

***Ex-Post* Evaluation of the Leader I Community Initiative**
Executive Summary

The *evaluation team* was organised in two distinct groups:

Group 1, with four experts, was responsible for conceptualising, co-ordinating and monitoring the general evaluation process, and for reporting the evaluation results.

Group 2, composed of 14 teams from the 12 Member States where LEADER I had been implemented, was responsible for collecting the information and evaluating national/regional forms of implementation and financing, as well as for completing the questionnaires at the local level both for the universe of the 217 Groups (Q217) as well as for a representative sample of 50 Groups (Q50).

The institutions and experts of Group 1 have been:

Institution	Expert	Function
CEMAC	Jean Louis Dethier	General Co-ordinator
CRES	Elena Saraceno	Scientific Responsible
SEGESA	Jean Claude Bontron	Sampling and Typologies
PRO RURAL EUROPE	Heino von Meyer	Expert

The institutions and experts of Group 2 have been:

Member State	Expert
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Denmark	J. Flemming South Jutland University Center
France	J.C. Bontron, N. Lasnier Segesa s.a.
Greece	S. Efstratoglou Agricultural University of Athens
Ireland	B. Kearney Kearney and associates
Italy	F. Mantino, G. Gaudio INEA
The Netherlands	D. Stijker State University Groningen
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1. The LEADER Community Initiative

The LEADER Community Initiative (Links between actions for the development of the rural economy) was launched by the European Union for the period 1991-94, and aimed :

- at improving the development potential of rural areas by calling on local initiative;
- at promoting the acquisition of know-how on local development;
- at disseminating this know-how in other rural areas.

LEADER I addressed rural areas as designated under the EU Structural Funds Objectives 1 and 5b. LEADER intended to promote a new approach to rural development from the bottom-up and differentiating interventions according to local needs.

The *main characteristics of the LEADER approach* can be summarised as follows:

- an approach based on areas of limited size with a recognisable local identity;
- an active involvement of local people, firms, associations and authorities in all phases of its implementation;
- the establishment of Local Action Groups (LAGs) bringing together relevant public and private actors at local level;
- business plans with integrated, multi-sectorial development strategies and actions based on a territorial diagnosis;
- the establishment of a network at a European level;
- financial support given to the Groups through a global grant.

2. The methodology of the evaluation

The *objectives* of the *ex post* evaluation were specified as follows by the Commission's call for tenders (95/C263/12) :

- to analyse the relevance and conformity of the actions implemented by the LAGs, as well as by structures responsible at national and regional levels;
- to evaluate the expected effects and the effective impact of the actions at local level;
- to analyse the procedures implemented—with a view to assessing to what extent certain administrative procedures, institutional or legal realities, have effected the efficiency and impact;
- to evaluate the suitable use for the funds allocated to this initiative;
- to analyse the running and efficiency of the network;
- to evaluate in qualitative and quantitative terms the positive value produced.

The *evaluation framework* considered *three different aspects* :

- 1 the measurement of the results and impact of local development actions according to the standard procedures already established for the evaluation of EU programmes;
- 2 an analysis of the unique aspects which characterised the LEADER initiative and made it different from other approaches to rural development and programmes,
- 3 an assessment of the role that European and national and/or regional administrations had in the implementation of the Community Initiative and the implications that this had on its results and impact.

The analysis of the *first aspect* was realised following the guidelines established by the Commission for the evaluation of EU programmes and refers mainly to the results obtained at local level. It was focussed on the analysis of actions by type of measure (the six indicated in the Notice to Member States), physical indicators, impact indicators and, for what was possible, financial tables about the initially planned expenditure and final payments.

The *two other aspects* required the design of original methods and tools which acknowledged the unique features of the LEADER initiative. These were schematically identified as *3 evaluation levels* (European, national/regional and local) and *4 evaluation themes* (Action, Partnership, Networking, Financing). Crossing themes and levels generated a matrix with 12 cells, which helped to organise the evaluation work (Figure 1):

- At the *local level*: the focus was mainly on the action theme, on the *horizontal* aspects of the partnership (the LAGs) including implementation at local level, networking and local aspects of financing,
- At the *European level*: the focus was on the initial conception, implementation guidelines and on the networking theme,
- At the *national/regional level*: the focus was on the *vertical* aspects of the partnership (implementation procedures by the public administrations involved) and financing themes.

These objectives, aspects, levels and themes served as a common reference scheme for communication, both among the various team members as well as with LEADER I actors and stakeholders, on which the evaluation relied heavily. It also helped to structure the various analytical tools and results, such as the detailed set of questionnaires and grids listed below and the main outputs of the evaluation: the methodological report, the intermediate report, the national reports, the final general report and the executive summary.

The *tools* used for collecting information consisted of a set of detailed questionnaires and grids:

- **Q 217** Surveying basic quantitative information about the universe of 217 LAGs which participated in LEADER I, collected on the basis of available material at national/regional level and only exceptionally through direct inquiries; this tool was used for the analysis at local level, mainly regarding the initial situation and some general findings.
- **Q 50** Collecting in depth qualitative and quantitative information from a sample of 50 LAGs, considered representative of the universe, through direct interviews with informed representatives; this tool was also used for the analysis at local level and, more particularly, the evaluation of results and impact. The sample of the Q50 LAGs made sure that each Member State was represented with at least one group.
- **Q EU** Discussing a set of themes and issues in open interviews with EU officials involved in the initial conception of the initiative, the selection of LAGs, the establishment of implementation procedures at European level and the realisation of a European network; this tool was used for the analysis of the implementation of the initiative.
- **Q N/R** Consisting in a set of a structured questions, addressed to national/regional key informants involved in LEADER I implementation and financing decisions; this tool was the basis for the analysis of the different national reports and implementation profiles.

A series of standard financial forms were used to collect information at local, national/regional and European level.

Main assumptions

The evaluation team made *two broad assumptions* which influenced the overall design of the evaluation work.

LEADER I has been an experimental and innovative initiative, both in its approach to the development of rural areas (locally based, managed by a local group, bottom up, with emphasis on networking) as well as in the type of actions promoted (innovative, multi-sectorial, linked with each other, not competing with other existing policy measures). Therefore, the evaluation had to focus not only on the results and impact of actions in the conventional sense (physical and financial indicators), but also on how each of the unique, specific aspects introduced by LEADER contributed to the achievement of a more effective approach to rural development, innovative results and impact, which could not have been achieved with a conventional top down approach. The set of innovative aspects introduced by the initiative has been considered as *the value added* of LEADER. This assumption implied a double evaluating exercise, directed on the one hand to the results and impact of individual measures, and on the other to the specific aspects introduced by LEADER.

The second assumption was related to the relevance of the implementation process and vertical partnership for the evaluation of results. The initiative was in fact conceived at European level and "filtered down" to the local level through an implementation process which was quite differently organised in each Member State. The institutions in charge (the Intermediate Bodies), the guidelines, procedures and financing arrangements, the technical assistance and networking support, as will be shown in section 4, was not homogeneous and provided an implementation framework which varied at national and in some cases at regional level. These differences are expected to have influenced significantly the final results and achievements at local level and to explain part of the differences in performance observed. This assumption implied a special attention for the implementation process especially at EU and national/regional level with the elaboration of national profiles and reports.

During the evaluation work some *major problems* were found in the collection of information. This fact limited the consideration of some aspects and themes, increased the work input needed to obtain the information and caused a delay in the evaluation work. These problems may be summarised as:

- Absence or incompleteness of the information required,

This has affected both the Q217 survey (the universe of LAGs) as well as the Q50 sample. Incomplete responses have reduced the amount of quantitative and qualitative information that could be elaborated and reported upon. Results and estimates are therefore given only for the data for which a sufficient number of responses were obtained. The sample used is representative only at European level and no quantitative extrapolation may be drawn for individual countries based on the results of the Q50. The situation for the Q217 universe is relatively better because, notwithstanding the rate of non responses, the number of cases has been in any case higher. Within these limitations the results reported are reliable.

- Failure to obtain a coherent and consolidated set of financial information.

