to use in its strategy, thereby continuing the country's 2014–20 model. In **Poland** and **Slovenia**, those LAGs that used fisheries funding in 2014–20 will not be using the EMFAF in 2021–27.

In terms of MFCLLD in **urban LAGs**, these continue to exist in four of the countries that used these in 2014–20. However, three of these continue using mono-fund models (**Lithuania**, **Netherlands**, **Poland**<sup>10</sup>), while only **Romania** continues its MFCLLD model in urban areas. **Hungary**, **Portugal** and the **United Kingdom** (Brexit) stopped their MFCLLD models in urban areas. There will also be new cases of MFCLLD in urban areas e.g. in **Saxony-Anhalt**.

In terms of other changes to the MFCLLD approaches, many countries will introduce **simplification** measures (**Bulgaria**, **Germany**, **Latvia**, **Poland**, **Slovenia**) e.g. the use of simplified cost options (**Latvia**) and **harmonisation (Austria, Slovenia)**. There are also **increased budgets (Latvia, Slovenia)**. In **Latvia**, for instance, 7% of EAFRD resources are allocated to LEADER, compared to 5% in the past, and the EMFAF funding has doubled. In **Slovenia**, the ERDF contribution to MFCLLD went up by 10%.

### 3.3. Discontinuation

**Six countries that have been using MFCLLD in 2014–20 are abandoning it in 2023–27 (Denmark, Greece, Lithuania, Portugal, Slovakia, Sweden)**. In the case of **Denmark** and **Lithuania**, the past model was restricted to the combination of EAFRD and EMFF, with limited use in both countries (seven multi-fund LAGs in **Denmark** and three in **Lithuania**). The multi-fund models in the other four countries where comprehensive, with national level models in **Portugal**, **Slovakia** and **Sweden**, and a regional approach in **Greece**. MFCLLD can still be found in **Italy**, but the regions changed from **Puglia** and **Sicily** in 2014–20 to **Sardinia** in 2023–27.

In **Sweden**, **Greece** and **Portugal**, abandoning MFCLLD has been partly due to wider activities to simplify EU funding implementation systems:

- **Sweden** stopped one of the most ambitious CLLD approaches in 2014–20. This was based on a number of findings by the EAFRD MA in preparation of the 2023–27 programming period:
  - Over 90% of the projects that were given support from funds other than EAFRD could have been financed with EAFRD funding instead. A contributing factor to this is the fund-specific conditions. In EAFRD, a specific condition is that projects must be implemented or directly benefit rural areas, which means that the fund can include a large part of all projects. The EAFRD has therefore become the fund that financed most of the projects in 2014–20 and it is also the fund with the largest budget.
  - The scope of the funds overlapped, for example when it came to projects in tourism and in integration. This made it difficult to decide which fund should be used.

- A large part of the projects approved under funds other than the EAFRD can be financed through other actions in the Swedish CSP. One of the ambitions of the new CAP in **Sweden** was to facilitate and remove conditions that increased the administration – removing the multi-fund solution is part of that stance.
- The Swedish EAFRD MA considers that the LEADER regulations need to be simplified. An integrated set of rules for the different funds would have likely made the administration of MFCLLD less difficult.
- **Greece** made positive experiences during the preparation of its multi-funded LDS, but their implementation turned out to be very difficult. One problem was that the EAFRD has stricter rules compared to other funds. More generally, a fundamental issue with LEADER more generally is the number of rules. As part of attempts to simplify, it was decided to opt for a mono-fund model in 2023–27. This applies to both EAFRD and EMFAF. However, in the Greek model, the LAG management body is typically also the FLAG management body, so instead of implementing one multi-fund LDS, the LAG implements two mono-fund LDS in parallel. This ensures complementarity without the complexities of MFCLLD.
- According the CSP MA in **Portugal**, the combination of several funds with different objectives and rules, and several MAs applying different rules and guidelines, made the multi-fund approach more difficult to manage for LAGs. For a LAG, this meant dealing with three MAs: two national MAs and one of five regional MAs, each with different objectives and rules, which disproportionately increased the complexity of funding for local development projects.

