metis

supporting good governance

AEIDL

C E U

Title: Ex-post evaluation of LEADER +

Subject: Ex-post evaluation of LEADER +

Author: Metis GmbH and subcontractors AEIDL and CEU

Company: European Commission

Category: Evaluation

Keywords: Evaluation, Common Agricultural Policy, Rural Development, LEADER, Local Development

Executive Summary
**Submitted by Metis GmbH with AEIDL and CEU
as subcontractors**

Ex-post evaluation of LEADER+
Contract N° 30-CE-0321257/00-26

metis

supporting good governance

AEIDL

C E U

Executive Summary
**Submitted by Metis GmbH with AEIDL and CEU
as subcontractors**

Ex-post evaluation of LEADER+
Contract N° 30-CE-0321257/00-26

Executive Summary

The ex post evaluation of LEADER+ (2000-06) was carried out by Metis GmbH in association with AEIDL (European Association for Information on Local Development) and CEU (Közép-európai Egyetem/Central European University) for DG Agriculture and Rural Development.

The objectives of the ex post evaluation were to provide an overview of the utilisation of resources and the effectiveness and efficiency of the assistance and its impact in relation to eight themes and altogether 24 evaluation questions allocated to the themes[1]. It was expected to build on the previous programme level evaluations and their updates. However, in order to answer the specific evaluation questions, substantial fieldwork was required in the form of surveys, interviews and case studies.

The fieldwork revolved around four main tools. These were: a survey of 10% of all Local Action Groups (LAGs); a survey of Managing Authorities (MAs); interviews with National Network Units (NNUs) and ten case studies.

The results of the data analysis in relation to the evaluation questions are summarised below according to the themes.

Theme 1 (Evaluation Questions (EQs) 1, 2 and 3): Relevance and Community Added Value

The distinctive feature of LEADER is the approach or LEADER method based on small scale, area based and multi faceted activities. MAs and LAGs are almost unanimous in the view that LEADER+ has complemented mainstream programmes in a number of different ways, most significantly as a means of experiment with reduced concerns about failure ('laboratory' aspect), by mobilising small local groups unreachable by the main functional structures of Government, and by supporting investments which by virtue of sector or scale were not covered by the main state agencies.

Although innovation was intended to be an important feature of LEADER activities, it was not a main focus of the LAGs. Notwithstanding, many LAGs have supported technology projects ranging from the facilitation of access to computers among the local population to advanced technology projects in the IT area and other sectors.

Improving the quality of life was the most popular theme selected by LAGs. It included development of tourism facilities, promotion of services to old people and the young and preservation of the environment, both built and natural.

A further aim of LEADER was to accelerate diversification of the rural economy through adding value to local products and exploiting natural and cultural resources. This is a constituent of the Lisbon and Göteborg Agendas. Although adding value to local products was not a high priority for LAGs, a relatively large number of projects were in this category.

While many LAGs have initiated projects in the agricultural sector, on the whole these have been aimed at on farm or off farm diversification, including adding-value through on-farm processing, rather than raising agricultural productivity at primary production level.

---

[1] Theme 1: Relevance and Community Added Value
Theme 2: The actions of LEADER+
Action 1: Integrated territorial rural development strategies of a pilot nature
Action 2: Support for cooperation between rural territories
Action 3: Networking
Theme 3: The implementation of the LEADER method
Theme 4: Impacts
Theme 5: Governance and rural citizenship
Theme 6: Managing, controlling and financing systems
Theme 7: Monitoring and evaluation
Theme 8: Rural activity/excellence clusters

Recommendations

- The multi-dimensional meaning of innovation should be sharpened in LEADER and more strongly embedded in and driven through the approach and the pilot strategies. The recognition of the strategic character of multi-dimensional territorial innovation brings with it that the financial and technical support should be sufficiently diverse to meet requirements of different kinds and stages of innovation.

- In recognition of the strength of the LEADER approach in promoting as well as harnessing diversity and diversification, it should be used as an instrument to foster the local development potential, i.e. for in-creasing the adaptive capacity and resilience of the area, rather than for boosting short term productivity and market success for local value chains.

Theme 2, Action 1 (EQs 4, 5 and 6): Integrated territorial rural development strategies of a pilot nature

There is widespread consensus that the LEADER approach and the formation of LAGs brought actors together who would not otherwise have met or cooperated. This holds both for the operational level (joint projects) and the strategic level (participation in the design of the local development strategy and implementation).

The participation of women in LAG activities was strong, although they remained underrepresented on LAG boards. It was, however, a challenge to get young people on the LAG board, and 10% can already be considered as a significant achievement. Organisational autonomy correlates positively with openness and the ability to draw benefits from relationships with external partners. It is less obvious that the LAGs succeed in integrating more fragile parts of the population into development processes.