This difficulty has made almost impossible the provision of financial indicators, the realisation of a cost/efficiency analysis and the consolidation of financial tables for the different institutional levels considered. The main reasons for this were that, in the first place, at the time of the evaluation the staff of the Groups which had managed the realisation of plans had left or changed position and the information was often no longer available; secondly, even when financial data was available it was often not coherent with that provided at national or regional level because accounting procedures were not homogeneous (no distinction by fund and measure) and reallocations and compensations between groups and funds were realised at national level at the end of the programme; thirdly, the definitive accounts for all groups have not been finalised yet in some Member States.

3. The evaluation at local level: the initial situation, results and impact

3.1. The initial situation and general achievements

The analysis of these aspects was based on the universe of LAGs (Q217).

3.1.1 The diversity of areas and business plans

The European Commission approved 217 plans. At the end of the programme, 215 of them could be evaluated. They were located throughout Europe (see map), covering 362.000 km² of the European territory and 11,3 million inhabitants, 60% of them in Objective 1 regions; Spain, France, Portugal, Italy, Ireland and Greece were the major recipients of funding.

Diversity was the most striking characteristic of the *Leader areas* :

- The *rural area* covered by LEADER I varied from one country to another (from 2 to 60%). The size of the areas varied from 111 to 7.800 km². The population/area ratio also varied considerably
- The *delimitation* of the LEADER area was inspired by natural, economic, cultural, administrative boundaries.
- The *geographical environment* indicated a slight predominance of hilly and mountainous areas, a minority of coastal and insular regions. Here, a North (fishing activities) - South (tourism activities) polarisation was visible. The peripheral and ultra-peripheral territories were well represented.
- LEADER areas were generally *sparsely populated*, often with negative demographic trends and offering few perspectives of economic development. Exceptions were found in Portugal (where cities were included in the project areas) and few other cases. The population density of the LAGs was higher in Objective 1 areas than in those of Objective 5b. The absence of a medium-sized city in or near the selected area was often considered a constraint.
- The *economic activities* of the Leader areas were primarily oriented towards agriculture. This is more true of objective 1 areas than those in objective 5b. In most cases tourism appeared as the other major activity, in others economic diversification had already been achieved.
- Information on *unemployment rates* and gender was missing and/or difficult to compare. When available, it appeared to be higher than the average.

The analysis showed that one common characteristic of LEADER areas was their *fragility* (relative disadvantage). The fact that for these areas a business plan was elaborated was in many cases an innovation.

3.1.2. The beneficiaries and achievement of financial objectives

It has been estimated that LEADER had about 17.000 beneficiaries which were mostly involved in local-related tasks. These belong to a wide variety of groups, including private bodies (farmers, SMEs), and public enterprises (local associations). The number of operations themselves has been estimated in about 22.000, of which 8.500 concerned tourism, 3.500 SMEs, and 3.300 agricultural projects. On the whole these concerned mostly small projects and immaterial investments, rarely realised previously in rural areas.

The *achievement rate* of the groups, calculated in financial terms, has been considered as one indicator of the success of the programme. The ratio used is the difference between the expenses paid to the final beneficiaries and the initially scheduled expenditure, calculated at the 31.12.1995. Some caution is needed in the interpretation of results, because in some countries delays were due to external factors independent of the efficiency of LAGs (requirement of guarantees, pre-financing funds not available, etc.).

- About 60% of the Groups have achieved at least 95% of their programmed expenditure (in Germany, Greece, France, Ireland, Portugal).
- A quarter of the LAGs achieved between 60% and 95% of their programmed expenditure.
- The most serious difficulties were found in Italy and Spain.

- 10 LAGs had an achievement rate of less than 30%, almost a failure, to which 4 other LAGs should be added because they never really started to operate.

The achievement rate of the programmes thus ranged between 30 and 200%, according to the Group. LEADER showed better results in Objective 5b rather than in Objective 1 areas, among Member States in Northern Europe and apparently in the more centralised countries where the Groups appear to have had larger degree of support from the delegated authority. The national institutional context played an important role in the achievement of financial objectives through the established implementation procedures and financing arrangements, thus making it possible to realise the programmed expenditure, the actions and measures.

3.2 The results and impact of the actions

The analysis in this section is based on integrated results for the universe and a sample of LAGs. Two evaluation approaches have been followed: the first, by type of measure, applies the general guidelines and procedures indicated for the evaluation of other Structural Funds' expenditure, the second considers the innovative aspects introduced by LEADER in the approach to rural development.

3.2.1 The results and impact by type of measure

The analysis of *the business plans* was based on a classification according to the financial allocations to the different eligible measures, as they were defined in the Notice to Member States by the Commission :

- Measure 1 : technical assistance for rural development
- Measure 2 : vocational training and assistance for recruitment
- Measure 3 : rural tourism
- Measure 4 : small and medium enterprises, crafts and local services
- Measure 5 : exploitation and marketing of agricultural products
- Measure 6 : other measures

The weight of each measure has been evaluated excluding the LAG operating costs (which never exceeded 15,3%) from the total costs. The analysis showed a great diversity in the share of funds allocated to each measure. For the universe of LAGs, the rural tourism measure came first with 45% of the budget, followed by agriculture and SMEs (17% each). Few groups (20%) presented diversified business plans utilising all the measures. There was a high concentration of actions in rural tourism: more than 50% of the groups concentrated more than 33 % of their resources on this measure. The difference between countries was strong: Southern countries and Ireland privileged tourism, the Northern countries and Italy had more diversified plans.

Many groups made modifications of their business plans during the implementation, fully using the flexibility built in the initiative. The majority of the modifications concerned less than 10% of the budgeted amounts and could be decided by the LAGs themselves. In some countries in particular, more substantial modifications were realised in order to correct a bad initial appreciation of the local needs or of the response by beneficiaries. In some cases, there was a redistribution of the resources in favour of the most effective groups.

The most widely used measure (100% of groups) was rural tourism followed by SMEs, crafts and local services (96%); exploitation and marketing of agricultural products (88%); technical assistance (82%); vocational training (80%) and other measures (38%).

The actions carried out within a single measure were extremely differentiated by plan and area. LEADER appears to have been able to respond effectively to the assumed diversity of needs in rural areas, allowing autonomous decision making and orienting actions towards endogenous initiatives and the valorisation of local resources. The mix of actions realised by each group has been indeed unique in each case.

In the following table the results of actions under each measure have been summarised with common indicators. The heterogeneity of the actions effectively realised would of course require a much wider range of indicators. The homogenisation of indicators for all LAGs simplifies the richness of the actions implemented at local level but allows the aggregation of results at European level. Incongruencies found for the expenditure information has suggested not to use financial indicators at an aggregate level.

The realisations measured through indicators show quite *positive* achievements:

- The high number of meetings with the population (an average of 20 to 60 per group) and of full time animators (an average of 5 to 6 per group) indicates a great effort in the mobilisation and sensibilisation of the population. LEADER offered the opportunity to create or strengthen local animation teams. These were recruited also as staff to run the programmes. They have increased the capacity of realising rural development with a bottom up approach.
- Small countries with few LAGs invested much less in the technical assistance of groups than larger countries with a higher number of groups and poor structures at decentralised territorial level.
- Training activities (an average of 22 courses per LAG) have been successful in making available qualified and strategic human resources for local development needs, adapted to specific areas.

