

# What are favouring conditions for the implementation of innovative projects in Community-Led Local Development (CLLD) approaches?

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T3\_B: Context effects,  
Chair: Anne Margarian

Thursday, 1<sup>st</sup> July 2021

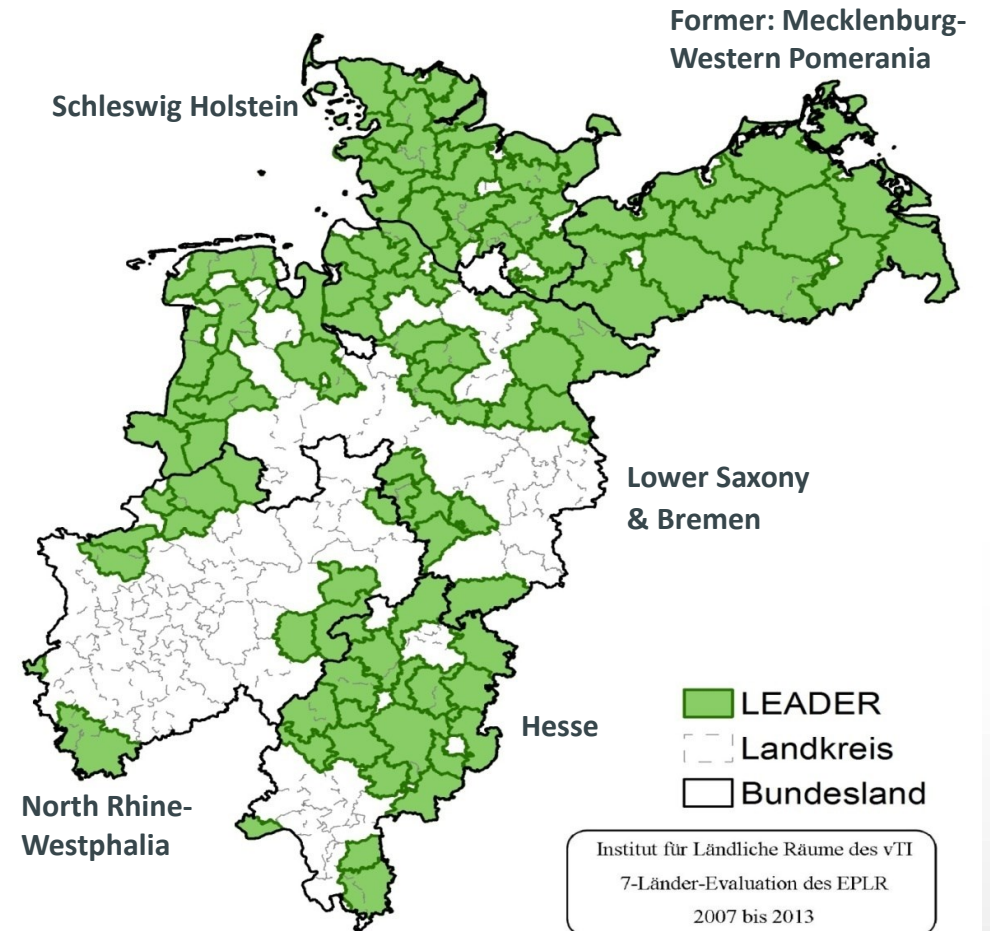
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Virtual conference  
1<sup>st</sup> – 2<sup>nd</sup> July, 2021

# 5-“Länder” Evaluation: Project Background

„Länder“ = „Bundesländer“  
= federal states in Germany

- Analysing the **effects of financing rural development** on agriculture, the environment and **well-being/quality of life** in rural areas
- Evaluation of **Rural Development Programmes**
- Ongoing research: 2007 – 2016, 2016 – 2024
- **Mixed methods** approach:
  - Interviews with project initiators and government employees
  - Different surveys (written questionnaires, mostly as online surveys) with various stakeholders
  - Quantitative analyses of data from the funding databases



Source: Thünen-Institute of Rural Studies, 2012

# Outline

1. **Community-Led Local Development/LEADER**
2. **Innovation in rural development: The role of LEADER**
3. **Research question and approach**
4. **Data sources**
5. **Methodology**
6. **Results**
7. **Conclusion/Recommendations**



# Community-Led Local Development (CLLD)/LEADER

Bottom-up approach to local development through local strategies and local partnerships

## LEADER

- Initiated in 1991, focus on rural areas
- Forms integral part of the EU's rural development policy since 2007
- Single EU fund
- Is still applied in most EU states and federal states in Germany

