

Policy paper

The use of CLLD¹ programs in Roma communities

Introduction

Autonómia Foundation was approached by ERGO (European Roma Grassroots Organizations Network) in the summer of 2015 with a request to examine the potential applicability of the CLLD method in Roma communities and the possibilities of how the Roma could participate in the spending of EU funds and improve their chances of accessing funds earmarked for development.

The reason for ERGO's request was that Autonómia Foundation employed seven Roma coordinators in various locations around Hungary in 2014 and 2015. Four of them worked as part of local LEADER action groups and were tasked with helping local Roma communities to obtain funding. The initiative was a clear success both in terms of the various indicators of access to funding and on the basis of the feedback received from the local action groups.

Autonómia Foundation has prepared this policy paper on the basis of the CLLD programme design documentation as currently available (see Appendix), interviews with experts (four interviews with experts who participated in the CLLD programme design and others who worked for various government institutions) and an evaluation of the coordinator programme mentioned above. Several attempts were made to contact the State Secretariat for Territorial Development within the Cabinet Office of the Prime Minister, which is responsible for this area, but a request for an interview was unfortunately not granted.

The objective of this paper is to formulate recommendations with respect to the direct applicability of the CLLD methodology so that community involvement, allowed or expected under the LEADER initiative of the Rural Development Programme and the Territorial and Settlement Development Operational Programme (TOP), can be a made a reality in Roma communities in rural areas.

Although the current version of the LEADER Local Development Strategy talks about “socially excluded” and “poor” people and does not use the terms Roma or Gypsy at all, we believe that our recommendations are nevertheless relevant because the

¹ Community-led Local Development

risk of poverty is significantly higher for the Roma than for other groups of society², and they are also subject to territorial segregation.

The fact that the situation of Roma communities has deteriorated over the 25 years since the end of the Communist regime and that their limited or negligible access to EU funds has contributed to such deterioration lends special importance to this paper³.

The existing situation

Community-led local development (CLLD) is an innovation of the 2014-2020 programming period, as allowed by the relevant regulations. The precursor of CLLD was the LEADER Programme⁴, and the lessons learned in connection with the latter will be incorporated to the guidelines that will apply to the coming period.

CLLD is a method that involves cooperation between the government, non-governmental organisations and private individuals to deliver, implement and monitor local development strategies. CLLD also requires dialogue and a participatory approach to planning. “The fundamental objective of the method is to strengthen commitment and participation, mobilise inner human and physical resources, encourage creativity and promote coordination in order to help the development of an area or region. A key feature of the CLLD/LEADER approach is that development is based on bottom-up initiatives that bolster local development capacities and encourage development projects that connect and integrate various sectors.”⁵

The most important feature of the LEADER Programme is that it is based on local partnerships with the inclusion of prospective beneficiaries (governmental, non-governmental and private) in the development project, and this is an area where

² See a 2013 report on the activities of the Ombudsman for Fundamental Rights:
<http://www.parlament.hu/irom39/13837/13837.htm>

³ Varró, Gabriella and Kadét, Ernő. A roma lakosság hozzáférése az uniós fejlesztési forrásokhoz (Access by the Roma Population to Community Development Funds), Hungarian Civil Liberties Union, 2010 (http://tasz.hu/files/tasz/imce/Varro_kadet_kutatas.pdf)

⁴ The seven key features of LEADER: (1) encouraging bottom-up initiatives; (2) area-based approach; (3) local partnership; (4) integrated and multi-sectoral actions; (5) networking; (6) innovation; (7) international and inter-regional cooperation

⁵ LEADER Helyi Fejlesztési Stratégia, Tervezési Útmutató (LEADER Local Development Strategy, Planning Guide), Lechner Non-profit Kft., 2015, manuscript

Hungary has received criticism in connection with implementation. Inclusion largely remained a formality in many cases, Local Development Strategies were

rarely individualised and the operation of Local Action Groups (LAGs) did not reflect bottom-up initiatives or local input at all. Although programme documents call for the inclusion of underprivileged groups (even if the Roma community is not specifically mentioned), in reality the Roma were rarely the beneficiaries of the LEADER Programme (we interviewed Roma representatives from two such microregions).

In an important departure from the 2007-2013 period, the new regulations now **allow the formation of LAGs in towns and cities as well**, and funding for the implementation of the strategies of such LAGs is provided by the Member States from the ERDF and the ESF (and in Hungary, under the TOP).

