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Evaluation support study of the costs and benefits of the implementation of LEADER

Final Report

Written by: EEIG Agrosynergie, Ecorys and Metis
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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ACRONYMS

AIR	Annual Implementation Report
BoD	Board of Directors
CAP	Common Agricultural Policy
CEA	Cost-Effectiveness Analysis
CLLD	Community-Led Local Development
CMEF	Common Monitoring and Evaluation Framework
CS	Case Study
DB	Delegated Bodies
DG AGRI	Directorate-General Agriculture and Rural Development
EC	European Commission
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agricultural Guarantee Fund
EIP	European Innovation Partnerships
ELARD	European LEADER Association for Rural Development
ENRD	European Network for Rural Development (today CAP Network)
ESIF	European Structural and Investment Funds
EU-SPI	EU Social Progress Index
EQ	Evaluation Question
FA	Focus Area
FARNET	Fisheries Areas Network
FG	Focus Group
FTE	Full-Time Equivalent
GDPR	General Data Protection Regulation (Regulation (EU) 2016/679)
IC	Implementation Costs
I-O	Input-Output
JC	Judgement Criterion
LAG	Local Action Group
LDS	Local Development Strategy (analogous to CLLD)
LEADER	Liaison Entre Actions de Développement de l'Economie Rurale
MA	Managing Authority
M&E	Monitoring & Evaluation
MS	Member State
NGT	Nominal Group Technique
NRN	National Rural Network
NTd	Network Diversity index
OG	Operational Group (RDP M16-EIP AGRI)
PA	Paying Agency
PMEF	Performance Monitoring and Evaluation Framework
PPP	Purchasing Power Parity
SCO	Standard Cost Option
SD	Standard Deviation
TA	Technical Assistance
WP	Work Package

GLOSSARY

Added value of LEADER	Defined as the benefits that are obtained through the proper application of the LEADER method, compared to the benefits that would have been obtained without applying this method[1].
Administrative burden	Refers to the costs associated with administrative processes. High administrative complexities can lead to higher overall administrative burden, which translates into time and money. Administrative burden occurs at the level of ESIF beneficiaries who are asked to comply with information obligations of ESIF regulations. Such obligations include gathering information on the progress and results of projects; preparing and submitting payment claims accompanied by supporting documentation; fulfilling information and publicity requirements including labelling with logos; keeping records; preparing and submitting data and documentation for control purposes; providing information for evaluation purposes (**EC – Evaluation support study on the impact of LEADER on balanced territorial development**, 2021). Administrative burden can hinder some type of beneficiaries (especially those, who are not used to bureaucracy) from applying for LEADER funding. The opposite case is also possible, where the support provided by the LAG-management may facilitate applicants and reduce the administrative burden relating to the preparation of support applications. In addition, support provided by the LAG to potential applicants can have the effect of increasing the number of applications. Depending on the complexity of administrative procedures, administrative burden also affects the workload for the LAGs, MAs and PAs, to set up and run the programme (crucial are selection and approval of projects as well as payments and controls).
Administrative complexities	Are related to the type and set-up of the delivery model. The local level of the decision-making process through the LEADER bottom-up approach should allow decisions to be taken quickly and in a flexible manner. However, in some LEADER implementation models, the projects selected at local level are still subjected to eligibility checks and administrative controls very similar to those applied to RDP measures implemented under the traditional "top-down" approach. This means that the entire decision-making process under LEADER is sometimes slower, rather than faster, than other RDP measures[2].
Costs: **RDP implementation costs (ICs)**	ICs are defined as costs at the level of RDP Managing Authority/Paying Agency, including (i) personnel input by public authorities, agencies and entities that are charged with implementing the RDP (that is, operational staff and technical and

[1] European Evaluation Helpdesk for Rural Development. "Guidelines: Evaluation of LEADER/CLLD", August 2017. https://enrd.ec.europa.eu/evaluation/publications/evaluation-leaderclld_en.

[2] https://enrd.ec.europa.eu/leader-clld/leader-toolkit/working-leader-delivery-system_it