The pilot nature of the strategies fostered innovation particularly by reconfiguring and enabling local actors to embark on new activities, by combining existing activities in new ways and by linking local competences to external sources of knowledge and technology. There are many examples that local specificities could be turned into competitive advantages, although tangible economic effects were rather reported from more experienced LAGs (those operating since LEADER II or I) than from 'beginner LAGs'.

Regarding obstacles and success factors for implementing innovative LEADER strategies, most of the obstacles were ascribed to framework conditions which were beyond the sphere of influence of local actors, whereas the success factors and proposed solutions are perceived as pertaining to the quality of the social capital, the capacity to co-operate and the collective ability to translate a shared vision into real projects. Autonomy and the decentralisation of project approval and funding were broadly advocated. Room for manoeuvre in financing was also considered essential for success: upfront payments allowed the LAGs to get going quickly and avoid delay to project start-ups.

There was a clear link between the LEADER approach and the enrichment of local social capital, as well as networking links around certain themes and activities. Connecting people and activities is the quintessence of the LEADER approach.

Recommendations

- LEADER should maintain its 'laboratory' character, with a strategic perspective. Area-based rural development strategies should stand on two pillars: (i) a thematic focus ensuring the concentration of resources on developing local potential having been identified as promising; (ii) seed money for supporting emerging ideas and projects, harnessing unforeseeable opportunities for change.

- Meeting particular needs of minority groups, disadvantaged or marginalized people, not automatically catered for by the provisions of the LEADER approach, requires additional arrangements.

Theme 2, Action 2 (EQs 7, 8, 9 and 10): Support for cooperation between rural territories

The amount of resources devoted to inter-territorial co-operation activities varied between 2-10% of the total resources. In some countries, there were no funds at all for both inter-regional and transnational co-operation, whereas in others, there were no matching funds to pay for this.

The majority of MAs surveyed agreed or strongly agreed that projects would not have been implemented without inter-territorial co-operation. For LAGs, contact between neighbouring groups was cited as being most productive for coming up with new projects.

Meeting LAGs from neighbouring territories and from other parts of the country was positively rated for helping improve management whereas co-operation activities with LAGs from other countries were much less important in this respect. Most LAGs said that co-operation had little or no effect on identifying alternative funding.

Co-operation activity was positively correlated with LAG's views that they had reinforced local identity and helped create lasting rural networks that would enable future co-operation.

LAGs mentioned that co-operation was time consuming and sometimes there was an over-expectation for actions to quickly take the form of projects rather than be allowed to develop over time.

Recommendation

- Territorial co-operation should continue to be a keystone of the LEADER approach, for more experienced LAGs as well as for beginners. Fostering relations between these should be particularly considered.

Theme 2, Action 3 (EQs 11, and 12): Networking

While not all LAGs used the National Network Units (NNUs), most LAGs said they had either frequent or regular contact. The most popular form of contact was training and study visits organised by the NNUs. The majority said that the NNU was an important source of information about the activities of other LAGs and the second most popular assessment was that the NNU was a source of good practical advice for developing new projects. Just over a quarter of LAGs said that the NNU was useful in identifying and making introductions to new partners.

On the whole, the LEADER Observatory was less used than the NNUs. The vast majority described their contact as occasional and one quarter said they had never been in touch with the LEADER Observatory. Half the group said that they had used the LAG database and 40% said that they had used the LEADER Observatory to find out about co-operation projects. 41% said that they had searched for partners using the facilities of the LEADER Observatory.

The NNU and the LEADER Observatory were considered a useful source of information on LAG activities and on the different regulatory contexts in which the different LAGs were working. An up-to-date database of LAGs and their activities is a key tool in the search for partners. Given that the linguistic proficiency of the LAG staff cannot be taken for granted, due efforts are necessary to ensure that translation and interpretation are available if needed.

Recommendation

- Targeted opportunities for peer learning for LAGs, whether within or between countries should be further developed. The networking units at regional, national and European level are of great value to stabilize the flows of exchanging and creating knowledge at larger scales.

The implementation of the LEADER approach promotes the integrated and multi-sectoral development of rural areas. (Re)discovering variety in the endogenous cultural and natural potential of the area and generating innovation through entrepreneurial endeavour belong to the highest rated outcomes of LEADER+.

There is evidence that social capital and territorial competitiveness were enhanced by LEADER+. In many cases, the initiative complemented mainstream programmes as it provided 'soft support' such as animation, feasibility studies, consultancy, etc. as indispensable backing for the 'hard investments' carried out with the help of the ERDF or other funds. The appreciation of social capital enhancement seems to be higher among new LAGs, whereas pre-existing LAGs report stronger effects on the local economy.

