LEADER II

Assessing the added value of the LEADER approach

LIAISON ENTRE ACTIONS
DE DÉVELOPPEMENT
DE L'ÉCONOMIE RURALE

LINKS BETWEEN ACTIONS
FOR THE DEVELOPMENT
OF THE RURAL ECONOMY

OBSERVATOIRE
EUROPÉEN LEADER

LEADER EUROPEAN
OBSERVATORY

Assessing the added value of the LEADER approach

"RURAL INNOVATION"

DOSSIER N° 4

LEADER EUROPEAN OBSERVATORY

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Contents

Foreword

Official references concerning the evaluation of the LEADER Initiative[1] focus on two dimensions:

> an evaluation of the "classical type" following the general guidelines and procedures established for assessing other programmes.

> a complementary dimension which takes account of the LEADER's objectives as well as certain unique aspects: its locally-based approach, the innovative measures, and an evaluation of the nature and composition of the beneficiary groups.

In early 1998, the Commission produced guidelines on the methods of interim evaluation. At the time of finalising this document (May 1999), these interim evaluations had been completed for a majority of the national or regional programmes. Related guidelines on the official ex-post evaluation were also in preparation. The Commission will send these to the Member States by Autumn 1999 at the same time as the guidelines for the ex-post evaluation of the Objectives 1 and 5b programmes.

This Observatory dossier is not part of the regulatory and obligatory measures for evaluating the Initiative.

It is designed to give interested local groups[2] and authorities some elements of a methodology which can be incorporated in a complementary way as outlined above, but whose utilisation is purely voluntary. It appears important to be able to provide a tool that can help authorities and groups draw lessons from the LEADER experience which may be taken into account when shaping future rural development policies and programmes.

This dossier is the result of work undertaken by a group of experts from the Observatory and has been revised in light of the work carried out on the ex-post evaluation of LEADER I.

A consultation procedure of potential users has been put in place to ensure that the method put forward corresponds as much as possible to the evaluation needs of the local groups and different levels of authorities responsible for implementing LEADER.

> Preliminary consultations were undertaken during the first half of September 1998 with a small number of national and regional administrations: the Ministries of Agriculture in Germany and Ireland; the regional administrations of Aquitaine (France) and Scotland (UK); the Agriculture Department of the regions of Andalusia (Spain) and Emilia-Romagna (Italy).

> This consultation was further deepened at a meeting organised by the LEADER European Observatory in October 1998, which was attended by some 20 national and regional authorities, LAGs, as well as experts involved in the ex-post evaluation of LEADER I or interim evaluations of LEADER II, and representatives of the Commission.

[1] OJEC 94C 180/12 and STAR Doc. VI/3479/94REV3

[2] The term "local group" used in this dossier covers all LEADER II beneficiaries: "local action group" (LAG) or "Other LEADER II Collective Body". At the beginning of 1999, LEADER II comprised 942 beneficiaries, of which 879 were LAGs and 63 were other collective bodies.

Introduction

Objectives and contents of the dossier

Objectives

This dossier has two main objectives:

> to propose common guidelines for evaluating[3] the unique aspects of the LEADER Initiative. These are referred to as "specific features" in the text. The implementation of all of these specific features is what produces the "added value" of the LEADER approach.

> to put forward the first elements of a method which might satisfy the evaluation needs of the programme's different stakeholders[4] (at the local as well as regional/national and European levels) to determine the added value of LEADER's specific features.

Contents of the dossier

7 specific features

Seven core specific features have been identified as characteristic of the LEADER approach:

> The area-based approach

> The bottom-up approach

> The local group

> The innovative character of actions

> The linkage between actions (integrated and multi-sectoral approach)

> Networking (at regional, national and European level) and transnational cooperation.

> Methods of management and financing

The results produced by the combination of the specific features form what can be called the added value of the LEADER approach.

Placed in the local context

The analysis of each specific feature is first placed in a framework of characteristics comprising:

> the area (physical characteristics, local players, local institutions);

> the action plan decided at the local level (or "rural innovation programme" in LEADER II terminology).

Different needs and complementarities

The information and evaluation needs of the different stakeholders are then presented. The analysis starts from the hypothesis that the focus of each level is different:

> The local group may wish to obtain, thanks perhaps to an internal evaluation[5], an analysis of its own activities in order to improve its future performance. It may also want to have succinct information which can be given to other levels to provide accountability in terms of actions and expenditure.

> The regional, national and European levels would most likely want to present the results of different groups (or regions or Member States depending on the level) and to evaluate the technical assistance provided to the groups. They may also wish to know what the impact of the Initiative has been and whether LEADER's specific features can make development actions more effective than other development methods and policies.

The analysis of the specific features from the local viewpoint

Having established the general framework, each specific feature is analysed in a systematic fashion from a local viewpoint:

> definition

> motivation for their introduction in LEADER

> expected impact of each specific feature

> key questions for evaluating processes, results and impact.

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[3] Certain terms will be explained in footnotes utilising the definitions contained in a glossary on evaluation to be published shortly by the European Commission.

[4] Stakeholders: individuals, groups or organisations with an interest in evaluated interventions or in the evaluation itself and notably authorities that have decided and financed the intervention, managers, operators, spokespersons of the public concerned.

[5] Internal evaluation: an evaluation carried out on the initiative of the local group with the objective of improving its capacity to stimulate local development.

The analysis of the specific features from the point of view of the other levels

Some complementary questions are put forward to respond to the supposed needs of the other levels (regional, national, European).

> Identification of best practice by comparing different approaches;
> Evaluation of external resources supplied by these levels;
> Assessment of the rules and procedures established by the different levels of management (the “rules of the game”).

Conclusion

In conclusion, the dossier puts forward a range of questions aiming to identify the main lessons from the LEADER experience for the benefit of other rural development policies, and to identify and promote examples of best practice.

Chapter 1

Some reminders about LEADER and its evaluation

Some reminders about LEADER and its evaluation

1.1 Guidelines for evaluating LEADER: two different requirements

LEADER is a Community Initiative which aims at introducing and experimenting with a new approach to rural development. LEADER II has focused on the innovative nature of actions, their demonstration effect and transnational cooperation between LEADER beneficiaries (local action groups or LEADER II other collective bodies).

In the Notice to Member States (94/C 180/12), the European Commission, as promoter of the Initiative, outlined the general objectives, guidelines and requirements for assessing LEADER II, strengthening the importance of evaluation in relation to the previous Initiative.

The information to be provided by the LEADER beneficiaries and the regional or national authorities must comprise:

"Information for assessment purposes, permitting an initial analysis, specification of the changes expected, the extent of the innovation and the model function of the project. This information will serve as a reference point for assessment to analyse over the duration of each project the emergence of the innovation in question, its impact, its spontaneous spread and the conditions for any transfer." "The periodic assessment must also show the value added by the different categories of the programme in relation to other measures in the same area (including transnational cooperation projects)."

In order to achieve this objective, the LEADER II evaluators should "use specific parameters adapted to the programme's characteristics" (par. 19 of the Notice).

Furthermore, in the official document on the procedures for monitoring and assessing Structural Funds expenditure (STAR Doc. VI/3479/94REV3), two requirements are established for the evaluation:

1) the general guidelines and established procedures for the evaluation of other programmes are applicable to LEADER;
2) "as regards impact evaluation, it will be necessary to take account of LEADER's objectives as well as certain unique aspects: its locally-based approach, the innovative measures, an evaluation of the nature and composition of the beneficiary group."

This quick review of official references on the evaluation of LEADER provides a first indication of what is expected: in fact, two different evaluation methods should be used.

> On the one hand the procedures identical to those of other EU programmes have to be followed. These are based on physical and financial indicators for evaluating progress, results and impact.
> On the other hand, to assess its different approach to rural development, LEADER's unique and distinctive aspects should also be evaluated.

Although the Initiative represents a very modest share of the Structural Funds, the evaluation work that actually needs to be done is in fact more complex than for other Community interventions. If the methodology for the first type of evaluation is fairly well established, a methodology for evaluating the unique aspects of LEADER has not yet been put forward. This Observatory document aims to contribute to and enrich the reflections of the Initiative's wide range of partners.

In this final stage of LEADER II, many local groups also wish to put in place an internal evaluation mechanism that enables them to draw lessons from the activities carried out and to prepare for the future. The systematic presentation of LEADER's specific features in this document may be of use to them.

1.2 An example to illustrate the importance of identifying the specific features of LEADER

A practical example may help to illustrate why evaluating LEADER is not a straightforward matter.

Let us consider a local group which has developed a series of actions on rural tourism.