	administrative support) for measure-specific tasks, as well as cross-functional tasks, so-called 'programme overhead'; (ii) the costs for contractors charged with performing the tasks, such as banks and engineering consultants (**Fahrmann and Grajewski**, 2013)[3].
Costs: **General administrative costs of LEADER**	General administrative costs of LEADER are the costs of implementing LEADER at both RDP and LAG level. AT RDP level, administrative costs of LEADER include costs for the MA and for the PA, namely 1) the costs associated with implementing LEADER projects (including cooperation projects), which are assimilable to the costs of implementation of the other RDP measures (non-LEADER); 2) the costs associated with selection of LDS/LAGs (establishment of selection criteria, of decision-making bodies and of the selection procedures) and 3) the costs associated with networking and providing technical assistance to LAGs. The latter costs in 2) and 3) can be considered as LEADER-specific costs since such costs do not arise for other RDP measures. At the LAG level, general administrative costs are financed through sub-measure 19.4 and include the costs of personnel and external resources employed by the LAG for administrative tasks.
Costs: **Specific costs of LEADER at LAG level**	Can be defined as the additional administrative costs linked to 3 aspects of LEADER that distinguish it from non-LEADER measures: a) bottom-up selection of projects which requires the preparation of the LDS, b) breadth of projects (i.e., different types of projects, such as specific projects, multi-measure projects, umbrella projects, cooperation projects), c) animation activities and network character, as LEADER funding is not exclusively about individual projects, but also about animation activities and networking within a region and between regions. Specific costs of LEADER therefore include the costs involved in setting-up the LAG and in the preparation of the LDS (funded through sub-measure 19.1); the costs associated with inter-territorial and transnational cooperation (funded through sub-measure 19.3); Running costs and animation costs are also specific to LEADER and are financed through sub-measure 19.4. Running costs include: "operating costs, personnel costs, training costs, costs linked to public relations, financial costs, networking costs" (defined in Article 61, Reg. (EU) No 1305/2013 as "Eligible expenditure"), while animation costs are related to further activities especially for activating local actors, which are financed by the LAG-budget but are not part of the running costs. The largest part of running and animation these costs are personnel costs for the LAG-management.
Delivery mechanism of LEADER	Refers to the set of rules, procedures and administrative arrangements employed to ensure that the objectives of LEADER are translated into the final implementation of projects by the beneficiaries
Effectiveness	The effectiveness of a single measure of a LAG is defined as the proportion of the planned objective which has been attained. It can be measured as the ratio between the realised objective and the planned one.

[3] Fahrmann B., Grajewski R. How expensive is the implementation of rural development programmes? *European Review of Agricultural Economics* Vol 40 (4) (2013) pp. 541–572.

Efficiency	Each LAG achieves its overall objective through a series of *n* measures. Efficiency is the ratio between the objective realised by a specific measure and the financial budget.
Governance	Defined as the institutions, processes and mechanisms through which public, economic and civil society stakeholders articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences in order to manage public affairs at all levels in a collaborative manner" (**Rhodes**, 1997: 109)[4]. The LEADER approach acknowledges that governance involves actors from government (MA, PA, different public actors at local level) and beyond government (LAG, local/regional business and third sector actors) dependent on each other for creating added value and solving societal problems (**Stoker, 1998**)[5] like community cohesion, quality of life, job creation, transparent and inclusive decision-making and communication activities related to this in a multi-level governance setting. Governance is an organising framework (**Stoker, 1998)** that emphasises that responsibilities for addressing social and economic issues involves actors from government (MA, PA, different public actors at local level) and beyond government (LAG, business actors, community actors, etc.) dependent on each other for creating added public purpose value in a transparent and inclusive way.
Governance: **Multi-level governance**	Multilevel governance concerns authority to and coordination between many levels of governance. It emphasises that often one level of governance is nested within those at other levels. (Marks and Hooghe, 2004); Hooghe and Marks (2003)[6]. In addition, the EU White Paper on Governance (CEC, 2001)[7] specifies that 'each governance level should contribute in line with its capabilities to the success of the overall governance'.
LEADER projects: **Complex projects**	Complex projects are multi-measure integrated projects shared by groups of local beneficiaries covering a more or less wide range of interventions. These projects can play a strategic role in favouring the concentration of support planned with LDS on strategic themes that are key for local development and integration between actors and sectors of the local economy.
LEADER projects: **Cooperation projects**	Projects funded under operations from sub-measures 16.3 to 16.9 and under sub-measure 19.3.
LEADER projects: **Innovative projects**	Defined as projects that bring something new to the local area or to the individual company. "New for the area" is interpreted in comparison with the initial situation: new offers, services or types

[4] Rhodes, R. A. W. (1997). Understanding governance: policy networks, governance, reflexivity, and accountability. Buckingham Philadelphia: Open University Press.

[5] Stoker, G. (1998). Governance as theory: five propositions. International Social Science Journal, UNESCO, 155 (1), pp. 17-28.

[6] Marks, G., & Hooghe, L. (2004). Contrasting Visions of Multi-level Governance. In: Bache, I. & Flinders, M., eds. Multi-level Governance (pp.15-23), Oxford University Press.

Hooghe, L. & Marks, M. (2003). Unraveling the central state, but How? Types of Multi-level Governance. American Political Science Review, 97(2), 233-243.