<sup>10</sup> There is one LAG in the Podlaskie region that only used ERDF and ESF+ due to its high proportion of urban population that would not allow the use of EAFRD. However, the MA still considers it to be a rural LAG.



### 3.4. MFCLLD governance and implementation

Countries and regions that continue to implement MFCLLD tend to broadly maintain their established governance and implementation systems. Some examples are illustrated below.

- In **Saxony-Anhalt**, the EAFRD and the ERDF/ESF+ are each managed by independent MAs, but both are located within the same ministry. The approval bodies and audit authorities also differ between the EAFRD and the ERDF/ESF+. Each of the three funds is implemented through its own funding rules. Regardless, the two MA work closely together, aiming to make the administrative process as simple and harmonious as possible for LAGs and project promoters. The close cooperation can be seen, for example, in the joint competition procedure for the approval of LAGs, in jointly prepared implementation guidance to the LAGs, jointly organised LEADER/CLLD bodies and joint training events for LAGs. The funding for administration and animation comes only from the ERDF.
- **Slovenia** continues its 2014–20 model of the CLLD coordination committee, rebranding it CLLD working group in 2021(23)-27. There is a single selection procedure for LAGs and LDSs and projects are approved by an ERDF IB as well as the EAFRD Paying Agency. There are joint events for both the LAGs and their beneficiaries. The EMFAF is not anymore contributing to MFCLLD, but fisheries actors are still part of the CLLD working group, as the same Paying Agency is responsible for EAFRD and EMFAF. The coordination tasks are placed within the Slovenian Ministry of Agriculture, Forestry and Food, which is the EAFRD MA. There are a series of simplification measures e.g. relating to the procedures of confirmation of LDSs, use of SCOs, IT systems, shortening procedures, and harmonisation between the EAFRD and ERDF.
- In **Czechia**, MFCLLD funding comes from a series of national programmes and the basic arrangements are set out in both the partnership agreement (for ERDF and ESF+) and the CSP (for EAFRD). In addition to EAFRD funding, MFCLLD will receive funding from four cohesion policy programmes: Integrated Regional OP, Employment+ OP, Technology Application for Competitiveness OP and Environment OP. The ministry of regional development coordinates the implementation of CLLD based on

methodical guidelines for integrated tools. Each strategy can apply for funding from each of these OPs and no OP is obligatory.

- In **Latvia**, both the EAFRD and EMFAF have established an LDS selection committee, which also monitors implementation. Each LAG prepares a single LDS for both funds, including an action plan that ensures separation or complementary of activities. Both funds operate on the basis of common set of requirements based on national regulations. There is a coordination process involving the single MA, single PA and the LAGs.
- In **Estonia**, where MFCLLD is new, the use of ESF+ is voluntary. If a LAG decides to include ESF+, the strategy must include a separate measure that is related to improving the availability and quality of long-term care services and easing the burden of care, and to ensuring human dignity and increasing social inclusion. The strategies are implemented through two separate implementation agencies.

There is a feeling that coordination was easier to ensure in 2014–20, when there was an overarching partnership agreement that included not only cohesion policy funds, but also the EAFRD. The situation is different in 2021(23)-27, when the EAFRD formally remains outside the Member States' partnership agreements.

The complexity of implementing CLLD in multi-fund system means the many countries need to implement **capacity-building activities related to this**. Often, these are provided by the national CAP (or fisheries) networks and include various events, trainings or meetings on selected themes (**Bulgaria, Estonia, Latvia, Saxony-Anhalt**). In **Slovenia**, for instance, the CLLD working group organises activities for MAs, IBs, PA and LAGs. There are at least two seminars or workshops for LAGs per year, in addition to webinars, ongoing support, a forum for Q&A and a Facebook page.