The results of these actions have been new visitors to the area, additional income and diversified employment for the local population. New links with the external economy have been created, all of which have improved the competitiveness of the local area.

The indicators established “ex-ante” could for example aim to quantify:

> the number of renovated houses
> the number of persons trained in techniques of traditional construction
> the number of users of the collective recreation centre
> the number of new visitors to the area
> the new jobs and revenue generated
> the cost of these new jobs.

If one considers the statistics furnished by these indicators, some elements such as enhancing the value of local resources, the participation of local actors, or the linkage between actions will not be visible and their influence on the results will not be appreciated. These indicators will show some of the results and impact of the actions, which is of course important, but very little will be provided on the added value of the “LEADER approach” in relation to the other approaches.

Going back to our example, we will not know:

> that a preliminary information gathering exercise had involved more than 200 inhabitants;
> that the definition of the entire project was the subject of a numerous coordination meetings with all the interested parties;
> that the property holders had participated in the definition of the project and contributed private investment to its realisation;
> that the value of know-how based on techniques of local traditional construction has been enhanced;
> that a collective system of recreation for families with children had been organised thanks to a market study and experts, and is accessible to all permanent residents;
> that a new image for the area has been created and promoted.

How can one take account of the impact which these more qualitative factors can have, and which make the difference between LEADER and the other approaches to rural development, ie, its added value?

This is what is sought in the task identifying the specific features of LEADER.

Chapter 2

Identifying LEADER's specific features

Identifying LEADER's specific features

2.1 Definition of the specific features and their linkage with the programme and the factors of development

The specific features of LEADER are those unique aspects which have characterised the initiative since its launch in 1991, and have contributed to its innovative character and its success in very different types of rural areas. The Notice to Member States concerning LEADER II refers to most of them.

We have selected 7:

1. The area-based approach
2. The bottom-up approach
3. The local groups (horizontal partnerships)
4. The innovative character of actions
5. The linkage between actions, ie, the integrated and multi-sectoral approach
6. Networking, including transnational cooperation
7. Methods of management and financing

These 7 specific features should be considered as the core aspects of the Initiative. They were chosen by the working group as being key to the success of LEADER, and can be used by all stakeholders.

Each core feature will be defined and its role, as part of the evaluation exercise, explained in the next chapter. Figure 1 aims to clarify how the specific features influence the traditional, basic components of a project or programme evaluation.

Most LEADER groups and national and regional authorities may have already identified an evaluation method which links the stated objectives of the rural innovation programme with the actions being implemented, the progress towards expected results and the impact measured with appropriate indicators (financial, physical, performance and impact).

The LEADER initiative does not operate in a vacuum but is tightly linked with local factors of development which change from one area to the next. We have singled out three such factors: the rural context, the key local players and the institutional environment.

These factors are considered strategic in the LEADER initiative. The specific features link the rural innovation programme to these local development factors and therein modify the traditional approach to rural development.

In Figure 1, each specific feature is shown in relation to the objectives, actions, results and impact of a programme on the one hand, and in relation to the local development factors on the other. The diagram clearly shows that the specific features simultaneously influence the planning process and the local context:

> the area-based approach introduces a process based on the resources and particular needs of each area;

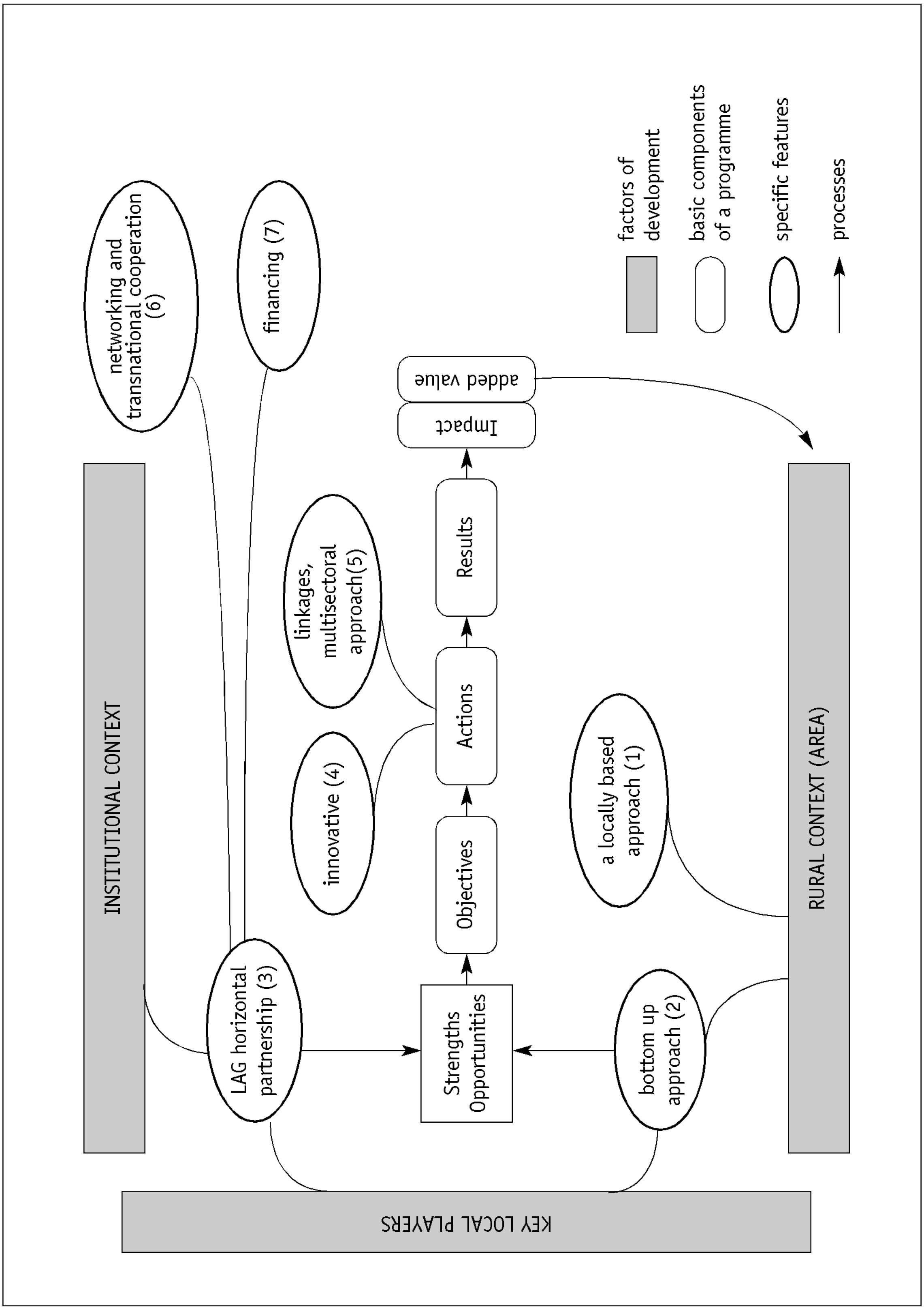
> the bottom-up approach enables key local players to be involved in a participatory way and takes account of the specific features of each area. This generates a new perception of the strengths and weaknesses, opportunities and threats, which will influence throughout the programme the definition of objectives, the realisation of actions, the expected results and the impact.

> the local group, which is organised in a horizontal partnership, brings together key local players as well as the local institutions;

> the innovative character of actions, the linkage between them and the multi-sectoral approach all have an influence on the actions implemented as well as their expected results and impact;

> networking and transnational cooperation influence the relationships between the local level and the outside world (circulation of information and knowledge and joint projects). These mainly occur between local action groups from the same country or at European level, and may be forged directly or through the established national or European networks. They also help strengthen linkages with regional and national authorities as well as the European Commission. Transnational cooperation is a more formalised and structured agreement than networking.

FIG. 1: THE LOCAL LEVEL – EXTERNAL INPUTS



- the financing arrangement ("Global Grant" or "Operational Programme", single tranche or multi-annual) influences the flexibility of the programme throughout its implementation and, in many cases, the nature of the projects that can be financed (inappropriate payment methods can for instance discourage the most fragile and sometimes the most innovative project leaders).

Figure 1 shows that each specific feature taken individually will influence one aspect of the local context or programme in particular. For example, innovation mainly concerns the actions and their results; the area-based approach influences the initial definition of the area and consequently all subsequent processes.

The specific features may also be examined together. This would allow their added value to be assessed as an additional impact which would not have existed had a more conventional approach been used.

2.2 The information needs of the different levels (from the local to the European). Are they different in respect of the specific features?

Figure 1 identifies the 7 specific features and their linkages with the components of a programme and the local development factors. This could represent the stakeholder's information needs in an evaluation.