## CLLD

- CLLD = LEADER relabeled, rural and urban areas
- Introduced in the 2014-2020 funding period
- More funding options (4 different European Structural and Investment Funds)
- Option: multi-fonds approach

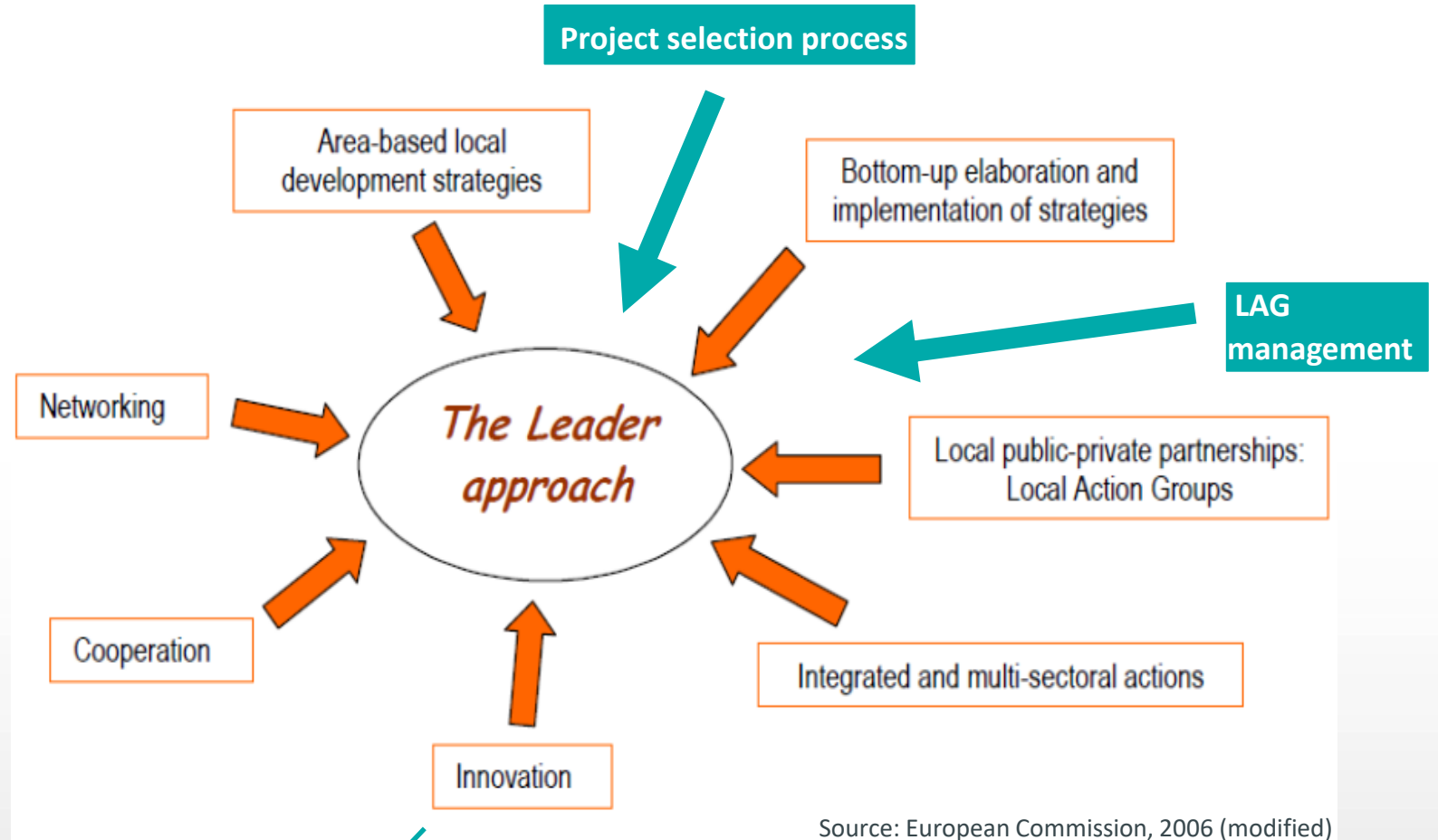
# Innovation in rural development: The role of CLLD/LEADER

Fostering **new approaches to local development** and **new solutions** to local problems

E.g.: products, processes, forms of organisation and markets

Various areas of application: LDS, animation structures and processes, project selection etc.