A potential tool for simplification in MFCLLD can be the use of a 'Lead Fund'. The **Lead Fund principle** means that the rules of one of the funds combined in a MFCLLD model can be used to implement also the funding coming from the other funds involved. The reasoning behind the Lead Fund principle is that it should simplify procedures.

#### Box 2. Regulatory provisions regarding a Lead Fund in MFCLLD in 2021–27

3. Where support to strategies referred to in point (c) of paragraph 2 is available from more than one Fund, the relevant managing authorities shall organise a joint call for selection of those strategies and establish a joint committee for all the Funds concerned to monitor the implementation of those strategies. The relevant managing authorities may choose one of the Funds concerned to support all preparatory, management and animation costs referred to in points (a) and (c) of Article 34(1) related to those strategies.
4. Where the implementation of such a strategy involves support from more than one Fund, the relevant managing authorities may choose one of the Funds concerned as the Lead Fund.
5. While respecting the scope and the eligibility rules of each fund involved in supporting the strategy, the rules of the Lead Fund shall apply to that strategy. The authorities of other funds shall rely on decisions and management verifications made by the competent authority of the Lead Fund.
6. The authority of the Lead Fund shall provide the authorities of other Funds with information necessary to monitor and make payments in accordance with the rules set out in the Fund-specific Regulations.

Source: Article 31 of the Common Provisions Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021



However, the **Lead Fund principle in a strict sense** according to Common Provisions Regulation (CPR) Article 31 (5) (see Box 2) i.e. using the rules of one fund for all involved funds, appears to be used only in a limited number of cases. In **Tyrol**, the control mechanisms of the EAFRD PA (Agrarmarkt Austria) are used not only for the EAFRD, but also for the ERDF. Similarly, **Bulgaria** will use the EAFRD rule set also for all the other funds (ERDF, ESF+) involved.

A **Lead Fund principle 'light'** instead is used in several of countries (**France, Germany, Latvia, Romania**). This is limited to the contents of CPR Article 31 (3) and means the use of a single fund to cover operational costs only: preparation of the multi-fund strategy, running of the LAG and the management, monitoring and evaluation of the multi-Fund strategy. This 'overhead fund' will in most cases be the EAFRD e.g. in **New Aquitaine, Romania, Saxony-Anhalt**. In **Latvia** instead, the overhead fund will change from the EAFRD in 2014–20 to the EMFAF in 2023–27.

However, several actors feel that the effort needed for the Lead Fund is higher than its potential benefits. For instance, data for monitoring and evaluation has still to be collected and reported according to different funds, which results in administrative complications. Its practical application results in the need to coordinate between two or more, likely very different, IT systems. A number of countries explicitly stated that the Lead Fund principle is

not used in 2023–27 (**Czechia, Estonia, Poland, Sardinia, Slovenia**), although some (**Estonia**) would be interested in using it. It appears that more capacity building and information is needed for a deeper understanding and more widespread use of the Lead Fund principle by the Member States where MFCLLD is applied.

Programme managers expressed concerns that the use of the Lead Fund would in practice result in adding up the rules of different funds rather than being able to reduce them to the set of rules of only one fund. In **Czechia**, this is due to different conditions of the various funds and the corresponding MAs insisting on maintaining their conditions and rules. **Slovenia** has used the softer Lead Fund principle in 2014–20, when each LAG could choose its Lead Fund separately: eight LAGs opted for the ERDF, 1 LAG for the EMFF and the others for the EAFRD. However, **Slovenia** did not see sufficient benefits to continue this practice in 2023–27. The Slovenian authorities had extensive discussions about the issue with the involvement of the LAGs in the process and assessed the advantages and disadvantages of the approach. As a result, they decided to abandon the Lead Fund in a strict sense, mainly due to concerns about its impact on audit. Instead, the focus in 2023–27 is on harmonisation and simplification, so that the rules will be the same when they can be.