The relatively limited area size (between NUTS IV and III) – which is not too small in terms of achieving critical mass but also not large enough to dissipate the personal interactions between stakeholders – is one of the main advantages of LEADER.

Identity seems less a prerequisite than a corollary to successful local development. Identity can emerge with time, crystallising around a common purpose or action (through forward bonding).

More autonomous LAGs show better results in awakening dormant skills and potentials, in strategic thinking and in monitoring the development of their area in a structured way. An element of choice is however necessary in order to ensure that LAGs do not take on more responsibility than they have the capacity to deal with.

Inter-regional and trans-national co-operation and networking under LEADER+ also contributed to sustainable human resource use as they enabled local stakeholders to learn from peers how to develop, integrate and apply new techniques using endogenous resources. Accompaniment by professional staff is an indispensable instrument to awaken the local potential as well as to tap the resources offered by partners from abroad.

Recommendations

- LEADER Programmes should continue to focus on multi-sectoral development of rural areas, enhancement of social capital and increased territorial competitiveness, and at the same time increasingly integrate local responses to global social and environmental concerns. This vision entails a stronger emphasis on rural-urban relationships and partnerships which go beyond the remit of rural policies.

- Autonomy or the decision making power of Local Action Groups should be further developed. Decision making power makes sense if the LAG is willing to exert it, if it is capable to master it and if it is allowed to do so by the managing authority and the programme administration.

The overall impact of LEADER+ programmes on the economic, environmental and social capital of EU rural areas covers a very broad range of outputs, many of them central to the question of the success of the LEADER concept.

With regard to employment effects, even if it is not possible to have a comprehensive estimates of the numbers of jobs created and maintained in the whole LEADER+ programme, the types of support given and the innovative nature of many of the LEADER+ interventions, the sectors in which they intervene (especially small scale craft type and tourist activities), the fact that they operate in areas of underemployment make a prima facie case for the conclusion that both directly and indirectly LEADER+ activities contributed to the creation and maintenance of employment in their respective areas. The case studies provide examples of job creation, e.g. the North Pennines and North Northumberland where a total of about 38 full time and 15 part

metis

AEIDL   C E U

time jobs were created or Maiella Verde in Italy where 32 jobs were created directly and 280 jobs were maintained.

LEADER+ groups have promoted small scale and craft enterprises directly which have helped to create or sustain employment and income. In other cases the impact was indirect via marketing and promotional activities organised by LEADER+ groups. These types of activities benefitted particularly small scale manufacturing, food processing and tourism. Exploitation of local natural resources of agricultural products, fish, and timber were often important in these types of initiative. LEADER+ was also prominent in creating new facilities and services for local people, for example in the areas of education, sports for young people, cultural activity and elder care. These contributed to the amenities of local areas and enhanced their attractiveness for local people. Thus LEADER+ played a small role in combating out migration and increasing age dependency in rural areas.

Recommendation

- To achieve demographic balance, both the productive and the reproductive side of life, the creation of employment opportunities and income on one hand and the improvement of the rural environment on the other should be given due consideration.

Theme 5 (EQs 18 and 19): Governance and rural citizenship

LEADER+ had significant positive effects on local governing capacities and through this promoted territorially-based forms of rural development and the participation of local actors. This included structural improvements and long lasting effects far beyond the importance of financial resources represented by LEADER+. The process of setting up LAGs and the creation and implementation of local strategies contributed to the accumulation of social capital and social learning (learning effect).

The development of the LAGs, the professionalism, local knowledge and contacts of their staff are the most important results of the programme. Interregional and transnational experiences, adapted innovations, behavioural models and social learning achieved through LEADER+ also helped to develop local actors' capacities for self organisation.

The findings suggest that the multi-level governance environment of LEADER+ had a significant effect on its implementation. In general, the more autonomy enjoyed by the LAGs, and the better the service they were provided with by the MA and the Paying Agency, the more participation, structural changes, and real rural development results they could achieve.

There is evidence to suggest that LEADER+-type measures significantly enhanced the capacities of rural communities in the New Member States (NMS) to conceive and implement local rural development strategies. A close reading of the data suggests that for many LAGs in NMS LEADER+-type measures provided sufficient resources to build local capacities and prepared them to implement the LEADER approach.

Recommendation

- The establishment of effective public-private partnerships with a clear allocation and understanding of the respective roles needs to be actively promoted and supported. It is not in the interests of the LAG to exclude potential beneficiaries who are often the more motivated and innovative actors; however their involvement must be governed by robust procedures to avoid any conflict of interests and roles.

Theme 6 (EQs 20 and 21): Managing, controlling and financing systems

The appraisal of the arrangements for administration and finance as part of the LEADER+ programmes and their inclusion within the contractual agreements put in place between LAGs and MAs appears to have worked well and to be a strong model.