Possible contribution to variations in policy design for CLLD/LEADER over space and time





# Research question and approach

**“What are favouring conditions for the implementation of innovative projects in Community-Led Local Development (CLLD) approaches?”**

- **Research approach:** Utilisation of insights from the evaluation of rural development programmes
- **Study areas:** Hesse, Lower Saxony, North Rhine-Westphalia and Schleswig-Holstein
- **Aim:** policy recommendations for the design of suitable framework conditions for LEADER/CLLD implementation
- **Innovation in the context of this analysis:** “projects” to foster products or services/ technological processes/ markets or customer groups/ forms of cooperation or organisation that are new to the LEADER region.



Angela Parszyk / pixelio.de

# Data sources

## 1. Surveys using written questionnaires

- **LAG management survey:** one manager per LAG was surveyed in 2018 (N=115, n=114, response rate 99 %)
- **Survey of beneficiaries :** questions regarding the LEADER projects (for the implementation of local development strategies, measure 19.2), (N=1267, n= 1079, response rate: 85 per cent)

## 2. Standardised annual requests of activities and organisational structures

- **LEADER regions:** N=115

# Methodology:

## Response variable and statistical models

### 1. Measurement of innovation

- based on the assessment of the beneficiaries
- “Did your project implement new ideas/approaches to action, that are new to your region”  
(**Answer options:** “No” / “Yes” / “I don’t know”)
- Answers were recorded into a dummy variable, which takes the value of zero for “No”/“I don’t know” and one for “Yes” = **response variable**

### 2. Estimation approach

- Logit models were used to identify factors influencing the implementation of innovative projects.
- To account for data clustering at regional and state level we followed two approaches:
  - adjustment of standard errors to account for clustering at these two levels (**Model 1**)
  - adjustment of standard errors to account for clustering at regional level and introduction of “Länder”-specific fixed effects (**Model 2**)



# Methodology:

## Explanatory variables

### At project level:

- Origin of the project idea

### At regional/LAG level:

- Share of non-public sector members in the decision-making body
- Heterogeneity of LAG members (share of females)
- Staff capacity of LAG management (working hours/week)

### At state level:

- Set of “Länder”-specific dummy variables (Model 2 only)

### To be included in a next step:

- Type of beneficiary (public / non-public)
  - ➔ Taking into account funding conditions, watch at “public sector dominance” / “closed shop”

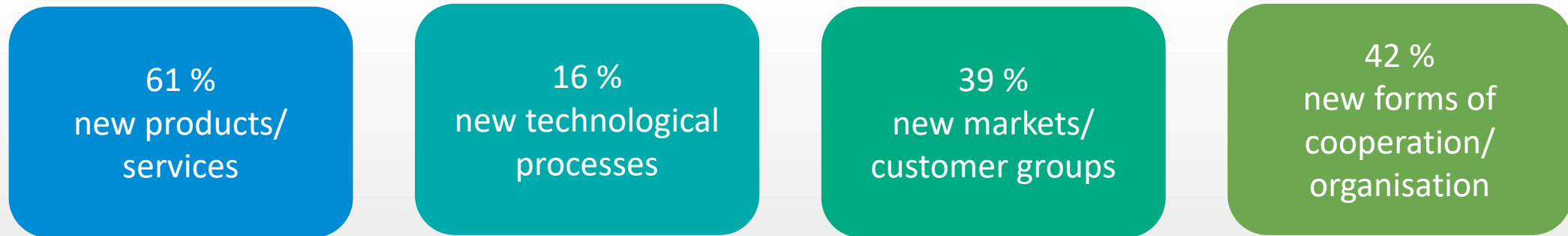
# Results:

## Incidence and kind of innovation

### Incidence of innovative projects:

- **56 % of the beneficiaries** classified their own project as innovative („ideas/approaches to action, that are new to the region“)
- noticeable differences between **federal states**:  
Lower Saxony 44 %, Schleswig-Holstein 52 %, Hesse 60 %, North Rhine-Westphalia 67 %

### Kind of innovation:



# Results:

## Which factors foster the implementation of innovative projects?

Factors, which significantly ( $p$ -value < 5 %) foster the implementation of innovative projects:

- origin of the project idea from a single actor (**own idea**)
- origin of the project from common development in a **working group**
  - ➔ Lower, if origin is “knowledge about funding opportunity”
- **staff capacity** of LAG managements (significant in Model 1 only)
- there exist differences between **federal states** (the likelihood of innovative projects is significantly lower in Schleswig-Holstein and Lower Saxony compared to North Rhine-Westphalia (NRW) and Hesse)
  - ➔ Requirements especially in NRW seem to foster innovative projects
- **No statistical evidence:**  
heterogeneity (share of non-public sector members/females in the decision-making body)