## 4. Looking ahead: What is needed for MFCLLD

The content of this chapter is largely based on the discussions and stakeholder views shared at the EU CAP Network workshop on multi-funded CLLD that took place in Slovenia on 18–19 October 2023<sup>11</sup>.

Global issues are affecting people locally and CLLD allows them to be part of a local solution. A multi-fund model does so by offering a broader range of responses than a mono-fund one. Multi-funded strategies present a lot of opportunities, by providing not only more, but also **more diverse funding for local development, ideally also reaching additional target groups**.

However, this comes with a **series of challenges**, for both the local level (LAGs) and the programme management bodies (MAs, IBs and Paying Agencies). Although LAGs are interested in MFCLLD, already high administrative complexity is further added to by using more than one fund, which means respecting more than one set of rules and dealing with more than one MA or IB. Both demarcation between and combination of funds is complex. The **Lead Fund principle** could be an appropriate solution and an important step on the way to harmonisation, but it has its limitations in practice, and it needs to be better explained how it can offer opportunities for simplification. Some local actors feel that the Lead Fund is not necessary – the discussion around it takes time and it is better to focus on implementation under the existing conditions.

**Many of the challenges are of regulatory nature**, related to the different procedures in the CAP on one side and cohesion policy on the other. LAGs must work with the different approaches of each fund, for instance related to calls for applications. For the programme level, some relate to technical barriers encountered in the regulations, such as the lack of a specific objective for CLLD in the ESF+. **Regulatory solutions can be designed at both the EU and**

**national levels**. Ideally, there would be a **dedicated CLLD regulation at EU level** or even a joint CLLD fund. More realistic could be the design of a **national regulation at Member State level for all forms of CLLD**. However, even if the regulatory frameworks continue to be different, a lot could be achieved through the simplification of procedures. This could be done via relatively practical steps, such as a joint IT system.

**Solutions can also relate to governance**, but since the creation of a joint governance structure across funds is not feasible in many cases, efficient **coordination appears to be at the core of appropriate solutions**. This is resource intensive and often complicated by a lack of political support, unclear roles of the different actors in the system and insufficient contributions by some of the involved parties. Coordination solutions could be common working groups at national level (as for instance in **Czechia** or **Slovenia**), involving also National Networks, LAGs and, ideally, audit bodies. This can include a single LAG network in addition to or instead of fund- or territorial type-specific ones, a joint and effective communication platform, or joint training offers for LAGs and/or MAs. Sometimes, rather than formalised structures or procedures, there could be other formats allowing constructive dialogue in which actors ask and listen to what people want. For this, informal groups could be set up, either virtually (e.g. a WhatsApp group) or physically. For instance, there could be regular informal meetings agreed on in advance, but which then are only used when there is a practical need for exchange. A relatively simple step could be to increase the coordination of calls for the different funds and programmes that contribute to MFCLLD. Coordination could also be improved at EU level, involving the different Commission directorate generals operating in the field of MFCLLD. As suggested for the national level, also EU-level coordination should include auditors.

<sup>11</sup> [https://eu-cap-network.ec.europa.eu/events/workshop-leader-and-multi-funded-clld\\_en](https://eu-cap-network.ec.europa.eu/events/workshop-leader-and-multi-funded-clld_en)



There is also a perceived lack of communication, information, networking and capacity-building around MFCLLD. The reasons for this can be related to capacity issues, as the involved programme management bodies have limited time resources to dedicate to this. As a result, there is a lack of awareness of the positive effects of MFCLLD.

Understandably, perspectives of programme level and local actors sometimes differ. Accordingly, for programme bodies, some potential ways forward include: ensuring a good quality of documents (e.g. LDS) that allow for early approval and efficient implementation; giving more weight to qualitative criteria for LAG selection; making sure that there is transparency in funding allocation to LAGs; and reducing regulatory complexity by avoiding 'gold-plating'<sup>12</sup> at national level. For LAGs, solutions can be of quite a practical nature, such as: increased use of simplified cost options; ensuring predictability and certainty about rules rather than simplification for the sake of simplifying; and allowing for more knowledge exchange in which experienced actors share their

experiences. Some suggestions that both implementation levels can agree on relate to basic principles of working together and are not specific to MFCLLD – mutual trust, flexibility and open-mindedness.