Table 1 Indicators of physical realisation by measure

Eligible measures	Physical indicator	Unit of measure	Estimated achievement of all LAGs
a) Technical assistance for rural development	meetings with the population	number	20.640
	full-time animators	number	1.036
b) Vocational training and recruitment	training courses	number	3.920
	- of which related to tourism	number	559
	Participants	number	55.193
c) Rural tourism	new tourist beds	number	37.630
	new accommodation facilities	number	3.750
	- of which in farm households	number	840
	final beneficiaries	number	8.470
d) Small and medium enterprises, crafts and local services	new enterprises	number	1.552
	new services	number	934
	final beneficiaries	number	27.267
e) exploitation and marketing of agricultural products	new enterprises	number	1.075
	final beneficiaries	number	6.405
f) other measures	new enterprises	number	226

Source: Ex post Evaluation of LEADER I

- Tourist beds, mostly realised by non farm rural actors, have been the main investment realised with LEADER (an average of 175 beds per LAG) and have contributed significantly to the diversification of economic activities in rural areas, which was one of the objectives of the initiative.
- The creation of new enterprises (small) has been more significant than new services, contributing also to the diversification of activities. The number of final beneficiaries of this measure has been the most significant of all measures (over 27.000) indicating a strong demand, initially underestimated, for this type of measure at local level. Diversifying farmers represented 25% of the final beneficiaries.
- Actions in favour of the processing and marketing of agricultural products contributed to very interesting innovations in agricultural production within a logic of upgrading quality, reorganising production chains, developing niche, typical products, finding new markets: the linkage between actions was most significant in this case.

Negative points were:

- Technical assistance included both animation activities and LEADER operational staff, making difficult to distinguish effective animation activities.
- Training created a higher level of qualifications in LEADER areas even though it did not have a significant impact on employment opportunities: this means that courses were indeed specific and adapted to actions but were not always linked with employment opportunities.

- The strong orientation towards rural tourism actions does not seem the result of local needs brought forth by a territorial diagnosis but rather of a general orientation given by major stakeholders to LAGs. Measures in favour of SMEs would have required more emphasis given the impact on diversification and local entrepreneurship observed (see below) in relation to rural tourism.
- The relative low number of beneficiaries for the agricultural measure may be explained by the existence of alternative forms of aid for this sector and the predominance of local actors from other sectors of the economy in most rural areas.

Two common **indicators of impact** have been used for all measures: **employment and enterprises**. These allow the aggregation and comparison of data between different types of measures and different territorial levels. In the next two tables the estimated impact for these two indicators is shown. The figures quoted refer to the number of full time jobs estimated for the universe of 215 groups on the basis of the Q50 sampled LAGs

Table2. Estimated employment impact by measure

Type of measure:	Estimated employment impact (full-time jobs)
a) technical assistance	1.039
b) vocational training and assistance for recruitment	—
c) rural tourism	6.154
d) small and medium enterprises, crafts and local services	8.965
e) exploitation and marketing of agricultural products	5.844
f) other measures	248
ALL MEASURES	22.250

Source: Ex-post Evaluation LEADER I

The total *employment* effect of LEADER has been of about 22.250 full time jobs to which another 3.600 part time jobs should be added (mostly in the rural tourism measure), making a total of about 25.000 full time job equivalents. An average of over 100 new or consolidated jobs per Group. This is quite significant, considering that employment creation was not the main objective of the initiative. The measure for small and medium enterprises was the one that “produced” more jobs, demonstrating its strong potential for rural areas’ diversification. Part-time jobs and self-employment appear to have played an important role in developing local labour markets both in terms of supply and demand.

Almost 6.000 jobs were created in the exploitation and marketing of agricultural products: this is a relatively minor impact in relation to other measures but nevertheless quite relevant in relation to the low share of agricultural employment in most areas. Given the great difficulty of job creation in agriculture it appears that the different approach adopted by LEADER in this sector (quality concerns, emphasis on niche, typical products, new forms of marketing, linkage with other local resources such as tourism) was quite successful and contributed to the creation of an added income for farmers, alternative to subsidies.

The jobs created were predominantly skilled. Information on the gender impact of employment was indicated by an insufficient number of groups. However in the few cases of response, women’s jobs were predominant (almost double) in relation to men's jobs in rural tourism and coincide with the relevance of part-time in this measure; on the other hand, men were clearly predominant in the jobs created with the measures on SME’s, crafts and services and on the exploitation of agricultural products. This impact shows a gender effect in relation to different types of measures, little known and which could be considered as input in the future design of rural policies and for more careful monitoring of gender effects by measure.

Overall, both the quantity and the quality of jobs created have been significant. Its gender distribution and rural character make this result all the more impressive, considering that it was an “unintended effect” of the programme. In terms of cost per job (calculated on total expenditure per LAG on a sample of 57 cases) for each MECU of expenditure 21.5 jobs have been created on average.

The second type of impact indicator considered was the **creation of new enterprises and the diversification or innovation of activities within existing enterprises**. The impact of LEADER on local economic activities has proved to be in our opinion the best indicator of the achievement of LEADER objective to promote the effective mobilisation and valorisation of endogenous resources, the diversification of the rural economy.

Table 3. Estimated impact of actions on enterprises by type and measure

Type of measure	Estimated impact on enterprises				
	new enterprises	expanded activities	new processes of production	new products	new markets
rural tourism	2.170	2.587	764	968	2.873
small and medium enterprises, crafts and local services	1.635	1.858	645	846	1.142
Exploitation and marketing of agricultural products	1.173	6.792	1.469	n.i.	n.i.
other measures	226	n.i.	n.i.	n.i.	n.i.
ALL MEASURES	5.204	11.237	2.878	1.814	4.015

Source: Ex-post Evaluation LEADER I. Note: n.i.= no information available.

All measures in all areas are estimated to have generated over 5.000 new enterprises (about 25 per area on average), about half of them in the rural tourism sector. The existing enterprises which expanded their activities were almost double the number of newly created enterprises. This result is by far the most frequently found effect of LEADER actions on the existing economic structure of rural areas. It implies that there was indeed a process of diversification at individual enterprise level, which was more significant than the creation of new enterprises. In the agricultural production chain where this diversification was more relevant (60 % of the enterprises which expanded their activities did so within the agricultural measure). Both the general and the specific objectives of the initiative were achieved, measured with this indicator.

In terms of orientation, enterprises explored more frequently new markets in order to grow, particularly in rural tourism, while new processes of production or new products appeared more difficult strategies to pursue, except for the agricultural sector. This indicates indirectly the relevance of the problem of adaptation of technology for rural areas, and that LEADER groups were less capable of providing support for this strategic aspect. The significance of new markets indicates a step towards the reduction of the economic isolation of rural areas and a better external integration. The objective of linking Groups among themselves, was also pursued by the Co-ordination Unit through the establishment of a telematic network between Groups, aimed at the exchange of commercial information and joint projects. This type of networking proved difficult to implement (see below). However the success in opening new markets proves that direct contacts and bilateral exchanges, also outside the LEADER network, did provide the means for achieving the expansion of markets.

Small and medium rural enterprises in all sectors were the key economic actors in obtaining these satisfactory results. The entrepreneurial capacities of local actors in rural areas in all sectors of activity was probably underestimated in the initial conceptualisation of the initiative, as it appears implicit in the emphasis given to the promotion of rural tourism as a common response to agricultural decline. The implementation showed a much wider range of perceived opportunities than this one. New and renewed entrepreneurship has created employment, expanded market relationships, reduced the dependence on assistance and subsidies. This was indeed a new approach to rural development.

The quantifiable impact of LEADER I appears to be extremely positive in terms of employment, diversification of activities and endogenous entrepreneurship in a wide variety of economic sectors. The upgrading of local human resources in terms of missing skills, well adapted to the specific needs of new activities is also an important result shown by physical indicators. LEADER groups gave expression, facilitated and co-ordinated the previously underestimated opportunities lying in local resources, understanding gradually their potential during the implementation process and succeeded in providing collective rather than individual forms of support which created a positive dynamic at local level.

3.2.2 The impact of the unique aspects of LEADER

The innovative aspects introduced by LEADER and which were not characteristic of conventional rural development policies have been identified as: the locally based approach, the bottom up, participatory approach, the innovative character of actions, their linkages and the multi-sectorial nature; the local action group, networking and the financing arrangements (mainly the global allowance). These unique aspects have been evaluated through qualitative questions.