While financing for LEADER projects was provided from the EAFRD in the previous programming period (and it continues to have dedicated funding for LEADER), LAGs will be encouraged in the coming period to find sources of funding themselves. This will not be limited to the Rural Development Programme, which is funded from the EAFRD; rather, they will also be expected to obtain funding that is designated for objectives stated in other Local Development Strategies.

Towns with a population of more than 10,000 can participate in CLLD projects under the Territorial and Settlement Development Operational Programme, and the preparation of the TOPs is now in such an advanced state that the county-specific programmes, which determine how funds available under the TOP can be used, is expected to be approved in September 2015.

Although CLLD programming is not a mandatory element of the preparatory phase, it is questionable what role it can play later if it is not included in the preparation of the territorial development programme, which is undoubtedly the fundamental document in this field. This problem can be amply illustrated with the territorial development programme for Heves county⁶, which was prepared with only formal community participation (see Annex 1). According to a member of the local assembly of one of the towns in the county, “project collection”, i.e. the preparation of project proposals from local authorities in the county, was

⁶ The version of the Heves County Territorial Development Programme that was released for public consultation: <https://www.nth.gov.hu/hu/tevekenysegek/megyek-es-megyei-jogu-varosok/heves-megye/megyei-terletfejlesztési-program>

conducted in way that “they said that we had a week to submit project proposals that will be the basis for the territorial development programme. Well, we put together a few, but there was not much project planning involved at all.”

There have been three major points of criticism in connection with the operation of the LEADER project:

- The application system was too complicated and many prospective applicants found out about opportunities after the deadlines, and when they did find out in time, they could not prepare the applications on their own.
- Decision-making was based on backroom deals between LAG-member mayors and businessmen. Although the participation of municipal governments was limited (to a maximum of 50%), situations of dependency usually prevailed in the end.
- The allocation of funds was not preceded by a genuine public discourse. Hardly any funds were used for genuine social integration objectives.

Neither poverty nor ethnic segregation was identified as a policy objective in the previous period. The situation will change in the coming period, because funding will be available for such projects within LEADER. Under the Human Resources Development Operative Programme (EFOP), the opportunity to submit applications will not be limited to LAGs in the most disadvantaged areas but will also be available those that operate in administrative districts where at least 15% of the population lives in localities that have high unemployment or are classified as disadvantaged⁷.

This change would allow LEADER LAGs to address poverty and problems of Roma communities and they would not have to operate with a seven-year budget that is significantly smaller than in the previous period (the funds available dropped to HUF 400 to 500 million per LAG, which is about one-third of the previously available amount). Another negative effect of such drop in funding is that the human resources budget of LAGs has also shrunk when the planning and coordination of anti-poverty initiatives would in fact require more finances.

Any attempt to find evaluations or impact studies about the 2007-2013 LEADER programme appears to be an exercise in futility. It seems that monitoring of the

⁷ LEADER Local Development Strategy, Planning Guide, September 2015 (manuscript), p. 12

programme was never conducted; at least we could not locate any written record indicating that it was. The Planning Guide states for the next period that disadvantaged groups must be involved not only in the planning and implementation but in the monitoring of projects as well.

In summary, the situation is that while significantly more funds were spent in the 2007-2013 period with programming that did not prioritise poverty or Roma communities, the next period will see considerably less funding (with HUF 30 billion allocated to LAGs) but the Guide and the programming documents not only

allow but actually call for the meaningful involvement of disadvantaged groups in the planning of projects and in decision-making.

Hungary did not agree to and therefore will not use the CLLD strategy in the form it is recommended by the Commission, i.e. with joint financing from several funds. The CLLD method will only be used in three cases, in the LEADER programme (Territorial Development Programme, the so-called 6th axis, EAFRD funding) and in certain calls for applications under the TOP (only ERDF and combined ERDF and ESF funding). The limited application of the CLLD method is explained by the complex procedural rules, which would make the system even more difficult to grasp and manage in a multi-funded setup.

It should also be mentioned that priority 5.3 of the TOP (“implementation of community programs”) will use a method that is very similar to CLLD, but the details of this are not known at this time.

In order for LEADER (and priority 7 of TOP) to actually reach people who live in poverty, three questions that are not addressed by any of the documents published so far will have to be answered:

1. While the planning methods (SWOT, problem tree, etc.) are discussed in the Planning Guide in detail, how will the experts who will work in the field find, successfully reach out to, motivate and involve communities that have no experience with such forms of cooperation and do not have the skills that are required to use such sophisticated planning tools?
2. As a result of large budget cuts, LAGs have significantly smaller human capacity than before. It is far from guaranteed that they possess knowledge of and experience in working with impoverished communities and with the Roma. Can they be expected to perform meaningful planning processes in

that situation? Is it not more likely that planning will focus on other LEADER target groups that are stronger locally?