# Results:

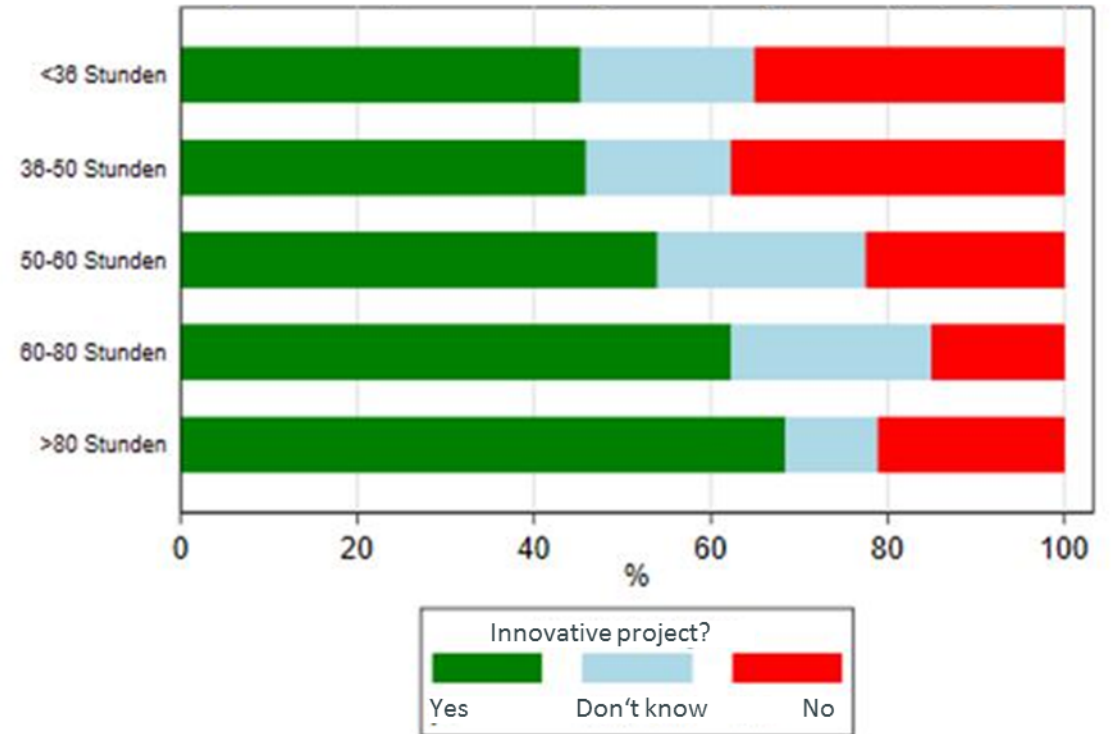
## Staff capacity of LAG managements/innovative projects

### Correlation between

- innovative projects (self-assessment by beneficiaries) and
- weekly staff capacity of LAG managements