Some specific features should be approached from different perspectives (regional, national or European). Funding and networking (including transnational cooperation assistance and finance) in particular are largely the responsibility of the regional, national and European levels.

The diagram in Figure 2 shows how the specific features implemented at the regional, national or European level act:

- the funding and delivery method of the LEADER programmes (multi-annual funding, operational programmes or global grants, etc) carry a number of particular features:
- co-financing, bringing together local private and public contributions with external financial support (European Union, regional and/or national authorities);
- a budget is allocated to each group on the basis of the rural innovation programme approved by the regional or national authorities;
- some flexibility enables the budget to be adapted to changes which may arise during implementation.
- regional or national networking enables direct relations between groups to be forged as well as structured links through the established networks (at national level, generally with the support of the national network coordinating unit). Networking will also facilitate direct relations between local groups and the regional/national level and affect the type of information and services offered by the public administration or by other national/regional players.
- networking activities may involve direct relations between groups or by means of the European rural development network – supported by the Commission in the form of the LEADER European Observatory and providing a broader and richer framework of references for exchanging experience;
- transnational cooperation refers to specific joint projects between several LEADER groups at the European level. It influences the groups' actions because it provides a framework for the transfer of experience and for achieving a critical mass formerly unavailable in rural areas.

The evaluation focus from the national/regional or European perspective is likely to be slightly different from the local level. At these levels it is necessary to evaluate:

> the effectiveness and efficiency[6] of the specific features for which these levels are responsible (financing, networking, transnational cooperation) in relation to other policies where these aspects are not present;
> the functioning of the “rules of the game” (guidelines and procedures) established at these levels;
> the reasons explaining the differences observed between the performance, the results and the impact of the groups at local level;
> the suitability of LEADER as a model and its transferability to other regional, national or European policies. The evaluation will take account of the added value brought by the package of specific features and each individual feature.

To meet these needs, the information about the performance of individual programmes must be given in such a way that it allows for the aggregation of data from the local level upwards (a bottom-up procedure), a comparison between groups and the recognition of models of best practice.

Table 1 summarises the specific features that each stakeholder should evaluate and suggests a focus for the evaluation. Several methods which may be used to evaluate the specific features are also proposed. However, it is clear that work needs to be done at the methodological level to organise the circulation of information between different levels as well as to have efficient analytical tools.

[6] Effectiveness: *the fact that the objectives have been reached.* Efficiency: *the fact that the objectives have been obtained at a reasonable cost.*

FIG. 2: THE NATIONAL/REGIONAL LEVEL – THE EUROPEAN LEVEL

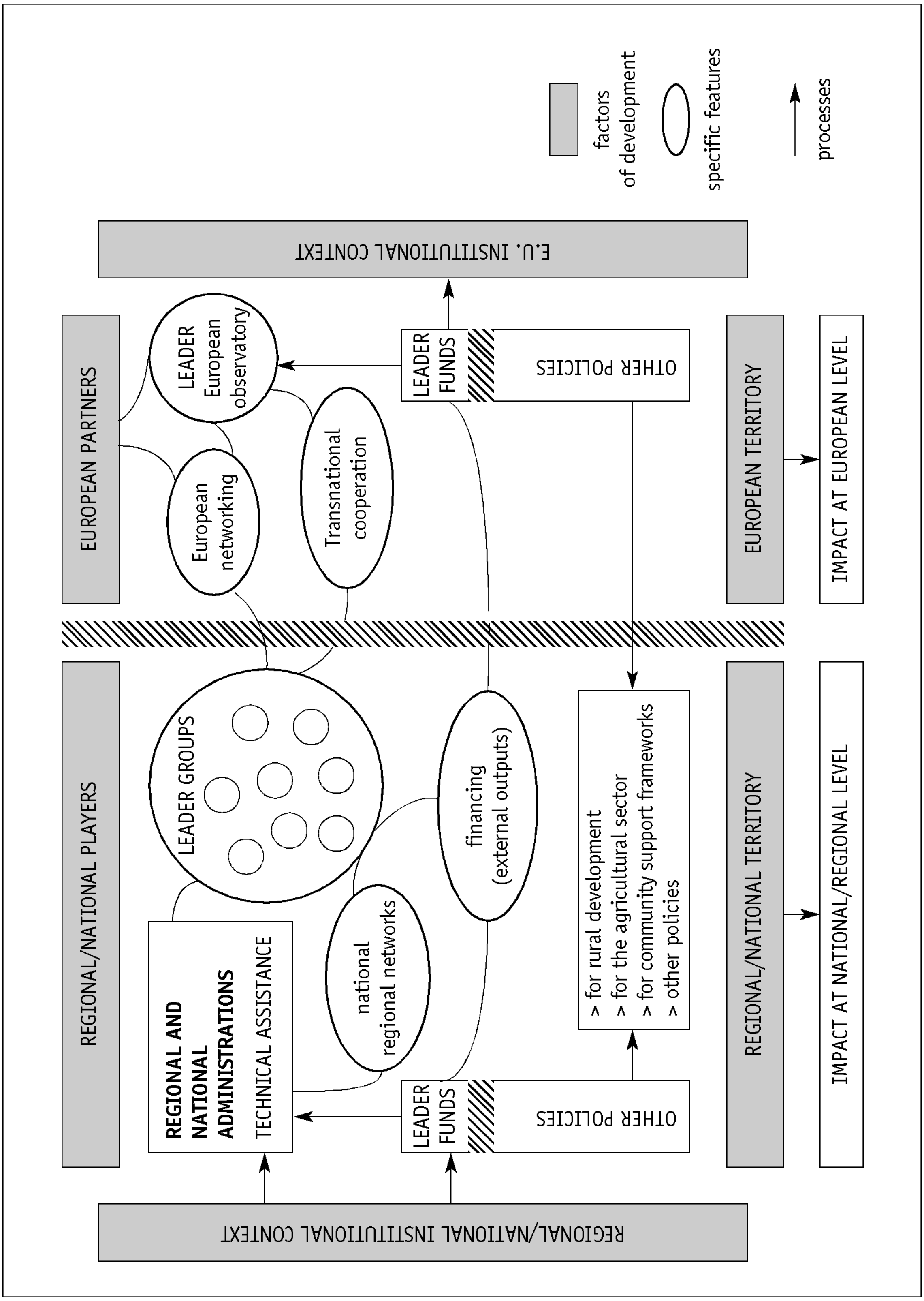


TABLE 1: THE INFORMATION NEEDS OF DIFFERENT STAKEHOLDERS

The stakeholders	The relevant specific features	The possible focus of the evaluation	Suggested methods
the local level	> the area-based approach > the bottom-up approach > local groups > innovative actions > linkages between actions > networking and transnational cooperation > methods of management and financing	How have the specific features affected: a)the planning process? b)the factors that influence the local context? What has been the added value in terms of results and impact? How have management and financing methods and networking influenced the results at local level? What are the lessons for future actions?	Internal (self) evaluation conducted with the help of an external evaluator Ad hoc surveys of project leaders or certain categories of the population
the national/ regional level	> management and financing methods > national and regional networking	How have the guidelines and the procedures influenced the implementation of the specific features? What models and which best practices have emerged? What have been the negative aspects? How have the management and financing methods and networking influenced the results at local level? What are the lessons for regional and/or national rural and agricultural policies, and the future of LEADER? Suitability of LEADER as a model, its transferability, benchmarking, mainstreaming?	Internal evaluation of results/impact External evaluation of data received from local level Aggregation and comparison of data by relevant typologies, eg, area, partnership, sector Ad hoc surveys on specific themes or target groups
the European level	> management and financing methods > European networking Transnational cooperation	How have the guidelines and delivery methods influenced the implementation of the specific features? Which regional and national characteristics emerge? How have the management and financing methods and networking influenced the results at local level? What are the lessons for other rural and agricultural policies, and the future of LEADER?	Internal evaluation of results/impact External evaluation of data supplied by the national/ regional level Aggregation and comparison of data by relevant typologies, eg, area, partnership, sectoral action Ad hoc surveys on specific themes or target groups

Chapter 3

Questions and evaluation issues for each specific feature

Questions and evaluation issues for each specific feature

In this chapter, each specific feature will be analysed following a standard procedure:

> a proposed **definition** in order to have a common reference;
> an outline of the **motivation for its introduction** in LEADER in order to clarify the objectives of its presence in a rural development programme; in this way we have the terms of reference for evaluating the results and the impact;
> a proposal related to the **main questions** which will be used to evaluate each specific feature:
  > a short description of the initial situation to show the context;
  > the description of the processes that were activated by its implementation;
  > the results and impact, and the lessons learned.