[7] CEC (2001). Communication from the Commission of 25 July 2001 "European governance – A white paper", Official Journal C 287 of 12.10.2001. (available at http://eurlex.europa.eu/legal-content/EN/TXT/HTML/?uri=URISERV:l10109&rid=1).

	of workplaces. new collaborations and strengthened relationships between actors in local communities.
LEADER projects: Ordinary operations	Defined as those operations directly related to the operations programmed under standard RDP measures.
LEADER projects: Specific operations	Defined as operations that cannot be assimilated to standard RDP operations (i.e., measures not foreseen in Reg. EU No. 1305/2013 or measures foreseen but not activated in the RDP or measures foreseen but modified/adapted when implemented by LAGs). These operations are specifically designed for the LEADER territory concerned[8].
LEADER projects: Umbrella projects	Also called "LAG-led LEADER Specific Actions" can be seen as a package of small operations to be funded together (e.g., related to a specific theme – culture, tourism - or type of beneficiary), which is treated as a single project, thus simplifying the application for support. They involve local actors (especially small municipalities and small businesses) with LAGs coordinating their actions, facilitating implementation procedures in order to shorten the time it takes to approve and implement the project, reduce administrative burden by grouping together a large number of small applicants present in the LAG area and networking the offer (e.g., cultural, touristic).
Platform for change	A platform for change can be a new tourism/business network, a new association established, a new cooperation between municipalities on which future development can be built and spread.
Response bias	Response bias is the tendency of a person to answer questions (e.g., in a survey) untruthfully or misleadingly or simply inaccurately. For example, people may feel pressure to give answers that are socially acceptable as they want to portray themselves in the best light. Response bias can also generate from the way questions are formulated, as respondents may not answer the questions in the way the researcher intended.
Self-selection bias	It refers to the bias introduced when participants choose whether to participate in a project, as the group that chooses to participate may not be equivalent (in terms of the research criteria) to the group that opts out. Self-selection bias is a very common bias difficult to avoid when doing research based on collection of primary data.
Social capital	Various definitions are found in the scientific literature. Below the main approaches and related definitions: Social capital consists of the features of social organisation, such as trust, social norms and networks that can improve the efficiency of society by facilitating coordinated actions" (**Putnam** et al., 1993, p. 167)[9]. Social capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of institutionalised relationships of mutual acquaintance and recognition, which provide each of its members with the backing of collectively-owned capital, a 'credential' which entitles them to

[8] Rete Rurale Nazionale, 2020. Tassonomia dei progetti LEADER: definizioni e iter procedurali (Italian National Rural Network, 2020. Taxonomy of LEADER projects: Definitions and procedures).

[9] Putnam, R. (1993). Making Democracy Work: Civic Traditions in Modern Italy. Princeton: Princeton University Press.

	credit [in the economic, social and cultural domain (**Bourdieu**, 1986, pp. 249–250)[10]. Social capital is defined by its function. It is not a single entity but a variety of different entities, with two elements in common: they all consist of some aspect of social structure, and they facilitate certain actions of actors -whether persons or corporate actors- within the structure. Like other forms of capital, social capital is productive, making possible the achievement of certain ends that in its absence would not be possible. Like physical capital and human capital, social capital is not completely fungible but may be specific to certain activities. A given form of social capital that is valuable in facilitating certain actions may be useless or even harmful for others (**Coleman**, 1988, p. 302)[11].
Social capital: **Structural social capital**	Structural social capital represents the tangible side of social capital and is associated with defined roles and networks, supported by rules and procedures, which facilitate mutually beneficial collective action (**Uphoff**, 2000[12]; **Krishna & Shrader**, 2002[13]).
Social capital: **Normative-cognitive social capital**	Normative-cognitive social capital is considered to be the least tangible side of social capital, due to its reference to norms and values that circulate in networks and strengthen cooperation for common objectives (**Krishna & Shrader**, 2002).
Sustainability	Sustainability of the projects implemented and of jobs created is understood as the ability to persist even after the end of the support.
Transaction costs	Transaction costs are the costs associated with making an economic exchange and are defined as the overall expenses of carrying out a transaction, including planning, deciding, changing plans, resolving disputes, etc. According to O.E. Williamson[14], transaction costs are the costs of running a company's economic system, as opposed to production costs.
Utilisation of resources	It is expressed as a commitment capacity indicator. It relates to the capacity of a decision group to manage co-financed project work and is expressed by the proportion of financial resources really used.

[10] Bourdieu, P. (1986). The forms of capital. In: Richardson, J., Handbook of Theory and Research for the Sociology of Education. Westport, CT: Greenwood: 241–58.

[11] Coleman, J. S. (1988). Social Capital in the Creation of Human Capital. American Journal of Sociology, 94, S95–S120. https://www.jstor.org/stable/2780243.

[12] Uphoff, N. (2000). Understanding social capital: learning from the analysis and experience of participation. In P. Dasgupta & I. Serageldin (Eds.), Social Capital. A Multifaceted Perspective (pp. 215–249). Washington, DC: The World Bank.