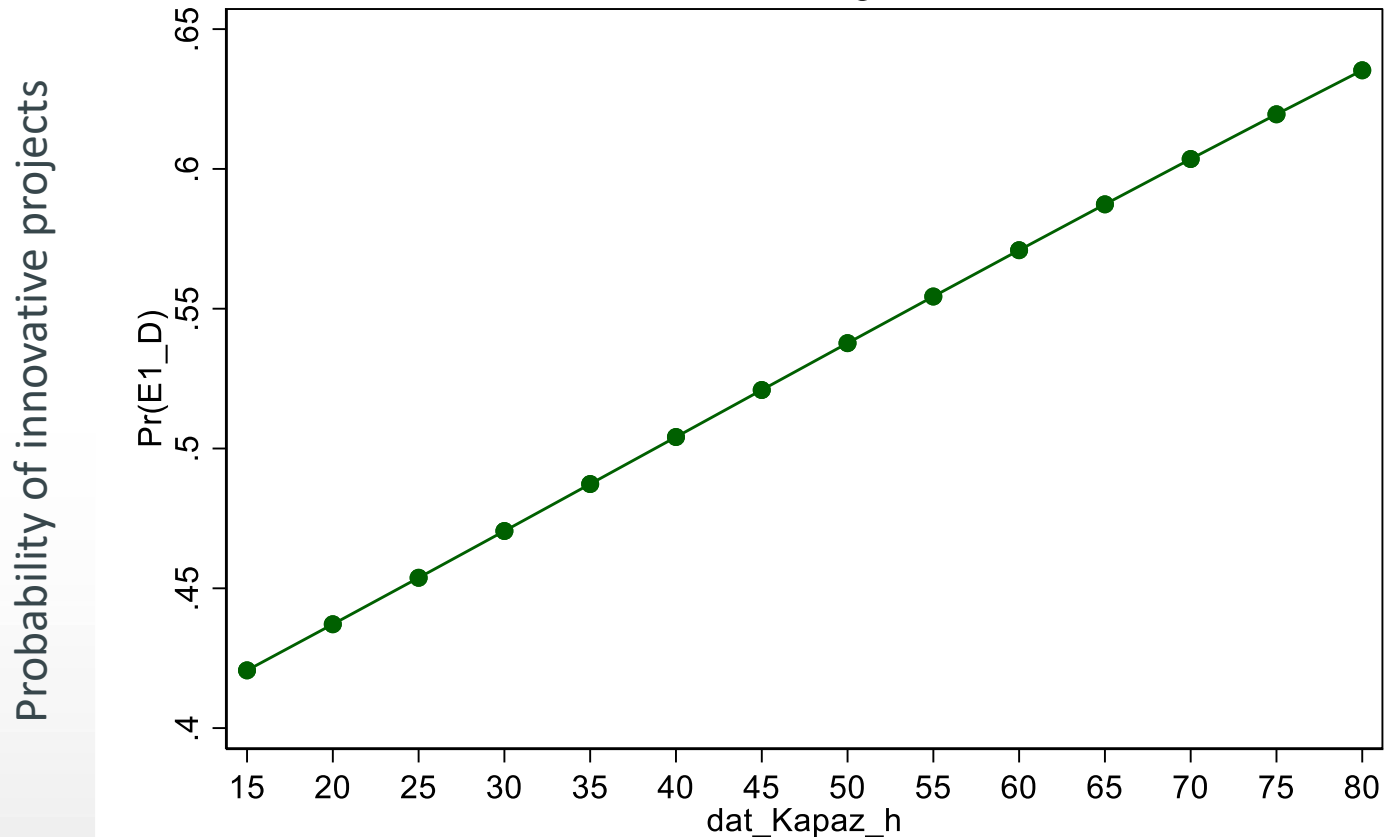
Innovative projects and capacity of LAG managements (weekly hours)



# Results:

## Staff capacity of LAG managements/innovative projects

Predictive Margins



Working hours per week LAG-management

### Estimation result:

- the probability of innovative projects increases with increasing staff capacity
- The effect gets smaller/insignificant if “Länder”-specific fixed effects (Model 2) are included (probably due to differences in staff capacity between states)

# Conclusion for policy design: Staff capacity of LAG managements

Higher staff capacities enable more/ better support of beneficiaries by LAG managements

- Possible positive factor for more innovative projects (supported by statistical tests)
- Different regulation and situations up to now:

| Federal state <sup>1</sup> | HE   | NI                               | NRW  | SH  |
|----------------------------|--|----------------------------------|--|---|
| <b>Regulation</b>          | Binding target: 1.5 full-time <sup>2</sup> employees | No binding or recommended target | Binding target: 1.5 full-time <sup>2</sup> employees | Recommendation: 2 full-time <sup>2</sup> employees (=80 hours/week) |
| <b>Situation (2019)</b>    | 62 h/week<br>(2013: 62)                              | 40 h/week<br>(2013: 34)          | 60 h/week<br>(2013: 38)                              | 56 h/week<br>(2013: 51)   |

<sup>1</sup> Hesse (HE), Lower Saxony (NI), North Rhine-Westphalia (NRW), Schleswig-Holstein (SH)  
<sup>2</sup> One full-time position corresponds to 40 working hours per week



# Recommendations for CLLD in the next EU funding period

## ➤ **Staff capacity LAG-management:**

Preset funding conditions (binding target) are more effective than vague recommendations

- Fixed **minimum of 1.5 full-time employees** as a funding requirement (2 as a recommendation)
  - 60 hours/week
- Extra benefit: guarantees a minimum of two LAG managers (necessary for continuous functioning/availability of the LAG management and smooth transitions in the event of staff changes)

## ➤ **Further** recommendations to foster innovative projects:

- In context of CLLD “heterogeneity” is more a normative/thematic issue
- General description/requirements for LEADER (innovation as a requirement or “nice to have”)
- Improve: Funding conditions for non-public beneficiaries (debureaucratisation!)

*Thank you for your attention!*

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