To render the methodology more accessible, only those questions which are common to all stakeholders are put forward here; other questions may naturally be developed by those who wish to deepen one or other particular point.

The set of questions put forward in this chapter are mainly relevant at the **local level**, which is the first "building block" of the evaluation. The other levels will be studied in the following chapter.

In placing these questions, particular attention should be given to the choice of the respondent interviewed, with preference for the persons in charge of the local group. If other resources are available, complementary enquiries may be carried out among selected types of project leaders[7]. The results of these enquiries will be useful for answering the suggested questions. General briefing sessions for the groups are highly recommended to improve understanding of the questions asked and the expected answers.

3.1 The area-based approach

3.1.1 Definition

The area-based approach consists in defining a development policy starting from the current situation, strengths and weaknesses particular to an area. Under LEADER, this area is a **rural territorial unit** that has a certain homogeneity, is characterised by an internal social cohesion, shares a common history and tradition, and experiences a common feeling of identity. Its size can vary significantly according to context (for example, between low and high density areas) and the strategy adopted for development. The delineated area need not coincide with an existing administrative unit. The LEADER area has been indicatively defined in the Notice to Member States as an area of less than 100 000 inhabitants.

3.1.2 Motivation and expected results

The rationale behind the area-based approach is linked to the new importance given to the role of **endogenous resources** (rather than exogenous resources) in the promotion of sustainable development. Rural areas are different from each other: every area has its own unique and typical mix of resources which may be more effectively utilised by local players and institutions. These are best placed to know the strengths and weaknesses of the area and to have an overview of its potential. Endogenous resources may be physical, environmental, cultural, human, economic and financial, institutional and administrative. The design of development policies at the local level may turn out to be more effective and manageable as it allows for the mobilisation of these resources.

[7] Project leader: *Person or organisation (public or private) seeking and eventually obtaining assistance for a given project.*

The area-based approach:

> adds value and mobilises previously underestimated endogenous or typical resources;
> offers better perspectives for sustainable development than policies which apply undifferentiated measures to all disadvantaged rural areas;
> gives an overview of the area.

3.1.3 Main questions

a) the initial situation

> Explain how the LEADER area was initially defined (criteria used, arguments for enlarging or reducing it, consideration given to the existence of endogenous resources in its delineation, correspondence or not with an administrative unit).

> Evaluate the appropriateness of such delineation, size, social cohesion and cultural identity, critical mass of activities, rural character).

> *Was the initial delineation of the area appropriate? Why?*

b) the processes

> *Did the area-based approach give a new or more effective added value to previously underestimated endogenous resources? Which ones?*

c) the results and impact

The key issue here is to evaluate the potential of the area, and the strengths and weaknesses of the local resources which should have been identified in the initial area analysis. The concept of “critical mass” is useful: it refers to the capacity of the LEADER area to generate a development process that mobilises its own resources. However, what was considered a critical factor for development at one time may not necessarily remain so and vice-versa.

> *Did the area succeed in generating a development based on its own resources?*

> *Were the rural innovation programme and the expected actions relevant for the area?*

> *Did the programme provide an overview?*

> *Did the actions increase the sense of belonging to the area and identity of the population? Was the feeling of collective responsibility vis-à-vis the area reinforced?*

d) the lessons

> *Should the area's delineation be modified? Why?*

3.2 The bottom-up approach

3.2.1 Definition

The bottom-up approach aims to encourage **participatory decision-making** at the local level for all those concerned with development policies. The involvement of local players is sought and includes the population at large, economic and social interest groups, and representative public and private institutions.

Capacity building is a strategic component of the bottom-up approach:

> awareness raising, training, participation and mobilisation of the local population to identify the strengths and weakness of the area (analysis),
> the participation of different interest groups in the strategic choices of the rural innovation programme,
> transparent criteria for selecting the actions implemented.

Participation may take place at different stages of the programme (prior to the plan, during implementation, after its conclusions); it can be assured through direct participation or through the medium of representatives of collective interests.

To be effective, the bottom-up approach must be applied to a relatively small area, in which the inhabitants know each other, can meet easily and have the occasion to take part in decision-making. The bottom-up approach is therefore interrelated with the area-based approach.

3.2.2 Motivation and expected results

The bottom-up approach is an alternative to the traditional forms of policy making, which is more often than not top-down. It is a method for identifying desirable policy measures through the consultation of relevant interest groups at the local level.

If it is assumed that rural areas have a different set of resources and have different problems to resolve; measures adapted to each case are required. Centralised decision-making becomes inappropriate or insufficient as it cannot be adapted to take into account the particularities of each area. Local participatory decision-making becomes therefore a strategic tool for acknowledging the different policy needs of rural areas. If this approach enables new ideas to be revealed then it should be applied at the analysis stage when the rural innovation programme is being designed.

A second assumption is that participatory decision-making can ensure, insofar as it functions efficiently, a wide and fair representation of all groups of interest, thus creating an occasion for building up a consensus, dealing with conflicts and fostering interrelationships between sectors and groups.

Adopting the bottom up approach implies empowerment at the local level in relation to the other levels of governance. It can bring about an increased effectiveness and flexibility in rural development, decentralisation and a higher degree of consensus at the local level.

3.2.3 Main questions

a) the initial situation:

> Explain whether participatory decision-making has been used, how it was implemented, the role of animation activities and who was involved, and the presence or absence of previous experience.

> If no form of animation or participatory decision-making has been used explain why and how this influenced the plan and its results; in this case, please ignore the questions that follow.

b) the processes

> *Who took part in the democratic consultation process to build the initial consensus for the rural innovation programme and how? Who was excluded and why?* (Actions involving animation, awareness raising and mobilisation of the population, formal consultation of representatives of social organisations and economic interests).

> *Who participated in and who was excluded from the decision-making process? How? Why?* (Consider the influence of public and private interests, particular sectors and groups, independently of their membership in the local group).

> *Has the bottom-up approach been used consistently throughout the programme*? (in the preliminary phase, in the identification of strategies and actions, and in the implementation).

> *How were participation and animation activities organised?* (Role of 'animators' (facilitators) and external experts, and technical assistance).

c) the results and impact

> *In what way has the bottom-up approach influenced:*
> > *the perception of local problems and local needs,*
> > *the choice of new objectives, strategies and actions,*
> > *wider representation of local players in policymak - ing?*

> *In what way has the bottom-up approach practically contributed to the development of the area? (Impact)*

> *Has the level of decision-making been strengthened in relation to other levels? Has participation encouraged:*
> > *the development of a consensus for local action,*
> > *the establishment of negotiating practices,*
> > *economic and social cooperation,*
> > *an enhanced capacity to integrate the local popula - tion in the new forms of organisation within the area?*

> *What additional contribution has the bottom-up approach made in relation to the top-down approach? Has it been extended to programmes other than LEADER? To other areas? (demonstration effect)*

d) the lessons

> *What lessons should be retained to consolidate the approach? Are there any negative or undesirable effects? How could the approach be improved? Which models of good practice should be retained?*

3.3 The local group

3.3.1 Definition

Under LEADER II, the “local action group” (LAG) is a combination of public and private partners who devise a common strategy and innovative actions for the development of a rural area. These partners should represent leading figures in the economic and social life of the area, and the various sectors and associations concerned with the environment, culture and social integration.

The “other collective bodies” are more thematic in their orientation but they must also have an integrated strategy, around their theme of intervention, for the rural development of an area.

These local groups may have been set up ad-hoc or may have existed already. They generally decide the direction and content of the rural innovation programme; they make decisions on the different actions to be financed; in certain cases, they directly implement these decisions; in others, the actual payments are made by an organisation charged with managing subsidies from public funds.

The LAG, which is neither a public nor private sector body, is one of the most original and strategic specific features introduced by the LEADER Initiative. Endowed with decision-making power and a relatively important budget, the LAG usually represents a new form of organisation which can significantly influence the institutional and political balance of the area.

3.3.2 Motivation and expected results

The main reason for delegating the management of LEADER to the local groups is based on the expectation that they would be more effective in stimulating local initiative than existing administrations and agencies. In many cases, a long history of sectoral and top-down policies has led to a lack of organisation and dynamism in rural areas.

A local action group is expected to:
> draw together the “living strengths” of an area around a joint project;
> have decision-making autonomy and a capacity to take a fresh look at local resources;
> link the different measures;
> be flexible in their management;
> be capable of seizing the opportunities offered by the local mix of resources;
> be more susceptible to innovative ideas;
> be able to integrate and deal with separate sectoral approaches.