- The strong influence of the area based approach for the valorisation of local resources

The locally based approach set the stage for the other innovative aspects introduced by LEADER. This approach was justified by the requirement that local actors had to participate in the decision making, consequently the territorial unit should be of a manageable size, with resources which could be turned into an opportunity for development, furthermore it was assumed that a common identity and social cohesion would help co-operation between local actors (partnership) and to mobilise local resources. However, it proved difficult to delimit a satisfactory project area from the outset. Needed adjustments, which often took place with LEADER II, show that the delimitation of an appropriate area is a gradual process which interacts with the type of actions and actors.

The majority the areas chosen conformed to the required limits. Most (62%) of the LAGs indicated that the size of the area chosen was adequate. The Groups which had a previous experience with this type of approach had an advantage in the appropriate definition of the area. The choice of an area matching existing administrative boundaries or political interests did not necessarily prove to be an advantage from a development perspective.

The problem of having a minimum critical mass was most often indicated by Groups as the cause of an inadequate size (too small, rarely too big), and affected negatively the potential and sustainability of actions. From this perspective the conclusions would suggest that larger areas allowed to achieve more easily a critical mass of resources.

It may also be argued that the 100.000 population threshold was too large, given that LEADER was addressed to low density areas. There is no easy answer to this argument: LAGs need a minimum size in order to justify the presence of an animation staff and a business plan of some significance, which argues in favour of larger areas; on the other hand the need to insure a good participation and interaction between local actors, argues for smaller ones. In practice, in the larger areas the participatory approach was more often not implemented or had a sectorial approach which reduced the effective participating population.

The optimal size of the area appears to be related to the main problems addressed by the business plan: a smaller area favours an internal social cohesion and mobilisation through animation actions; a bigger area favours the achievement of a "critical mass" of resources, the acquisition of competitiveness through innovative actions.

The locally based approach should be evaluated as very positive component among the specific features introduced by LEADER: it influenced the type of actions chosen and the composition of groups, established linkages and exchanges that had never taken place before. In terms of impact, it contributed to a concrete territorial approach, more effective than the traditional sectorial intervention, to a global and integrated vision of local areas, to the most frequently meaning attributed to innovation (the valorisation of endogenous resources and initiatives), to the creation of a less dependent attitude towards development as the significant creation of small enterprises and employment opportunities shows. The reason for this effectiveness relied on the process it started towards a better knowledge of available resources and strengths at local level, the strategic importance of emphasising specific and typical features and tailored actions rather than standardised and common measures for all rural areas.

- The promotion of differentiated patterns of development and the bottom up approach

The initial assumption of the LEADER approach was that development policies should be designed at local level because every area has a unique and typical combination of resources available and may follow alternative paths towards their best use in view of self sustainability and/or an increased competitive advantage. Top down policies, standardised and equal for all rural areas have proven to be both less effective and efficient because they didn't recognise the relevance of endogenous resources, different in each case. The main "tools" which LEADER proposed were a territorial diagnosis, adapted to each area, the definition of a strategy, also different from case to case according to the perceived strengths and opportunities of a particular area, and the identification of a coherent set of projects and actions to be realised. These aspects were included in the business plans that every Group had to realise.

The initial quality of the business plans has been considered in general as not of very satisfactory. Only 40% of them was based on a participated diagnosis, objectives were generic and not linked with the actions, innovation was a vague concept assimilated with the mere participation in the LEADER initiative: these aspects made plans rather similar and standardised at the outset. Furthermore, many plans had to be revised significantly, often with the help of the Commission services. Some of the innovative actions had to be deleted because they were not eligible. During the implementation phase, an even more significant reorientation of actions and sectors took place, which is proof of flexibility but also of the weakness of the initial programming. Of course previous experience in local development improved the quality of plans.

Time constraints (6 months only) for the elaboration of the plans is probably the main reason for this weaknesses. Plans were often based on already existing plans or on individual projects by different partners put together with the assistance of the public administration or private consultants. Weak initial local participation was partly counterbalanced by mobilisation and sensibilisation of the population and economic and social interest groups during the implementation process.

Multi-sectorial integration was rarely aimed at in the plans, except for few exceptional cases. Many programmes were constructed around one main strategic axis, the most frequent being rural tourism. The "linkage among actions" in this sector was easier to achieve. Many plans had a "residual" character, defined by what could not be done with mainstream resources at local level. This limited concretely the meaning attributed to innovative actions. In this way national/regional policies often became the standard of reference for explaining the quality of LEADER business plans. As a result, the plans have not always met the multi-sectorial requirement or had an integrated strategy. The accounting procedures and the lack of effective integration among the three Structural Funds weakened and discouraged multi-sectorial approaches.

The evaluation found that the plans acknowledged territorial differences (more so in the individual actions than in the objectives and strategies), which had often (not always) been underestimated with other policies. When the territorial diagnosis was realised, it helped to revise the local perception of constraints and opportunities. The realised actions in most cases represented a different form of intervention than could be expected from mainstream policies (this was the main sense attributed to innovation) even when the bottom up approach was not really implemented. LEADER provided the opportunity for putting together local development ideas, gave a relative autonomy to the groups in decision making, provided funding and the prestigious support of the EU.

In general, *de facto innovative strategies* of development were achieved, which were indeed adapted to each context. The majority of areas chose tourism activities to promote rural diversification, others the reorganisation of productive chains around one product (these were the ones that found small areas insufficient), other followed multiple options (crafts, tourism, agricultural products), more or less integrated with each other.

The impact of the method adopted with LEADER was in general significantly different from previous practice, however an incomplete and partial implementation of the unique aspects introduced by LEADER reduced the potential value added that could have been expected.

- *Local Action Groups: the most relevant distinctive feature of LEADER*

The Local Action Groups were undoubtedly *the key specificity introduced by LEADER*. Without them it is unlikely that the other aspects of the LEADER package would have been attractive or efficiently implemented. The type of partners varied significantly according to the different institutional contexts and the relevant local actors; groups included both economic and social actors. The types of partnerships are difficult to compare, due to the diversity of institutional contexts and status of the actors.

The structure of partnerships showed the willingness to integrate at least formally different types of actors. The role of the administrative staff (ensuring the management and day to day implementation of the programme, linking the different partners) was often important for the actual implementation of the partnership.

The results showed that there was a real competition in the selection process for the designation of Groups. The initial call for tender, intended to some 100 projects, had to be enlarged to include 217 Groups. The two-step selection procedure contributed to such enlargement. Some Groups appeared closer to the spirit of the initiative as perceived by the Commission services and others to the understanding that individual Member States had of it. In practice however, the plurality of selecting institutions turned out to be a form of 'check and balance' for insuring a certain homogeneity among groups and a closer conformity to the spirit of the initiative.

The selection of the partners to be included in the Groups was one of the most sensitive and political aspects of the initiative since it often implied the creation of a new local actor with resources, legitimacy and decision making power. This affected already existing organisations and development institutions at local level both in the case in which they participated in the initiative or not, or influenced the creation of a new level of governance that did not exist previously, strengthening in every case the local level. The innovative role of LAGs was more important in some countries (Greece, Portugal) than in others (France, UK, the smaller countries like Denmark and The Netherlands) and contributed towards decentralisation and empowerment of the local level, particularly for the public partners.

The *experience and the age of the partnership* is one factor which appears to have influenced significantly its performance. Three types of partnership may be distinguished:

- The "newcomers" (about 50%), which had no previous experience of working in partnership and in local development.
- The "beginners" (about 20%), which had some experience either in the partnership approach or in local development.
- The "experienced" (about 30%), which had previously worked as partners to elaborate and manage local development programmes.

The *composition of groups* is a second important factor which influenced the effectiveness of LEADER. A majority of LAGs showed a predominance of public partners. The request for solvency and management capacity may partly explain this fact. The Groups, as new subjects of decision making and funding, sometimes acted in close and mutually supporting exchange with regional administrations, with positive demonstration effects for both. In other cases competition and conflict developed and this reduced significantly the positive effect.