LEADER+ was generally seen to have had a positive effect in the current programming period. The continuity of LAGs and of the staff concerned is highly valued and was seen to contribute to the success of the approach. The concerns expressed in some cases about the burden of the increased complexity of LEADER+ by comparison with previous approaches appears likely to be deepened in the current programming period (2007-13). This suggests that there may be differences in the requirements placed on LAGs and the support given to them which may indicate the need for some greater flexibility to take account of these variations.

The greater fiscal autonomy of the more highly developed LAGs appears to have encouraged a higher degree of scrutiny of value for money, and thus contributed to the value added.

The ability of the LAGs to operate in the support of development activity rather than as just a source of funding contributed considerably to their customer and development centred approach. They and their staff played an important and valued role as an interface between the various development actors and project promoters.

The more autonomous LAGs displayed a higher degree of flexibility and appeared to be more effective in swiftly and flexibly serving client needs. This is highly consistent with the LEADER method objectives.

The principal issues over the flow of funds seem to have arisen in those countries with additional (regional) tiers of administration which sometimes resulted in serious cash flow difficulties and considerable costs for LAGs impeding their ability to act.

There is a considerable deficit in structured monitoring activity which is likely to have limited LAGs' ability to target their funds on strategic priorities on an ongoing basis, this is most pronounced in low autonomy LAGs and even in these higher autonomy cases, this still represents a significant gap.

Recommendation

- The administrative procedures for ensuring transparency and accountability must not impede LAGs from carrying out their development work nor exclude local actors with lesser administrative capacities from participating in the programme.

Theme 7 (EQs 22, 23 and 24): Monitoring and evaluation

European-wide comparison and aggregation of LEADER+ monitoring data for the purposes of evaluation is very seriously compromised by systemic weaknesses. A substantial proportion of LAGs have no established systems of structured observation and local development monitoring. This proved to be a major challenge for the conduct of this evaluation where it has proved impossible to compile a fairly basic data set (inventory) of LEADER+ and LEADER+-type measures.

There appears to be considerable scope and a need to extend the implementation of structured monitoring approaches as a means of improving local development strategy performance. The greater prominence of this amongst more autonomous LAGs suggests that the potential for improvement is real and that there is a relationship with the maturity of LAG and integrity of the LEADER approach. NNUs appear potentially to have a strong role to play here in facilitating exchange between the more highly autonomous LAGs and the less so, and in delivering technical support, training and advice.

A high dependency on the formal evaluations at programme level remains. LAG and other ongoing monitoring and evaluation activity appears to have the potential to complement this, but at present seems to be limited by a lack of focus and coherence of approach.

Overall it appears that progress here has been rather limited. Innovative LAG evaluation activity appears not to have been greatly developed or extended throughout the course of LEADER+ and such as there is, has been restricted to the development of local and self evaluation.

Recommendations

- The capacity of LEADER to enhance social capital is central but steps need to be taken to adopt reliable approaches and methodologies to assess success or failure.

- The LAGs should develop and employ high quality and dynamic local territorial strategies which they actively monitor, update and improve through ongoing reflection and revision. This should lead to a culture of greater accountability and ownership of the process of continuous improvement.

- Building evaluation capacity, awareness, structures, resources and commitment needs active management and real accountability at all levels. Evaluation should be seen as an integral part of policy making and programming which implies that the final evaluation of LEADER activities should be mandatory.

Theme 8: Rural activity/excellence clusters

Potential relationships between thematic priorities under LEADER+ and Priority Axis 1, 2 and 3 of the current EAFRD programmes were explored in order to examine the contribution of LEADER+ to the achievements of the current rural development programmes and, more widely, its role in the process of cluster development. Although virtually no LAGs explicitly described their activities as being clustering, sustaining wide ranging networks that opened up new economic opportunities was a primary objective for over 75% of the LAGs in the survey. In terms of the numbers of LAGs that carried out activities that are akin to clustering, the survey showed that 77 out of the 103 described themselves as playing a practical role in starting up new products and services, mainly through brokering new relations between diverse actors. The smallest common denominator of all these examples seems to be that LEADER areas played a role of interface between an area-based perspective and a consideration of business clusters or between local heritage and the global economy.

LAGs can be viewed as intermediary support structures for helping small projects to raise their income. They facilitated and sometimes coordinated the emergence of local value chains. The necessary condition seemed however to rely upon the recognition by the LAG of the potential social capital in the area, even where small and scattered initiatives never managed to sustain themselves over time.

Recommendation

- LEADER areas and LAGs need to link more effectively to the wider development context and to network with other actors and stakeholders. There should be links between LAGs and similar and like-minded development partnerships in urban and coastal areas in matters such as climate change, mobility, food chains, landscape functionality, public goods and other aspects of quality of life. The development of clustering activity is predicated on such wider scale and linkages.