A second type of motivation is that the constitution of groups, especially where the local level of the public administration is not very well structured, should reinforce decentralisation to subregional level and increase the degree of subsidiarity. A wide representation of all local interest groups within the LAG is requisite in order to ensure a holistic and multi-sectoral perspective on the one hand and the diversification of the rural economy on the other.

3.3.3 Main questions and issues:

a) the initial situation:

> *Did the local group exist before LEADER?*
If yes,
> *What was its mission?*
> *Was it related to rural development?*
> *Has it been adapted or modified?*

If no,
> *Which procedure was followed for constituting the LAG? (choice of partners, sectors or groups included or excluded);*
> *Have there been any big changes to the membership?*
> *Did the LAG employ its own staff and/or share its personnel with other agencies or administrations?*
> *What legal status did the LAG choose?*

b) the processes

> *Was there a real degree of autonomy in the decision-making capacity of the LAG? Did it acquire legitimacy and recognition through its operations? How?*

> *Did the LAG have adequate representation of all local interests? (any predominant interest: public, private, political, sectoral, individual?)*

> *Did the constitution of a local action group influence the recognition of needs and problems? Did this lead to the choice of different strategies and actions in relation to previous practice?*

> *Was the method of decision-making used appropriate? Was the staff sufficient, qualified and motivated?*

c) the results and impact

> In which way did the constitution and operation of the LAG:
  > influence other existing public institutions? (facilitation of inter-sectoral exchanges between agencies, political cohesion effect),
  > influence local players? (new organisations and relationships, strengthening of negotiating capacity in conflicting situations, redefinition of common interests and identity, cooperative and social cohesion effect)
  > stimulate new activities? (resource mobilisation effect)

> did the constitution of the LAG have an empowerment effect at the local level?

> has the LAG experience generated an imitation or a transfer of this model to other agencies or other programmes? (demonstration effect, model function)

> Have any negative effects been identified?

d) the lessons

> were periodic self-evaluations on the effectiveness of the LAG carried out? By the management board?

> what lessons may be drawn for consolidating the local action group in terms of effective management, the organisation of consensus and the mobilisation of resources (what has worked well and what should be avoided)? Should new partners join?

3.4 The innovative character of actions

One of the most important aims of LEADER II is "to stimulate innovative measures by those, whether public or private, engaged at local level in all sectors of rural activity, to make known the results of these experiments throughout the Community and to assist rural operators in different Member States who wish to profit from the lessons learnt elsewhere and to work jointly on some projects" (Notice to Member States, 1/7/94).

Innovation is therefore closely connected with transfer and networking. The emphasis, in relation to LEADER I, has shifted from the experimentation of an innovative approach to rural development, to the experimentation of actions of an innovative nature.

Innovation and the capacity to serve as a model are part of the eligibility criteria for actions in LEADER II. The 1/7/94 Notice to Member States stipulates that by promoting innovation and demonstration criteria, the Commission does not wish "to restrict the operational scope of the initiative to a few avant-garde operations of little potential use elsewhere, but wishes to ensure that the programmes financed contribute real added value in relation to other operations financed by the EU or other forms of assistance under the Community Support Frameworks".

Each local group may have a very high number of different actions (each measure containing several submeasures) and it would be extremely difficult to evaluate all of them. We propose that the group chooses three to five actions, which it considers the most innovative, and which comply with the innovation criteria in relation to the context or carry elements that could be transferred elsewhere.

3.4.1 Definition

Several meanings have been attributed to the innovative character that LEADER actions should have[8]. For example:

a) actions seeking to *add value to local resources* (typical of the specific rural context, including cultural and environmental aspects, tourism and local identity, raising the capacity of the local population to take initiatives);

b) actions which have *not been considered in other development policy measures* (distinct from measures supported by other EU programmes or national measures);

c) actions which have offered *new responses to the weaknesses and constraints (classical and new) of rural areas* (decline in agricultural employment and activity, departure of the most educated people, rise in youth unemployment and job insecurity, growing isolation as a result of the disappearance of certain business and private services, deterioration of the environment, etc);

d) actions which fall under the usual definition of innovation, especially technology and know how: *a new product, a new process, a new form of organisation or a new market;* this includes the application of new information and communication technologies in rural areas.

These criteria may be used to define and evaluate innovative actions, and account should be taken of the fact they may be complementary (adding value to a typical resource may refer to traditional know-how, for example a technique for producing cheese, which can be adapted, updated and marketed differently). The transfer of innovation should form part of the evaluation of this specific feature.

3.4.2 Motivation and expected results

The motivation for introducing the concept of innovation in LEADER is different for each of the four criteria indicated.

a) In the case of *adding value to local resources*, the reasons for considering this type of measure as innovative are twofold:
  > on the one hand, globalisation is viewed as an new external constraint which could marginalise further local, rural markets with undifferentiated products (loss of competitiveness);
  > on the other hand, the decline of the agricultural sector and its traditional support measures is creating an internal constraint on diversification.

[8] The LEADER European Observatory has produced several publications on this theme, especially the "Methodological guide for the analysis of innovative actions" and the dossier "Innovation and rural development".

Local resources are unique and typical to an area; they are linked to its environment, its history, its culture etc, and usually have a high quality content. They can therefore play a strategic role in rural development on two fronts:

> they are expected to be able to find niche markets enabling local products (produce, tourism) to be marketed at lucrative prices whilst remaining competitive with industrial products targeted at the global market;

> the diversification of the socio-economic fabric in rural areas offers an alternative to farming.

b) In the case of actions *not considered in other development policy measures*, the objective is to keep LEADER as a distinct approach which operates in those domains not covered by traditional policies, for example:

> LEADER can be complementary to other European and national programmes by establishing a "division of labour". For example, LEADER actions to animate and mobilise resources, whilst their physical realisation is financed by other (bigger) programmes;

> LEADER concentrates on immaterial investments leaving material investments to other measures[9];

> LEADER supports the sectors which did not receive any previous support from other rural programmes, such as culture, the natural environment, rehabilitation of architecture and small heritage buildings, rural tourism, organising production chains from the producer to the consumer, organising supply and demand, creating labels and catalytic themes, etc.

c) In the case of actions considered innovative because they provide new responses to the new or traditional problems of rural areas, the aim is to stimulate initiatives at the local level in order to find alternative solutions which are sustainable over time. Although they are partly based on financial transfers and grants as in the past, they are able to take advantage of the new opportunities and attractiveness of rural areas. Thus they can identify new ways of providing services and income to low density areas.

d) In the case of actions which are classically linked to technological innovation, the objective is not so much to produce "radical" innovations but on the contrary to produce "incremental" innovations (based on imitation or adaptation)[10] which create new combinations of know how between local traditional knowledge and widely available technologies (industrial, information and communication technologies). These create new products, new processes, new forms of organisation or new markets.

The transfer of these innovations is expected to be facilitated through networking and/or transnational cooperation (see below) between rural areas.

3.4.3 Main questions

a) the initial situation

> describe what the local action group has considered as an innovative action and how this was translated in the selection procedures used by the LAG;

> select 3 to 5 examples of the most innovative actions and classify them under one or more of the 4 abovementioned criteria for defining innovation. Do these actions reflect the overall strategy of the LAG.

[9] This is especially true in the Objective 5b areas where immaterial investments inject new dynamism. In the Objective 1 areas, by contrast, LEADER tends to support actions which relaunch economic activities necessitating material investments but which have a collective dimension.

[10] These three types of innovation (radical, imitation and adaptation) correspond to three types of approaches or phases in the combination of local know-how and widespread technologies. Innovation by imitation introduces new technologies by imitating a product or an organisation set up elsewhere but using endogenous resources; innovation by adaptation corresponds to a higher phase beyond imitation in which new technologies are adapted and modified to local know; radical innovation involves an in-depth modification which temporarily creates a monopoly for the innovator.

b) the processes

> *How did the search for innovative projects influence the planning and implementation process? Were there any eligibility problems for the innovative actions?*

> *Which methods were followed to identify and implement innovative actions? What were the key elements (relations with other groups, experts, universities, etc, either local or not?)*

> *Could the actions considered as most innovative be realised with other measures available locally? Were they linked or complementary in any way with other national or regional programmes? In what way?*

> *Were there any regulatory hindrances to innovation or procedures not adapted to innovation needs?*

c) the results and impact

> *Did any innovative action linked to adding value to local resources improve the opportunities of the rural area on external markets or strengthen the diversification of the local economy? How was this achieved? (resource mobilisation effect)*

> *What have been the advantages and disadvantages of any linkages or complementarities between LEADER and other national or European programmes?*

> *Which typical rural problems, defined in the business plan, did innovative actions provide a new solution for? How was this achieved? (social, political, economic cohesion effect)*

> *Did any of the innovative actions result in a new product, a new process, a new form of organisation or a new market? How was this achieved?*

> *Have any innovative actions already been transferred to or taken/adapted by other groups or public authorities? (transferability and demonstration effect, model function), How was this achieved?*

> *Have there been any spin-offs or multiplier effects (intended or unintended) which resulted from one or more innovative actions? (generating effect)*

d) the lessons

> *What lessons should be drawn for future actions to facilitate the emergence of innovation?*

3.5 The actions: linkages and multi-sectoral character

Linkages between actions and the multi-sectoral approach are different features of LEADER actions.