- *LAGs dominated by the local public administration* (slightly over 50% and 15% with public actors exclusively -Communes, associations of Communes, Districts, etc.-) represented a new public level of decision making without necessarily much innovation: it empowered new local administrators, but the actions and approach were similar to previous practice; these LAGs in most cases did spend their funds thanks to the public administration's support, but acquired little visibility with the local population and the value added of LEADER was modest or even irrelevant (addition of a new level of governance).
- *LAGs dominated by private partners* (a little over 10%) were definitely the most innovative groups especially when they openly promoted the collective interests of the area. They looked for the local population's support and promoted new and quite visible actions; their main problem was a contrasting (and at times conflictive) attitude towards existing local and regional institutions; consequently they had difficulties in obtaining the required co-financing and the administrative

know how for the management of public funds. Delays and financial problems (i.e. guarantees) were more frequent in this type of groups and influenced severely the results and impact of the initiative (and its continuity).

- *Relatively well balanced LAGs* between public and private interests, a relative minority, had the advantages of the two previous groups and none of the disadvantages, becoming a positive innovation. These LAGs obtained the best results in relation to their contexts because they created a new negotiating arena where different existing policies and interests could be reorganised in the interest of the local area, thus providing more coherence and strategic synergies to actions, increasing significantly the efficiency and effectiveness of actions and the responsibility of actors, maximising the institutional demonstration effect of the LEADER approach.

The evaluators suggest that the public/private balance of the horizontal partnership be explicitly supported and that a better defined division of labour between different types of public partners be established. Private partners should clearly refer to collective local interests rather than individual ones. The representation of more than one interest group, either in terms of economic sector or type of social actor is a positive factor which should be promoted since it ensures a system of checks and balances at local level.

- *Networking: a modest but long term positive impac*

The external communication has been a characteristic of LEADER and a constant concern of the LEADER Co-ordinating Unit. Most of the Groups devoted part of their budget to this action. The success of Leader and its positive image owes a lot to the communication policy that was followed and which took very different forms (introductory publications, magazines, videos, films, CD-Roms, databases...).

The promotion of *networking* between groups was primarily the task of the Co-ordinating Unit, handled at European level by AEIDL. This form of exchange was however used less than expected, mainly because other, proximity communication channels also operated and were better known. Queries and needs of LAGs were expressed directly to the Unit or through the Intermediate Bodies. In other cases these were met by national/regional services, thematic (tourism) or even other pre-existing European networks (LEDA, Virgile, EURADA). The freedom of choice and the variety of alternative sources of information was greatly valued by groups.

The instruments which promoted information and contacts were:

- the "LEADER magazine" and other publications realised by AEIDL which have been relevant and well appreciated by the majority of groups, contributing to the creation of common references and knowledge about other groups' actions and the distinctive aspects introduced by the initiative;
- the seminars organised by AEIDL and by the national/regional authorities, to which LAGs participated 4 to 5 times per group on average, this was considered a quite high participation rate for a three year programme;
- the visiting missions between LAGs: on average, each group visited 6 other LAGs and hosted another 6 LAGs from his own country, and 3 to and from different countries; these visits provided concrete examples of good practice on different matters and a wider perception of the variety of existing experiences.

Networking had, in the opinion expressed by Groups, a modest impact on the results and impact of LEADER. Overall it would be more fair to say that its impact was quite differentiated and should be evaluated as a longer term process of establishing external contacts which was only initiated with LEADER.

Information interests varied extremely among Groups: 20% of the groups had a low interest in establishing external contacts and privileged individual exchanges and national regional informal networks; another 55% of them had a moderate to high exchange mainly dealing with technical assistance and information about the LEADER initiative. These services were perceived as a one way flow regarding procedural matters (coming mostly from administrations and other LAGs), the LEADER approach and the establishment of new contacts (coming from the LEADER Co-ordination Unit). Even

if these exchanges helped the Groups to get out from localism, they remained passive receivers and this limited the impact of networking. Many have indicated that this was a learning experience which produced its results in LEADER II and in other EU initiatives.

Only the remaining 25% of the LAGs had a pro-active approach to networking, establishing visits, exchanges of services, specific projects built around common themes of interest. These were the most successful in integrating external contacts with local actions.

The reasons for such a differentiated impact appear to be related on the one hand to the characteristics of the demand coming from groups (mostly for basic administrative information) and on the other hand to a standardised targeting of supply by the Co-ordinating Unit (disseminating the basics about the LEADER approach). Furthermore, the initial idea of a co-ordination of LAGs through a telematic network, appeared difficult to operate and inappropriate for the needs expressed by the majority of LAGs. There was general consensus from the different stakeholders that this aspect of networking was a failure, not so much for the problem addressed (linking Groups to facilitate transfers and exchanges) as in its initial telematic conception, which required a much longer learning process to be viable.

The EU Co-ordinating Unit was the most frequently used network but not the main source of information for LAGs. 86.4% of the LAGs had frequent or occasional contacts with them. The target group for which its services were most relevant was that of the passive receivers (which was the majority) and the most used service was that of general information (87%). However the relevance of this type of service was ranked most often as the least important. Participation in seminars (73.9% groups attended one or more) was considered good but also does not score very high in terms of relevance. The most important service in the ranking of groups was that of providing references on other experiences which appears as the real strategic function attributed to AEIDL by the Groups. For the future, the majority of LAGs thought that networking activities should be intensified.

The evaluators suggest that a differentiated targeting of services according to the “segments” of demand would have been relevant at the time and will become more so in the future. Groups should not be seen as homogeneous in their needs and all types of demand should be satisfied. The advantages of networking need a longer time framework to develop: the task was initiated in LEADER I and partly contributed to the reduction of isolation of groups, even if not as much as could have been expected. Language problems, a habit of face-to-face relations, a more serious worry about administrative rather than technical problems, a difficulty to understand immediately the advantages that could be obtained from networking probably explain the low priority attributed by groups to this specific aspect of LEADER. A better definition of different types of networking activities, their objectives and expected results, distinguishing the co-ordination aspects from the means of communication, could contribute to a better focusing and understanding of its functions by groups.

- *Financing: very differentiated situations by Member State*

In some Member States the initiative was implemented with very little problems regarding co-financing, with modest delays in timing and with an efficient use of the global allowance mechanism. This happened when the Intermediate Body effectively managed the assistance to groups regarding financing and the eligibility of actions, the treasury and guarantee aspects. In other cases, where it acted only as general co-ordinator delegating the management of financial issues to the Regions or to the Groups themselves, the procedural and financial problems increased and affected significantly the results of actions as well as their accountability. This was more severe in the case of Groups which did not have a good rapport with the Regional/National institutional context.

The global allowance did not have the expected simplification effect initially foreseen because of the procedural difficulties created by the financial accounting requirements of the Commission, not covered explicitly in the Notice, the unclear responsibilities about the provision of co-financing at regional level and the inexperience of some LAGs in the financial accounting and eligibility of measures.

A problem which affected the evaluators' work was the lack of coherence and heterogeneity in the available information sources about financial data. This happened for a variety of reasons which will be indicated below (par. 4.2.4). This problem has been the most serious handicap for a complete evaluation of the initiative.

The idea of the global allowance was a good one and was very much appreciated by the Groups for the freedom in the allocation of funds that was attributed to them, but much less so by the Public Administrations which had the responsibility for the expenditure and final accounting. In many cases it ended up by complicating procedures by adding a new level of financial decision making and accounting which innovated in relation to standard public administration procedures (different in every Member State), thus contributing to added requests for guarantees and causing delays in the co-financing.

The requirement of guarantees is of course not questioned here since it contributes to prevent a distorted use of public funds. The evaluators think that the Commission should have made more clear from the beginning the division of work among the stakeholders of the vertical partnership (who was responsible for what in the financing of LEADER). On the other hand, the same fact that some Member States facilitated a collective solution of the guarantee problem and others did not, indicates a different concern with the initiative that influenced the possibility of its implementation at local level. Furthermore, it is felt that the requirement of guarantees and financial controls, which is legitimate, should not be used as a tool for reducing the allocation function of the Groups, which has been the basis of their empowerment and a key aspect of their success.

A more precise knowledge of the accounting requirements of the Commission and the different Member States and Regions, from the outset of the initiative, would have helped to avoid incongruencies between financial data at different institutional levels and would have made the consolidation of data possible.