Looking at the adoption of MFCLLD models across the EU in both 2014–20 and 2023–27, we can see a mixed picture and no obvious trend of either growth or decline. The rather hesitant uptake of MFCLLD is also a result of the voluntary character of CLLD, at least outside of rural development funding. There are stakeholder voices arguing for ring-fencing or a compulsory share for CLLD in all funds in the future to maximise the potential of a true community-led form of local development. In the case of future obligatory ring-fencing of ESI funds to contribute to CLLD, there could be consider two options: either proper multi-fund strategies as now, or a 'light' multi-fund approach where LAGs are beneficiaries or project promoters of ESI funds. The latter option could be administratively easier and still deliver benefits to the LAG territories. Whether these are realistic options for the post-2027 programme period remains to be seen.

## 5. Sources

- › Online survey in August and September 2023: 38 of responses from 22 countries
- › Analysis of 28 CSPs, carried out by the EU CAP Network
- › 60 online/phone interviews as well as written exchanges with policymakers involved in programme management and MFCLLD implementation
- › Results from the workshops and discussions at the EU CAP Network workshop on LEADER and multi-funded CLLD (Slovenia, 18–19 October 2023)

<sup>12</sup> Gold-plating is a term used in the context of the implementation of EU funding to describe the extra requirements and administrative burden imposed on beneficiaries by national and sub-national authorities beyond those deriving from provisions at EU level.



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## Annex 1: CLLD funding combinations in 2014-20

Country	Mono EAFRD	Mono EMFF	EAFRD-EMFF	Mono ERDF	Mono ERDF (ETC)	Mono ESF	EAFRD-ERDF	EAFRD-ESF	ERDF-ESF	EAFRD-EMFF-ERDF	EAFRD-EMFF-ESF	EAFRD-ERDF-ESF	EMFF-ERDF-ESF	All 4	Total LAGs
Austria	69						8								77
Belgium	32														32
Bulgaria	25	9					4	6				29			73
Croatia	54	14													68
Cyprus	4														4
Czechia							27					151			178
Denmark	19	3	7												29
Estonia	26	8													34
Finland	54	10													64
France	330	23													353
Germany	298	29										23			350
Greece	14	1	22			2		4			10				53
Hungary	103								99						202
Ireland	29	7													36
Italy	168	44	9				23								244
Latvia	29		6												35





Country	Mono EAFRD	Mono EMFF	EAFRD-EMFF	Mono ERDF	Mono ERDF (ETC)	Mono ESF	EAFRD-ERDF	EAFRD-ESF	ERDF-ESF	EAFRD-EMFF-ERDF	EAFRD-EMFF-ESF	EAFRD-ERDF-ESF	EMFF-ERDF-ESF	All 4	Total LAGs
Lithuania	46	10	3			39									98
Luxembourg	5														5
Malta	3														3
Netherlands	20			1											21
Poland	251	24	11			7			1			29		1	324
Portugal	6	3							16			54	12		91
Romania	239	22							35						296
Slovakia							110								110
Slovenia							33			4					37
Spain	251	41													292
Sweden	2	4					3	2			1	28		8	48
UK	129	11	8						24						172
CBC AT-IT					4										4
<b>TOTAL</b>	<b>2206</b>	<b>263</b>	<b>66</b>	<b>1</b>	<b>4</b>	<b>48</b>	<b>208</b>	<b>12</b>	<b>175</b>	<b>4</b>	<b>11</b>	<b>314</b>	<b>12</b>	<b>9</b>	<b>3333</b>

Note: Use of EAFRD highlighted in yellow.

Source: CAP Implementation Contact Point



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