3.5.1 Definition

The **linkage between actions** – contained in the acronym of the LEADER Initiative “Links between Actions for the Development of the Rural Economy” – explicitly states that actions and projects within the business plan should not be individual and separated measures (for example training courses on the one hand and grants for establishing farm accommodation on the other) but should be co-ordinated and well integrated in a coherent whole. Integration may refer to actions within the same sector or in different sectors, to all actions in the programme or to groups of them (measures).

Among the most important forms of linkages is the “chain of production” type of linkage, which covers the production process from the very beginning (necessary inputs, raw products) to the intermediate phases of processing right through to the end (distribution and marketing). For each of these phases, efforts are made to create as many links as possible with existing activities or those likely to be set up in the area. This can address all the problems and the bottlenecks which could be strategic for the area.

A more complicated form is the **inter-sectoral linkages** that may be established between actions. This involves adopting a comprehensive overview of intervention, involving all the relevant sectors in the area (economic, social, cultural and environmental) and endeavouring to have as many multi-sectoral actions as possible.

3.5.2 Motivation and expected results

The main objective for emphasising different forms of *integration between actions* and their *multi-sectoral character* is to reorganise and co-ordinate the different sectoral approaches, predominant in rural development policies, into a coherent set of policy measures to ensure they are neither implemented independently nor in opposition to one another.

The holistic, integrated approach to planning:
> creates or exploits existing synergies among different sectors;
> increases the overall effectiveness of the programme and the sustainability of individual actions;
> encourages the *diversification of the rural economy*, creating an alternative to the declining agricultural sector and strengthening its capacity to respond to sectoral crises.

3.5.3 Main questions:

a) the initial situation

Describe the type of linkages between actions that were considered in the business plan and their multi-sectoral character. In what way were these linkages established or secured (animation, preliminary negotiations among interest groups, selection of projects, etc)?

b) The processes

> *In what way was the co-ordination of other pre-existing sectoral interventions improved through LEADER actions? Were there any difficulties and obstacles? Were they overcome? How?*

> *Which synergies were created or enhanced between different sectors? How was this achieved?*

> *Which forms of integration and linkages prevailed? How?*
  > *the creation of production chains within the area?*
  > *the organisation of supply and demand?*
  > *the creation of simple linkages, such as ad hoc training for a specific action?*
  > *the diversification of agriculture in related activities (tourism, environment etc)?*
  > *the creation of products and services involving a range of public and private figures and/or different sectors of activity?*

c) the results and impact

> *What influence did the various forms of integration implemented have on the result and impact of the actions?*

> *What effect did co-ordinating different sectoral measures have on local players, existing institutions and the rural context?*

> *What were the advantages for the local economy and community of creating or adding value to potential synergies between sectors? Which groups and sectors benefited most from this?*

> *Did integration and the multi-sectoral aspect facilitate the diversification of the area or the specialisation of some sectors?*

d) the lessons

> *what lessons should be drawn for future actions to facilitate the integration of actions and their multi-sectoral approach?*

3.6 Networking and Transnational Cooperation

3.6.1 Definition

Networking and transnational cooperation provide the framework for the circulation of information and exchange of experiences among those involved in rural development actions. Hence, they contribute to the transfer and dissemination of experiences. The participants are not only the LAGs but include the public authorities and their decentralised services, local collective bodies, social and economic partners and associations. National and regional authorities are also involved in networking but not directly by transnational cooperation (except from a funding perspective, see below).

LEADER II has set up many ways of networking and exchanging:

> The LEADER Observatory facilitates exchange of experience at European level, gathers and disseminates information on innovative models and practices and provides technical assistance designed to help different rural areas set up transnational cooperation projects;

> National coordination units have also been set up in eleven of the EU countries. They have an organisational and information function for national LEADER groups, and provide technical assistance and support for the implementation of LEADER.

> Transnational cooperation is a more formalised agreement than networking and takes place between LAGs from several Member States. Three types of projects are included: the transfer of knowledge, the search for complementarities and the joint-production of goods and services, and exchanges.

Furthermore, national associations of groups and/or regional networks have been set up in a large number of Member States, at the initiative of the local groups, in order to strengthen inter-group cooperation;

3.6.2 Motivation and expected results

Networking has been established as a requirement for all direct LEADER beneficiaries. They have a series of obligations, in particular to provide information on the actions carried out.

By facilitating the exchange and circulation of information about rural development policies and the dissemination and transfer of innovation, networking aims to:

> reduce isolation and increase the information and references used by LAGs, thereby improving their decision-making capacity and the effectiveness of rural development actions;

> compile a database of information and analyses on innovative actions and practices in order to promote the transfer of know-how and best practices between rural areas.

In the case of transnational cooperation the motivation is more ambitious. This may be to achieve a “critical mass” of products or services (for example through joint production or marketing agreements) and to bring partners together in order to achieve a stronger bargaining power on the markets or in sectors.

3.6.3 Main questions:

a) the initial situation

> describe the type of external contacts and exchanges established and their purpose (exchange of information; methods; approaches to specific actions/projects, persons, products, services; involvement in regional, national or European associations). Which persons and organisations were involved in the exchanges (other LAGs, associations of LAGs, experts and practitioners, elected persons, university and research centres, specialised technological agencies, others)? Which type of network was used (European, national, regional, informal, other)?

> Describe the transnational cooperation project set up by the LAG? What were its objectives and who was involved (the LAG itself, other local players, individual or collective businesses)? When were they defined (as the action plan was drawn up or on the basis of new needs identified as it got underway)?

b) the processes

> *How was the need to network or get involved in transnational cooperation identified? At what stage in the implementation of the programme. Who took the initiative?*

> *How were contacts initiated and developed? Which channels were used? (visits, seminar participation, publications, telephone, e-mail, experts, intermediary institutions or agencies, etc)? What strategy was followed to choose the contact? (similarity of needs, proximity, complementarity, etc)? How did the contacts evolve during the programme?*

> *Was technical assistance (networking, partner search, transnational cooperation) useful and relevant to the group needs? At what level was it the most efficient (regional, national or European)? Which complementarities were established between networks?*

> *Were the model actions acquired through networking easy to transfer and adapt to local circumstances or did they require adaptation? Did this hinder the transfer of practices or model actions?*

> *How did the transnational cooperation projects overcome the difficulties specific to this type of project (definition of joint objectives, communication between partners, cultural and language differences)? Did the slowness of developing these project negatively affect local mobilisation?*

c) the results and impact

> *Was networking influential for identifying innovative actions and methods, for expanding local references and know-how, and for local capacity building?*

> *Did it help to create a system of external contacts which reduced the isolation of the area and created new opportunities for durable exchanges? How was this achieved?*

> *Did transnational cooperation contribute to reaching a critical mass (of references, products, services to be marketed) otherwise insufficient at local level? Did this enable local projects to be carried out which would not have been possible otherwise? Why?*

d) the lessons

> *Which lessons should be drawn to improve networking and facilitate transnational cooperation in the future?*

3.7 Methods of management and financing

The decentralisation of LEADER's management to Member States between LEADER I and LEADER II (LEADER II is delivered through national and regional programmes) has in many cases altered the degree of financial autonomy of the LAGs. This degree of autonomy varies considerably from one Member State to the next, even between regions from the same country. Administrative traditions specific to each country, the form of intervention chosen by the Member State and approved by the European Commission (Operational Programme or Global Grant), the size of the financial envelope (amounts above 40 million euro are paid in annual instalments), the methods of public co-funding, and the type of LAG (public, private, mixed) are all factors which have determined the financial management principles of LEADER.

Whatever the method of financial management, financing may be considered as a LEADER specific feature because in many cases, it is the groups which:
> define their budget on the basis of the actions planned in their rural innovation programme;
> allocate their resources to different measures;
> approve actions as they are submitted by the project leaders;
> modify and adjust these allocations during implementation if necessary;
> are accountable for their decisions.

Such financial decision-making by a group, which is not always identifiable with the public authority, empowers the group and remains a specific and unique aspect of LEADER. This is one of the conditions of the bottom-up and area-based approach principles and is required to respect the objectives sought by creating the LAG.