The impact of financial difficulties on the results of actions has been significant: it often changed the 'logical' order of the implementation, some projects had to be adapted, transferred to other programmes, new and eligible actions had to be incorporated in order to make progress visible and accountable. The collective management of all the Groups at national level by Intermediate Organisations slowed down the progress of the most efficient groups.

3.2.3 The value added at local level

The LEADER I initiative, as a package of related and unique features, was indeed an innovative approach for all groups, since previous experience regarded only some of the features but never all of them. However, the value added of the initiative was very seldom "complete", since the implementation of the unique aspects was highly uneven between individual groups. The unique aspects introduced by LEADER had a determining influence on the quantitative and qualitative results of measures. No cases of negative value added were found.

The area based approach and the groups, a condition for acceptance, were thoroughly implemented. The participatory approach, innovation, multi-sectoriality and networking did not become strategic features in LEADER I because LAGs did not always understand the relevance of their function at the outset and did not exploit fully the opportunities they could offer. In the future an effort or an incentive to fully implement these specific aspects of the initiative would increase its effectiveness and the innovative character of the approach.

There is no doubt that the relatively good impact in terms of employment was due to the emphasis given to small initiatives, the mobilisation of endogenous resources, support for risk taking activities, self-employment. This could be an important lesson on how to promote employment in rural areas in the future. In this sense the unique aspects introduced by LEADER have indeed altered the approach to rural development and are closely related with the quantitative achievements of the initiative.

4. Implementation and vertical partnership

The analysis of the different institutional contexts and approaches to rural development in the various Member States, Regions and at European level has been considered by the evaluators an essential part of the LEADER evaluation. Precisely because strategies and actions have been decided at local level, in principle reversing previous top down policies, the institutional response, the provision of technical financial support and implementation procedures established by the various administrations in charge of LEADER have had a key function in orienting the choice of areas, the selection of groups and business plans and consequently also in the results and impact of the initiative and its capacity for achieving a demonstrative effect. An assessment of the influence of the implementation process on the result of the initiative might help the Commission to improve its knowledge about potential constraints in the mainstreaming of future rural development programmes. Furthermore, information about the way in which the vertical partnership worked for the promotion of local initiatives may increase the awareness about the concrete realisation of the subsidiarity principle.

The following table gives an overall view of the EU fund distribution between countries and objective areas at the initial planning phase and at the final expenditure phase. The total investment for the EU was of 417 MECU which represented about 1% of the total funds for Community Support Frameworks during the same period. Objective 5b countries received a relatively larger share of LEADER funding than of CSF programmes. The opposite was true for countries like Italy and Portugal. Spain and France received the most important contributions.

Table 4. Distribution of EU Structural funds for the LEADER initiative by Member State

Member States	Main objective area	% Distribution of the EU contribution (MECU)						% of Leader / Obj 1+5b
		LEADER I (planned)		LEADER I (actual)		Total Objective 1 + 5b EU funds (actual)		
		values	%	Values	%	values	%	
BE+DK+LU+NL	Obj 5b	6	2	5,99	2	90	0	6,66
FR	Obj 5b	65	16	53,03	14	1.831	4	2,90
UK	Obj 5b	12	3	11,40	3	925	2	1,23
SP	Obj 1	120	29	102,68	28	10.436	23	0,98
GR	Obj 1	52	13	52,58	14	7.528	16	0,70
GE	Obj 5b	24	6	24,26	7	3.466	8	0,70
IR	Obj 1	27	7	28,88	8	4.460	10	0,65
PO	Obj 1	52	13	48,59	13	8.450	18	0,58
IT	Obj 1	55	13	38,61	11	8.864	19	0,44
TOTAL		413	100	366,00	100	46.050	100	0,79
Subtotal Obj 1 main area		306	74	271,00	74	39.738	86	0,68
Subtotal Obj 5b main area		107	26	95,00	26	6.312	14	1,50

Source: Ex post Evaluation of LEADER I. Data refer to the situation at September 1998.

The figures do not include North Ireland, which the final balance was still not available September, 1, 1998.

4.1. The implementation at the European Union level

The EU Commission launched the Community Initiative LEADER I in 1991 with the aim to **experiment a new approach** in the design and implementation of rural policy. Community initiatives are a specific instrument of EU structural policy, proposed by the Commission to Member States in areas of particular significance. The up-take is voluntary. Initiatives are innovative in relation to mainstream policies, include support for transnational and interregional co-operation and have a pilot, demonstrative character which should be concretely visible

Data for the evaluation of this level derive from qualitative interviews (nine) carried out with EU officials responsible for the implementation of LEADER I.

There seems to be general agreement at all institutional levels that LEADER was an excellent idea, which worked quite efficiently and effectively for the promotion of rural development, taking into account the diversity of needs at local level. It was constrained, however, by procedural difficulties of implementation, administration and financing which affected the functioning of both the vertical and the horizontal partnerships. Yet, the value added of LEADER at European level has been a major change in relation to classical approaches ("we finally dealt with real people") even if this touched on the delicate balance between institutional levels. Often this did not emerge formally but rather through a multiplicity of procedural aspects.

The EU Commission has played a key role in the **conception** and the *implementation* of LEADER I. The idea and the approach can be considered as appropriate and successful in achieving a new approach to development, contributing to a new and more positive linkage between the Commission and the local populations in rural Europe, and vice-versa. In this respect, **the success of LEADER** can also be seen from the fact that the approach served as a reference in other EU initiatives (e.g. Article 10, the Territorial Pacts) and that it was continued in LEADER II even though very modest monitoring and no evaluations had been carried out, unless on a voluntary basis by groups, regional or national administrations (Spain and Ireland). The demonstration, model effect that the initiative aimed at, mainly in terms of method of approach, were appreciated and often taken on board both by other EU directorates as well as by National and Regional administrations.

Whereas the soundness of the idea and the approach were not really questioned and were generally considered the main strengths of the initiative, the difficulties in the definition of key concepts (bottom up, LAG, networking) and of precise guidelines and procedures for the implementation showed **the main weaknesses** of the initiative. Not having anticipated such difficulties and the work load that the follow up of local programmes would entail, the Commission services reacted pragmatically, dealing with them on a case by case (and country by country) rationale. Learning by having to find responses made it almost impossible to keep an overall co-ordination of the progress of the initiative as a whole during its implementation.

Even though the EU largely discussed with Member States the division of labour between the institutional stakeholders involved and explanatory visits were made in the preliminary phase, it soon became clear that excluding regions from the vertical partnership had been a shortcoming in the design of the initiative (the *Notice* had not defined precisely the role of the regional level while at the same time it required their financial participation and approval of expenditure) A better knowledge as well as a more frequent consultation between the vertical partners was needed during the preliminary phase as well as during the implementation in order to reduce delays and provide solutions to unforeseen difficulties.

The learning's of the initiative at EU level are not clear cut. On the one hand the success and popularity of the LEADER method on the ground has pushed for an enlargement and extension of the experience (LEADER II has almost quadrupled the number of LAGs), on the other hand the procedural difficulties and the division of labour between stakeholders have only been partially solved (creating new ones as well).

The small scale and immaterial investments proved that capital investments may ignore essential aspects of the development process. Even in countries, which had had similar experiences before, a key innovation brought about by LEADER was the locally based approach promoted through horizontal partnerships. Specific impacts were achieved within a global territorial strategy, which multiplied the effect of individual actions.

The networking among groups achieved visibility for the Community Initiative and took local development out of the isolation in which it had often found itself. The transnational dimension established through networking, promoted and ensured by the Co-ordinating Unit, was a major asset of the LEADER Initiative and a good source of information for the Commission. The publications and seminars contributed to the creation of a transnational frame of reference that only under LEADER II developed its full potential. Although networking did not have a major influence on the overall results of LAGs' actions at local level, it proved to be a useful and important medium term investment, correct in its overall functions but in need of adjustment in terms of type of services offered and a better acknowledgement of the different needs of Groups.