3. How can equal opportunity be guaranteed for projects that are initiated by people and groups who have the weakest lobbying power?

Or recommendations offer solutions to these dilemmas.

Greater funding, allocation

Additional funding should be available in districts with a high poverty indicator⁸ for initiatives that aim to break the cycle of poverty. This would allow the implementation of such initiatives without dipping into the already diminished budget for other projects at the risk of increasing social tensions. Such additional funding should be made available in an equal distribution over the entire planning period to allow the financing of a staggered development process where each element relies on the achievements of the previous one.

Regulatory and procedural side

General principles

The CLLD method can only be successful if a proper strategy (procedure) and the funding is available for the applicants at the same time. In other words, a funding allocation system that favours a set of applicants that are identified as a target group will fall short of its goals if sufficient funding is not available (see the funding cuts for LEADER communities), and so will a project that has ample funding but lacks an effective strategy and procedure. The latter scenario could recreate situations where the majority of the funding is obtained by organisations that are in a position of power and/or have the necessary information, or that have the skills to use the application system to their advantage, while the target groups hardly receive any money at all.

The inclusion of Roma communities should be explicitly stated in the Guides as a requirement. As the risk of deep poverty is higher for the Roma and there is a significantly higher chance of territorial segregation in their case, treating Roma communities as a specific target group is defensible. Therefore, the Roma should be identified in the CLLD programming guides as a target group and experts who work on CLLD projects should receive training on how they can reach out to Roma communities and involve them in the projects.

⁸ CLLD Planning Guide, p. 11

The planning guide addresses the risk that the involvement of local communities in planning processes might remain a formality. This is a valid problem and the best way to eliminate it would be if local experts were not held responsible in cases where involvement does not take place: if there is a problem with local involvement, they should be able to seek help from mentors, with financing from central sources.

Supplementary measure should be prepared for administrative districts with high poverty indicators.

Poverty hotspots and segregated communities should be identified even in districts where poverty indicators are not particularly high and action plans should be prepared for the involvement of these communities in CLLD projects.

It was one of the well-known problems of LEADER that the municipal governments' contribution was VAT, because this was not a qualifying expense. This will change in the 2020 period, all costs will become qualifying expenses. On the other hand, the post-financing model might still dull the enthusiasm of potential applicants. The procedural rules will have to be drawn up so that they offer a solution to this problem, because if it remains a problem, those who work with the most disadvantaged groups will be excluded from the group of potential beneficiaries (or will be forced to engage in financial irregularities).

Expansion of human capacities

LAGs that operate in administrative districts with high poverty indicators should receive extra funds for the employment of experts whose dedicated task should be the inclusion of disadvantaged groups, the creation of project plans with the involvement of local communities, the implementation of the projects and the coordination of project monitoring. (Obviously, they should not be responsible for the monitoring of the operation of the LAGs themselves.)

A panel of experts should be established which, in addition to preparing methodology recommendations, could also provide mentoring to LAG members nationwide.

Additional elements, technical assistance

I) Section 3 of Government Resolution No. 1731/2013 on the fundamental principles of the management of Community programmes in the 2014-2020 period states that: “The implementation of projects financed from Community funds, from the inception of the project idea to final completion, and particularly the preparation of documentation for the call for applications and assistance in the implementation phase, must be ensured through the creation of government capacities by relying on well-prepared and knowledgeable experts as follows:

- a) for the municipal governments of large cities and counties: through the contribution of own resources;
- b) for responsible organisations and ministries: through state (central) capacities;
- c) for other municipal governments, autonomous nationality governments and state-owned companies: through state (central) capacities;

d) where the human capacities so created must be made available to small enterprises and recognised churches.”

The capacities listed above should also be made available to NGOs so that CLLD programming can result in tangible projects. In order to achieve this goal, the

capacities and services listed in the Government Resolution must also be available in rural areas, and this would require a mobile *and* internet-based service that also takes the target groups’ financial situation into account.

II) It would be preferable to create a national network, modelled after the earlier network of microregion coordinators or Roma project mentors, that would consist of experts who would focus on the involvement of local communities in project development. The most important task of this network would be to reach out to local communities and integrate them into the project development process. They would receive targeted training and financial resources that have not been present development policy before or not in such an integrated manner.