LEADER's particular management methods have in all cases strongly influenced the programme's delivery and flexibility. This element must, therefore, be taken into account to evaluate the Initiative.

3.7.1 Definition

The main stakeholders place a financial envelope at the disposal of the LEADER group to deliver an integrated programme in the area. The contract, which links the LEADER group to those in charge of the national or regional programme, has at least the following:
> a provisional programme which provides the reference framework for all financial decision-making of the local group,
> the financing plan by year, measure and fund,
> the procedures for selecting project leaders.

But no matter what the degree of autonomy held by the local group, the delegation of management to groups is only partial. The authorities in charge of LEADER are responsible for public financing (European, national and regional).

3.7.2 Motivation and expected results

Delegating part of the decision-making and management of funds to the groups is designed to:
> give them responsibility for allocating money to measures in accordance with local needs,
> decentralise decision-making and management,
> provide financial autonomy to enable the plan to be adjusted to changing needs when it is underway,
> give them leverage for negotiations between local players and sectors.

3.7.3 Main questions:

a) the initial situation

> Describe the guidelines and procedures for financing LEADER:

> *what is the division of labour established between the national/regional authorities and the LAG?*
> *what channel is used to distribute funds to the project leaders?*
> *what degree of autonomy does the local group have?*

b) the processes

> *Availability of funding:*
  > *did financial allocations arrive regularly and when they were due, for both LAGs and project holders?*
  > *did any significant delays slow down the delivery of the programme? What were they due to (administrative delays, differences in the rate of progress of the region's different groups, financial management methods in place, lack of complementarity with other programmes, etc)?*
  > *did any funding partner make (an) advanced payment(s) due to delays in the transfer of funds? Which?*

> *Changes to the sums allocated to the measures during their implementation.*
  > *were the initial financial allocations for actions/projects changed significantly? What was the reason? How did this affect the realisation of actions?*
  > *if financial management was delegated to a public agency, did its presence influence the decision-making capacity of the group?*

c) the results and impact

> *did delays in the availability of funding influence the results and impact of actions? How?*

> *did changes to the allocation of funding in the budget (flexibility) help to correct initial mistakes or better respond to local needs? At what stage were the changes made, which procedure was used and what was the objective?*

> *did this capacity to adjust provide leverage for the LAG to negotiate with different sectors and local partners?*

> *were any particular financial decisions made (choice of small or large projects, guarantees, bank arrangements, etc)? Which? What were their results?*

d) the lessons

> *What lessons can be drawn to improve financial management in the futures?*

Chapter 4

Information needs at the national/regional and European level

Information needs at the national/regional and European level

Table 1 in Chapter 2 gave a brief introduction to the evaluation needs of the national/regional and European levels. This last chapter aims to draw out some questions which these levels can put to themselves to enable them to meet these needs. The answers may come from the findings of a local level, voluntary self-evaluation exercise as they may come from information supplied by the regulatory follow-up and evaluation. The results of these two approaches, one more qualitative and the other more quantitative, should ideally be compared in order to enhance the interrelations between the LEADER method and the results obtained.

Evaluation at the regional/national and European levels have similar objectives; only the area level changes as does the respective weight of the specific features for which these levels are directly responsible. In a bid to simplify, the questions contained in this chapter are addressed at the regional/national level only.

At this level, the objectives of the evaluation may be classified into three categories:

a) An assessment of the effectiveness and efficiency of the different institutional levels in the establishment of delivery guidelines and procedures (referred to as the "rules of the game" throughout this chapter) to enhance LEADER's specific features (technical assistance, animation, making information and know-how available, administrative advice, definition of appropriate monitoring methods, etc).

   The questions put forward below aim to evaluate to what extent certain "rules of the game" established at the national/regional level to deliver LEADER, have restricted, extended or guided the groups' interpretation of LEADER's specific features. Did they influence the way in which the groups understood and implemented their mission? The ex-post evaluation of LEADER I has in fact shown that the guidelines and procedures produced by national/regional authorities have played a role in "filtering" the information contained in the Notice to Member States on LEADER I.

b) Identifying models and best practice by comparing different approaches and by looking for ways to explain the differences in the performances of the groups.

   This exercise is fundamental to the definition of a future development policy for rural areas.

c) Evaluating the effectiveness and efficiency of the different institutional levels in making external resources available to the local groups:
   > In terms of financing, the regional/national level is an obligatory channel for the management of European funds. In many case, this level also takes part in co-funding local programmes.
   > Networking activities fall upon the national and or regional networks, which are organised and co-funded by the regional/national authorities. Their functions are complementary to those of the LEADER Observatory at European level. Transnational cooperation can sometimes be facilitated by support at regional level.

As these two specific features depend on the regional/national and European stakeholders, the way in which they are handled should also be evaluated. The decisions and actions taken at these levels can significantly influence the capacity of local groups to implement their actions or obtain the results expected from the presence of the specific features (this is one of the main conclusions of the LEADER I ex-post evaluation).

4.1 The area-based approach

a) Defining the "rules of the game"

What principles have been established to define the areas?

Has this led to conflicts or exclusions?

What was the outcome of these negotiations?

b) Identifying best practice

> Compare the methods for delineating areas, explain the differences and those areas where the approach worked best.

> Has it:
  > mobilised undervalued endogenous resource?
  > provided a comprehensive overview of the area?
  > led to a more sustainable form of development?

4.2 The bottom-up approach

a) Defining the "rules of the game"

Has the administration been favourable to the bottom-up approach?

Did the administration already have animators and former experience?

Were technical assistance and guidelines foreseen?

b) Identifying best practice

> Identify models and best practices of animation and participatory decision-making, explain the differences in performance.

> Did participatory decision-making:
  > help new ideas about actions to emerge and allow new interest groups to be involved?
  > increase consensus?
  > empower the sub-regional level of governance?

> Is this desirable at regional/national level?

4.3 The local groups

a) Defining the "rules of the game"

Were guidelines given in respect of:
> the composition of the group?
> management methods?
> the role of the public sector?

b) Identifying best practice

> Compare and identify models and best practices; explain the differences in the composition of groups and their performances

> Assess the effectiveness of the groups in stimulating local initiative. Did their presence:
  > have an empowering effect on the sub-regional level of governance?
  > ensure a wide representation of local interests?
  > lead to the diversification of the rural economy?

4.4 The innovative character of actions

a) Defining the "rules of the game"

Did the administration provide guidelines on:
> defining innovation?
> the methods for identifying innovative actions?
> the type of actions to be favoured?
> distinguishing between innovative actions and innovative methods?
> the procedures for selecting innovation?

b) Identifying best practice

> Compare and identify models and best practices; identify the types of innovation implemented (see the four criteria in section 3.4.); explain the differences; which sectors, areas and individuals generate the most interesting innovations?

> Have they contributed to:
  > new market opportunities?
  > a diversification of the rural economy?
  > constructive linkages with other programmes?
  > new opportunities arising from the attractiveness of the area?
  > new services for the most sparsely populated areas?

> Did this mainly involve adaptive innovation? Were transfers and model functions used?

4.5 The actions: linkages and multi-sectoral character

a) Defining the “rules of the game”

What guidelines were given?

Was there any previous experience?

Which linkages were the most significant (within and between sectors, or multi-sectoral)

b) Identifying best practice

> Compare and identify models and best practice; identify the types of integration and explain the differences.

> Did they:
  > coordinate the sectoral approach?
  > exploit inter-sectoral synergies?
  > accelerate diversification?

4.6 Networking and transnational cooperation

a) Making external resources available

Initial situation:
Describe how the regional/national network was organised:
> definition of its functions,
> choice of body in charge,
> main activities, staff and costs

What guidelines were given on transnational cooperation?

Which method of Measure C financial management was chosen (pre-allocation of funding or call for proposals in the course of implementing the programme)

Was technical assistance for transnational cooperation foreseen? If yes, describe this?

Process:
How were information circulation and networking organised?

How were needs defined and satisfied?

How was the transfer of innovative actions managed?

Was the technical assistance for transnational cooperation provided by the Observatory:
> positive, by enabling groups to define useful projects for their area?
> negative, by distracting the groups' manager from local work?

How was the selection for financing Measure C projects organised. According to which criteria?

Was the division of funds between Measures B and C altered during the programme? If yes, why?

Results and impact:
Did networking and transnational cooperation:
> help reduce the isolation of groups?
> provide the information needed by the groups?
> facilitate exchanges between groups and the transfer of experience?
> enable actions to be undertaken that could not have been done so by one group only?