LEADER promoted a territorial integrated approach which often contrasted with previous sectorial approaches, even within the same European Commission policies. This aspect will need particular attention when LEADER will evolve from its present experimental, pilot phase.

4.2 The implementation at national / regional level

The source for the results presented in this section are the national reports and the interviews with key officials at national and/or regional level.

4.2.1. Diversity of national/regional situations and approaches

National/regional differences in their acceptance of the LEADER approach were mainly due to:

- the overall relevance of the Community Initiative in terms of financed groups for each Member State,
- the administrative traditions (more or less decentralised with top down or bottom up rationales);
- the relationship between mainstream rural policies and LEADER

In relation to the relevance of LEADER I, it appears reasonable to distinguish between countries with a significant share of Objective 1 regions and those where LEADER groups were primarily located in 5b areas. *Objective 1 countries had a far greater number of LAGs.* Setting-up specific administrative structures and procedures for implementing LEADER was more easily justified in this case. In small countries with only one, two or three groups, LEADER did not reach the critical mass that would have justified a significant adjustment of the existing rural policy delivery system. LEADER was treated here either as a small complement to mainstream 5b policy, or detached as a marginal activity, operated by a separate body.

Responses to the Community Initiative were not always sympathetic. Some Member States feared that LEADER might undermine the existing policy delivery mechanisms, and that it *might challenge the existing distribution of powers* both with the European level and between the national and regional levels (Germany, France). The resistance can be explained by the widespread perception that it was an intervention from Brussels which interfered with local development. From an administrative perspective it was held that LEADER provided little additional resources and required new, often parallel administration structures. Furthermore the global allowance was often considered a challenge to existing budget regulations.

4.2.2. Institutional arrangements and the role of the administrations

In all Member States, LEADER led to a *reconsideration of the administrative machinery for policy delivery to rural areas or less developed areas.* It created productive tensions in several national and regional administrations, and led to a review of traditional patterns of horizontal and vertical partnership among them. However, it did not always result in actual re-balancing of power structures.

Whereas some national governments and the EU tried to use LEADER to improve their image at local level, the *intermediate regional administrations* often remained rather sceptical: this was also due to the required provision of funds at this level which had not been anticipated (Spain, Italy, Germany, France).

For several Member States, stimulating participatory, area based processes *was not an entirely new experience.* In some countries, (Netherlands, Denmark, Germany, France) local development schemes had been going on already for some time. Not surprisingly, many LAGs in these countries did actually built on previous organisational structures. In other Member States, (the Objective 1 countries), LEADER *was an entirely new experience.*

LEADER implementation *challenged traditional administrative boundaries.* Many agricultural ministries, in particular in Objective 1 countries, were pushed to overcome a purely sectorial,

agricultural focus for rural policy and to make steps towards a broader multi-sectorial approach. While this was definitely a significant progress with regard to rural policies, changes were modest and affected only the periphery rather than the core of agricultural administrations. In most cases, the units responsible for LEADER and rural development still remain isolated and in a minority position within their sectorial ministries.

The extreme time pressure made on the start-up phase implied, in particular in the 5b countries, that national and regional administrations had to play a major role in the promotion of the initiative. This led to a *passive or even sceptical attitude* towards it and some delays.

During implementation, the Intermediate Bodies did not always have the knowledge and the practical experience necessary to provide good quality information on its operation (for example on eligible actions, on the allocation of the expenditure to one of the three Funds, on more precise guidelines on issues left vague by the Notice), especially if rural and local development policies were not part of the administration's previous experience. They were often too distant from the local level in most countries, and meetings were very far apart. This was considered an advantage by some Groups because it allowed more autonomy; in the end however, it turned out to be a great handicap because problems were solved too late and when the mistakes had already been made.

The technical assistance offered by the Intermediate Bodies was extremely varied from one Member State to another, ranging from great support and involvement, to indifference and benign neglect. This also affected the efficiency and effectiveness of Groups. The required capacities to realise the initiative often did not coincide with the available expertise from extension officers or development agents for other programmes. The difficulties encountered by the evaluators to reconstruct a minimum information base on these issues are an indirect indicator of the weak interest and attention given to these issues.

4.2.3. The national / regional implementation profiles

The extreme variety of national/regional profiles for the implementation of LEADER has been schematised considering as key variables the institutional levels which were mostly involved, the types of institutions which acted as Intermediate Bodies (part of the administration or delegated to other semi-public bodies) and the similarity or difference between LEADER and mainstream policies. The combination of these variables provides a general framework for reading and comparing the variety of institutional profiles which intervened in the implementation.

The result of this exercise shows a very differentiated picture: for all Member States, the EU level played a very important role in the administration of the initiative; in some countries the national level was not at all, or only marginally involved in its implementation. In some cases, semi-public agencies, partnerships and networks were delegated. In all countries this was also the case at the local level, since this was implicit in the horizontal partnership arrangement. The mix and degree to which these institutions were involved and became relevant varies significantly from country to country. This confirms the assumption made in the evaluation design that the filtering down of the initiative through the various institutional levels influenced significantly the results, achievements and performance at local level by creating a different institutional framework in each case. This is particularly relevant in locally based approaches because of the wider margins left for decision making to all participating stakeholders, in relation to top down policies where the actions and implementation procedures have a narrower and technical role.

4.2.4 The implementation of the global allowance

The financial instrument chosen for the LEADER initiative was the global allowance. It provided each group with a single budget line, defined in its business plan, and transferred in three "*tranches*" (two advances and the balance). The aim of this specific aspect introduced by LEADER was to *simplify* the decision making and the management of funds for the LAGs (but also for the Intermediary Bodies and the Commission), as well as to provide *flexibility* in the allocation of funds, by the fact that transfers and adjustment between actions and projects became easier. The same procedure of the global allowance was used for transfers to the Intermediate Bodies: they received from the EU global "*tranches*" that were redistributed among the groups and could not ask for the 2nd instalment until *all* the accounts and justifications from were received. This decision had the effect of slowing down progress to the level of the slowest group in spending and accounting for its actions.

The concrete mechanisms and the accounting procedures were not clear to the stakeholders from the beginning. The global allowance had to be accounted for by type of structural fund and by measure; the eligibility and allocation of the actions by fund was not well known to groups and at local level. This created delays and discussions during the implementation but especially for the final accounting.

The Notice had not fixed any procedure for the payment and management of the national/regional counterpart, therefore each country established its own co-financing system, which often complicated the task of the Intermediary Bodies and had negative consequences on the groups' capacity to implement actions.

4.2.5 The value added at national / regional and EU levels

The LEADER Initiative was often perceived by some Member States and Regions as conflicting with the **principle of subsidiarity**. Given the voluntary nature and local decision making that characterised LEADER this view appears unjustified.

In general terms, LEADER I enjoyed a **very positive image** (“a significant step forward” and “an appropriate new approach” to rural policy) in almost all EU-Member States. This is attributed to the fact that the initiative was regarded as one of the few European policy programmes that was successfully bridged the gap between European policy-making and local development concerns.

The **demonstration effect** of the approach was often realised during the implementation process and the exchanges along the vertical and horizontal partnerships, thus anticipating the finalisation of the programmes. By putting emphasis on negotiating practices between relevant actors, LEADER forced the various levels of government and administration to reconsider their role and redefine their positions in relation to the LEADER approach to rural development, which often became a model or reference for other development agencies.

LEADER led to a **reconsideration of traditional delivery systems** for rural development support. The initial coldness of some Member States did change significantly towards a positive acceptance of the idea during the implementation process. Their ex-post evaluation of LEADER was referred to as a positive innovation and a step forwards in an integrated, area-based approach.

The **links between LEADER and mainstream policies remained weak**, due to their different approaches. Often responsibilities for LEADER implementation were different from those of mainstream rural policy under the Community Support Frameworks. This meant that although LEADER as such was an important innovation, it did not really affect the implementation of mainstream rural policy.