The tasks of the network⁹:

- finding Roma communities in specific administrative districts. Identifying segregated areas and larger Roma communities, assessing their characteristics (social, infrastructural, employment, educational), contacting experts and organisations that have worked with them and reviewing previous development projects;
- identifying and listing major problem areas (educational, infrastructural, Roma–non-Roma relations);

⁹ Methods that were tested by Autonómia Foundation in a Project Development Service programme.

- contacting community leaders and involving them in community discourse; (if necessary, with the invitation of experts and the organisation of field trips to study successful projects);
- organisation and management of community planning events (with additional assistance from professionals, such as community organisers and moderators, plus small grants funding);
- generation of local small grants projects: small grants projects allow local communities to acquire a project-oriented approach and community planning skills, and strengthen their autonomy and motivation. Small grants projects are evaluated and financed in a procedure that is similar to but simpler than that used for major tenders;
- project development: problem analysis and project planning in a group setting with motivated members of the community. Non-Roma who have a key role in the life of the community (mayor, school principal, NGO leaders, etc.) should be included in this phase;

- organisational development: assessment of the situation of local organisations, acting as mediator between them and legal and financial advisors if necessary to enable them to implement development projects;
- funding and applications: identifying sources of funding for completed project plans, preparation of applications (only if the organisation has the human and organisational capacity required to implement the relevant project);

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- monitoring: preparation of a monitoring plan that helps the members of the local Roma community obtain objective information about the goals of local projects and understand their role in them;
- preparing feedback to the leader of the network about local factors that limit access to funding, making recommendations.

Summary

The CLLD method, which is included in the Partnership Agreement, could create a good opportunity for the financing of locally organised (and therefore hopefully more efficient) projects for disadvantaged groups, including the Roma. However, the opportunity can only be turned into reality if the CLLD strategy and procedure are aligned with the allocation of funds. None of these factors will lead to success alone.

Our recommendations mainly concern the inclusion of Roma communities in the process.

We have three main recommendations:

1) Local Roma communities and community leaders should be identified in every microregion, and no LEADER LAGs should be allowed to plan the allocation of funds without their involvement in the assessment of local needs and in the planning process. Such inclusion cannot remain a formality as in the past.

2) In order to achieve these goals, a network should be established with Roma coordinators who are assigned to LAGs that operate in administrative districts with a large Roma population (LEADER action districts) and who receive adequate training and specifically earmarked funds centrally. They should be able to work in a predictable timeframe that is sufficient for achieving tangible results in local development, recognising the fact that real change will require a staggered progression initiatives rather than large amounts of funding distributed in one go.

3) CLLD documents should specifically name the Roma as a target group and a blueprint should be developed for reaching out to local Roma communities.

Annex I

Public consultation about the Territorial Development Programme for Heves County:

“Meeting of the Territorial Development Consultation Forum (19 March 2013): The meeting was attended by the organisations of the Professional Advisory Roundtable, who were invited to comment on the programme (Municipal Government of the Town of Eger, Government Office for Heves County, Eszterházy Károly College, Károly Róbert College, Heves County Chamber of Commerce and Industry, Heves County Chamber of Agriculture, Magyar Turizmus Zrt., Regional Marketing Directorate for North Hungary and Lake Tisza, Directorate of the Bükk National Park, NORDA North-Hungary Regional Development Agency). The organisations listed above had the opportunity to comment on the project proposal phase of the concept.”

□ ‘Planning Week’, a series of forums (25-29 March 2013): Events of “Planning Week” were held in the centres of the county’s administrative districts: Eger, Heves, Füzesabony, Hatvan, Pétervására, BÉlapátfalva and Gyöngyös. These events presented an opportunity for local business, public administration, non-governmental and professional organisations to comment on the planning phase and to participate in the development process. These events were typically attended by local mayors and entrepreneurs and representatives of local NGOs, ensuring that the local problem map, local knowledge and local solutions were also incorporated to the document. In the seven locations of the forum series, more than 200 participants made more than 50 proposals and recommendations with respect to the concept. Most of the participants described the county’s document on the project proposal phase as a wide-ranging document that focused on problems and on their solutions.”



Appendix

Sources used

- 1) Hungary's Partnership Agreement for the 2014-2020 period. Adopted: 15 August 2014
- 2) Helyi fejlesztési stratégia - Tervezési útmutató (LEADER Local Development Strategy, Planning Guide) *draft, September 2015*
- 3) Regulation 1303/2013/EU laying down common provisions separate rules concerning support for European territorial cooperation from the European Regional Development Fund