Lessons:
What lessons should be drawn for future actions?

b) Identifying best practice

> Compare the models and best practices of groups using networking and transnational cooperation

> Identify the perceived differences in the relevance of the services offered by the bodies in charge of the network

> Did networking and transnational cooperation:
  > reduce isolation?
  > improve access to information?
  > promote transfers?
  > structure the demand and supply of products and services?
  > enable actions to be undertaken that would have been impossible for one group?

4.7 Financial and management methods

a) Funding attribution

Initial situation:

> What guidelines and procedures were established and what were the basic principles?

> What degree of autonomy in financial decision-making was accorded to the groups?

> Which financial instruments were suggested? Why? Were alternative funding mechanisms foreseen?

> Was co-funding available? On which basis: annual or multi-annual? How did this influence the progress and impact of the actions?

Process:

What were the consequences of the financial procedures in terms of:

- > the progress and impact of the actions?
- > the availability of funding?
- > use of the flexibility given to the groups?
- > decision-making autonomy?
- > accountability?[11]

Results and impact:

- > Did delays influence the results of the actions?
- > Did flexibility help correct initial errors?
- > Was funding attribution carried out effectively by the groups?

Lessons:

What lessons should be drawn about the financial management effectiveness of groups?

b) Identifying best practice

> Identify the most suitable financial management models. Explain their differences.

> Evaluate:
  - > the effectiveness of decision-making in managing funding attribution?
  - > the degree of flexibility allowed and what is necessary?
  - > the leverage effect obtained in the negotiations between the different operators.

[11] Accountability: the obligation for operators involved in setting up and implementing public intervention, to give information and explanations to policy makers and citizens about the results expected or obtained and about the way public resources are used.

Conclusions

Conclusions

The evaluation exercises put forward in this dossier should allow different stakeholders to arrive at a certain number of conclusions that show the added value of the LEADER approach.

> At the local level, it will therefore be possible to envisage the changes that need to be made in the future to the way a specific feature is implemented.

> The regional/national and European levels may ask themselves:
  > whether LEADER is a suitable model for other rural development policies,
  > which changes should be envisaged for the delivery of the new rural development Initiative, especially with regard to the "division of labour" and the responsibilities of the stakeholders.

The added value of the LEADER approach

Figure 3 shows that each specific feature has a specific intermediary objective but that there are significant correlations between them. This is especially the case, for example, between the area-based approach and the local group which contribute to several intermediary objectives.

The presence or absence of these correlations (depending on the extent to which the specific features were applied) may or may not create synergies between the different aspects of intervention, multiplying its effectiveness and efficiency.

LEADER's suitability as a model and changes to be envisaged

At the regional/national and European levels, a similar exercise is desirable. The institutions charged with formulating rural development policy could draw conclusions on what has worked well in LEADER and could be useful in other policies, and what has worked less well and should be changed in the future.

For each specific feature, the comparison between good and 'not-so-good' practice at the regional/national level (benchmarking[12]) allows conclusions to be drawn on:
> the contributions and limitations of the model,
> the type of incorporation in the most appropriate policies,
> and the areas and policies which may be concerned.

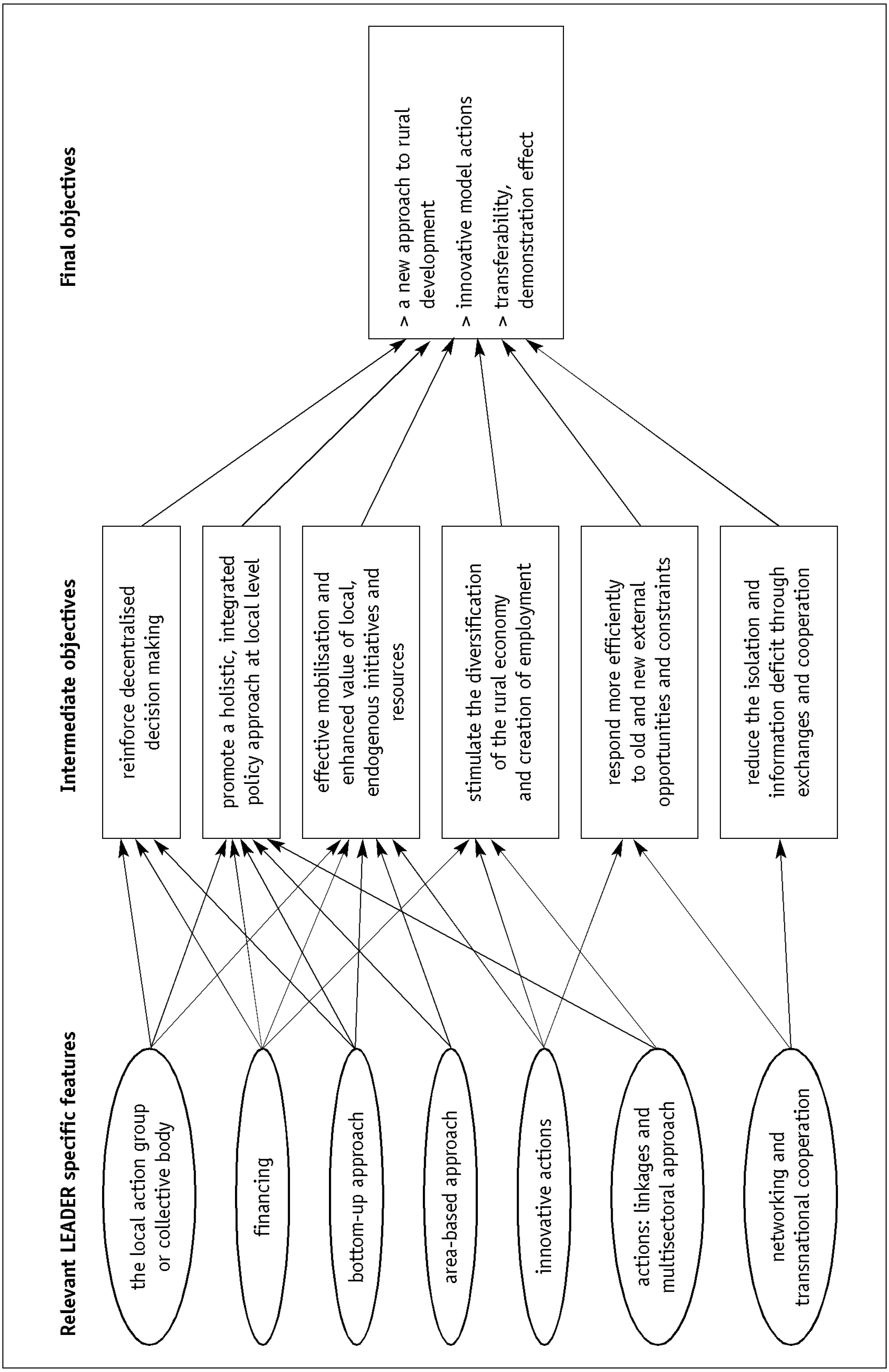
Prospects

This dossier is a working tool that can considerably enrich the evaluation work undertaken by LEADER beneficiaries and the authorities.

However, this document is just the first phase. Additional effort is required to achieve an integrated approach to evaluation that meets the needs of the different stakeholders in the evaluation without generating too much more work.

[12] Benchmarking: A qualitative and quantitative comparison of performances of an intervention with those claimed to be the best in the same or similar field of intervention. Benchmarking is easier where the regional or national level already has a classification of good and not-so-good practices.

FIG. 3: THE ADDED VALUE OF THE LEADER APPROACH



The method must be tested first of all; several local groups and administration have already agreed to use it. On reading this document, others may decide to follow their example. The LEADER European Observatory is monitoring around ten specific pilot evaluations but would welcome feedback from other users. Observations, criticisms and suggestions will enable us to know whether the questions put forward for each specific feature are the most relevant and to delete, modify or add questions where necessary.

In the following phase, a series of tools for gathering and comparing data will be produced; these include, a classification grid and typologies as well as a proposal for a method to present results in a harmonised manner.

Finally, it may be expedient to work on integrating the two complementary approaches: the more quantitative type (centred on results and impact) and the more qualitative approach which has been adopted in this dossier. The final objective will be to end up with a proposal for a follow-up and evaluation system which meets the ambitions of the Community Initiative and the new directions for future rural development policies.

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Leader II est une Initiative communautaire lancée par la Commission européenne et coordonnée par la Direction générale de l'Agriculture (Unité VI-F.1.1).

Le contenu de ce dossier ne reflète pas nécessairement les opinions de l'Union européenne.

***Leader II** is a Community Initiative launched by the European Commission and coordinated by its Directorate-General for Agriculture (Unit VI-F.1.1).*

The contents of this dossier do not necessarily reflect the views of the European Union Institutions.

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