In some countries LEADER also encouraged new forms of policy delivery by **intermediate organisations** established outside the administrative mainstream. This has had some benefits : often such “external” bodies were able to operate with more flexibility and dynamism than traditional administrations, acting as “institutional shock absorbers” between local groups and the administration. Yet, in the longer run, a strong influence of external agencies may not be without risk. They may develop their own agendas without sufficient democratic legitimisation, or they could provide an easy excuse for leaving inefficient mainstream administrations unchanged.

5. Lessons and recommendations

The ex-post evaluation of LEADER I has been a quite unique exercise realised under uncommon conditions.

Leader referred to a pilot, experimental EU initiative that aimed at having a demonstration effect. It introduced unique and specific aspects which became the distinctive features of the initiative and were supposed to act as a model for changing previous approaches to rural development (method) and the linkage between actions and sectors (measures). Although designed at EU level, it allowed ample room for decision making to other stakeholders (bottom up approach). There were 217 local plans to evaluate (the Local Action Groups), each with its own objectives, strategies and actions which somehow had to be aggregated, compared and evaluated at European level rather than at the individual one. A complicating factor was that no operational definitions were given of the unique and innovative aspects introduced by LEADER, or of their expected results in terms of value added. No ex-ante or intermediate evaluations were required and no systematic collection of data or indicators had taken place, except on a voluntary basis. These problems had to be solved at the time of the ex-post evaluation and it was not always possible to reconstruct a complete and coherent data base. The logic which guided our work was to make the best out of what was available.

The results obtained are relatively satisfactory and allow an overall evaluation of the initiative at European level. An original methodology has been designed for evaluating the unique aspects introduced by LEADER, for assessing the role and influence of the various institutional and administrative levels, for aggregating and comparing quantitative and qualitative results. This of course may be further improved and adjusted in future exercises.

In general, the formal compliance with the requirements of the Notice was quite easy. The criteria were rather open and all-inclusive and didn't act as discriminating criteria: this allowed the participation of an extremely wide variety of areas, groups and management arrangements. This should not be taken as a negative assessment: the need to be applicable to all types of rural areas and the experimental nature of the approach, could justify the absence of truly selective criteria. It certainly allowed all stakeholders involved to see clearly and very concretely the real diversity of rural Europe, thus making more difficult for the future to go back to undifferentiated top down policies, common for all areas. At the same time it allowed also for negative experiences, ambiguities, a "learning by doing" attitude by all main stakeholders which should not be encouraged.

The quantitative achievements of LEADER have been quite significant in terms of employment and new or expanded enterprises.

The local Groups undoubtedly represented the most innovative aspect introduced by the LEADER initiative, much more so than the participation of local actors or the innovative character of the actions foreseen in the business plans. This happened regardless of the efficiency and effectiveness of the Groups (which on whole was rather weak) but rather by the plain empowerment effect that their selection and delegation of functions has had (the decision making capacity on actions and the allocation of funds) and which has been the basis of its success. The groups of LEADER I were a source of innovative and positive behaviour in relation to previous patterns of local administration, but accountability in their decision making and actions was often weak. Systems for monitoring and evaluating the Groups should be required.

Networking obtained visibility for the Community Initiative and took local development out of the isolation in which it had often found itself. This transnational dimension that was established in particular through the network, promoted and ensured by the Co-ordinating Unit was a major asset of the LEADER Initiative. It did not reach its full potential due to the lack of interest of the groups and the general informative orientation of the services provided.

Other unique aspects, such as the participatory approach, innovation and the multi-sectorial character of plans proved to be less relevant and contributed only marginally to its value added. This however should not be taken as an evaluation of irrelevance of these aspects but on the contrary as a weakness that should be strengthened in order to achieve a greater value added.

For the future, the LEADER I experience should be also considered as provider of a precious stock of knowledge about rural Europe and utilised for a better targeting of rural policy actions. Requirements should be more clearly and selectively stated, innovative approaches should be better defined both operationally and in their objectives, in order to make comparative evaluations and feed backs possible.

The relevance of national and institutional arrangements cannot be overemphasised in the evaluation of results and impact. Different national and regional approaches have been responsible for an important part of the success of the initiative, both at local level and for its model effect. However successful, LEADER has remained a separate and limited experience in relation to mainstream rural and agricultural policies.

Some recommendations

The selection of groups and plans should be made at the lowest competent public administration level, however the presence of different stakeholders at some stage in the selection procedures is a positive factor to insure a check against too strong political influence in the selection and composition of Groups.

The main objectives and strategies addressed by the plan should be considered when defining the optimal size of areas: a critical mass of resources (financial, human, economic) should be a basic criteria. Practices of cutting out portions of a territory (such as small towns) in order to meet quantitative population requirements should be avoided. Areas which have already been successful as project areas, should be favoured.

The time allowed for the elaboration of business plans needs to be longer than six months, particularly in case of no previous experience with participatory approaches. This was partly solved in LEADER II by the provision of a two steps approval procedure, one for the acquisition of competence and technical assistance for making a territorial diagnosis and elaborating the plan, the other for its realisation. This provision has only partially solved the problem since Groups want to somehow assure themselves of the availability of funds for the second step when they have completed the first one. The flexibility to adapt actions during implementation should be maintained but the re-elaboration of the objectives, strategies and indicators should accompany such changes, in order to promote good practice in planning exercises. Specialised assistance should be provided for the weakest aspects (innovation, multi-sectoriality, integration, networking). Libraries of best practices and data bases of innovative actions would be most valuable for newcomers and should be made available to Groups in a user friendly way as part of the technical assistance given to groups.

Truly mixed partnerships (public **and** private) should be clearly privileged in relation to exclusively private or public ones for example with a higher score for mixed Groups. Non local partners, if relevant, should be allowed to participate. Co-ordination procedures between groups and stakeholders should be established. Practices to be avoided, in general terms, should be also indicated and diffused to orient the decision making of new groups.

Networking should probably be conceived in wider and much more articulated and differentiated terms than it was originally conceived. Information and exchange needs change over time with the evolution of the local development experience and become more sophisticated and demanding with time. A more systematic survey of the different types of demand for information and exchanges by LAGs should be established as basis for the supply of services by the Co-ordinating Unit, including a clear division of labour with the assistance offered by regional and national networking arrangements. Queries received should be analysed and classified for a better knowledge of the Groups' needs. Bilateral exchanges should be encouraged and somehow included in the monitoring activities in order to capitalise on its learning. A major problem which has remained unsolved is technological know how and its adaptation to local needs not only by means of an exchange between LEADER groups with different degrees of experience but also with specialised institutions and centres. Finally, specific forms of assistance for a better external integration of Groups with international markets and consumers, the promotion of joint ventures, the association of producers of different local areas, to mention just a few, could contribute significantly to the reduction of the isolation of rural areas.

Technical assistance should be offered also to Intermediate Bodies and Public Administrations if this should be considered helpful. The implementation arrangements and actions should be monitored and evaluated just as those of Local Groups. Networking and exchanges could be extremely useful also between administrations and not only between groups (or workshops and seminars) in order to facilitate the dissemination of alternative solutions to common problems.

In relation to the evaluation of small but complex programmes such as LEADER the standard tools provided by current evaluation practices are clearly insufficient. The method proposed in this evaluation has considered the specific aspects introduced by LEADER. Much more work is needed to refine and codify satisfactorily this evaluation methodology, especially regarding the evaluation of alternative methods and approaches of rural development; the different function of the various institutional stakeholders have in the case of top down (only implementation of common measures) and bottom up approaches (implementation and identification of differentiated measures); the need to aggregate and compare evaluation results beyond the individual local level in order to get a feedback for future policymaking. All these new evaluation problems enlarge the scope of the accountability rationale which has informed evaluation practices up to the present. Within this wider framework, ex-post evaluations of LEADER are most valuable when they are done just before or very near the end of the programme.

Outputs: Documents and reports

The ex post evaluation has generated the following data bases, documents and reports :

1. Data bases regrouping standard and qualitative information from secondary sources and the interviews : Q217, Q50, Q N/R, Financial tables.
2. The Methodological report
3. The Intermediate report
4. The national reports for each Member State
5. The General report
6. The executive summary

The national reports, the general report and the executive summary will be made available on line from the Commission services.