[13] Krishna, A., & Shrader, E. (1999). Social capital assessment tool. Paper prepared for the Conference on Social Capital and Poverty Reduction. Washington DC: The World Bank.

[14] Williamson, O. (1979). Transaction-cost economics: The governance of contractual relations. Journal of Law and Economics, 22, 233–261.

1 INTRODUCTION

Under Additional Task 12, the European Evaluation Helpdesk for the CAP undertakes ad-hoc comprehensive research and analytical activities on issues related to the implementation and management of the CAP or on any topic related to it, including the collection of complementary information to support interim and ex-post evaluations.

This is the Final report of the "Evaluation support study of the costs and benefits of the implementation of LEADER", carried out under activity 1.7.2 "Complementary research and analytical activities" of the Additional Task 12 of the 2022-2023 Annual Work Programmes.

The "Evaluation support study of the costs and benefits of the implementation of LEADER" is organised in different Work Packages as illustrated in the Concept Note: WP1-Structuring; WP2-Observing; WP3-Analysing and judging and WP4-Finalising the LEADER evaluation report.

The contents of the present report cover tasks and activities carried out under all WPs and completing WP4-Finalising the LEADER evaluation report.

1.1 Objectives and scope of the evaluation support study

The **objective of the assignment** is to assess the added value of LEADER and the extent to which the increased costs of implementing the LEADER approach are justified by its additional benefits.

This overall objective is broken down into the following **working objectives**:

- Assess the costs incurred for the implementation and management of local development strategies (LDS) and the consistency with the actions implemented (i.e., relevance with respect to territorial needs and effectiveness of implemented projects relative to LDS objectives);
- Assess the additional costs of LEADER implementation through comparison with non-LEADER measures. This allows to use costs of non-LEADER measures as a baseline to examine the additional costs of LEADER;
- Assess the additional benefits (i.e., added value) of LEADER implementation in terms of improvements in social capital and in local governance at the local level;
- Assess the additional benefits of LEADER projects in terms of enhanced results compared to similar projects implemented through measures of Rural Development Programmes (RDP), i.e., not under LEADER, if comparable measures are available and eligible.

The **geographical scope** of the analysis is the EU27 and the United Kingdom until December 2020. The analysis covers the 2014-2022 Rural Development Programming period.

The evaluation support study provides answers to **three Evaluation Questions** (EQ): the first EQ aims to assess costs and cost drivers of LEADER and to compare LEADER and non-LEADER implementation costs. In addition, the analysis focuses on the possible effects of governance models on administrative complexities; the second EQ aims at assessing LEADER benefits in terms of improved governance and social capital; the third EQ aims at assessing the extent to which LEADER projects bring additional benefits in terms of enhanced results compared to analogous non-LEADER projects funded by RDPs.

Results obtained from the analysis under the three EQs are brought together to answer the overall question "**To what extent the additional costs of implementing the LEADER approach are justified by its additional benefits?**", to satisfy the main objective of the specific assignment.

1.2 Contents of the report

The contents of the present report are organised in the following chapters.

The second chapter provides a description of the regulatory framework of LEADER in the programming period 2014-2022 (including transition as of Reg. EU 2020/127) and reports the findings of the literature review - focussing on evidence offered from studies at EU or at MS level on the assessment of the added value of LEADER, complemented with the results from documentary research to provide an overview of the context (i.e., LEADER implementation during the 2014-2022 RDP programming) in which the evaluation exercise is conducted.

The third chapter illustrates the methodological approach to the evaluation exercise, including the case study approach. This chapter describes (i) the evaluation design: Evaluation questions (EQ) and for each EQ the judgement criteria (JC) and indicators used; the scope and levels of the analysis, (ii) the types of data used and sources, and the data collection tools, (iii) the methods to carry out the empirical analysis under the evaluation questions and (iv) the limitations of the study (methods and data).

The fourth chapter presents the answer to each evaluation question and to the overall question described above. Each EQ is introduced by a part describing the comprehension of the EQ, its aims and required analysis.

The fifth chapter presents the overall conclusions of the evaluation support study.

The sixth chapter provides some recommendations stemming from the findings of the evaluation support study.

2 DESCRIPTIVE CHAPTER

This chapter describes the regulatory framework under which LEADER is implemented, it establishes the conceptual framework to the evaluation support study and illustrates the evaluation background through a review of the literature relating to assessing the costs and benefits of LEADER and LEADER added value according to its key features. It also reports on the advancement in the execution of LEADER up to December 2022.

2.1 The regulatory framework of LEADER

LEADER is an intervention approach aimed at mobilising and developing local communities through public-private partnerships (Local Action Groups - LAG). LEADER programming is aimed at all local actors and, considering the endogenous development potential of local areas, aims at an integrated and innovative development of the interested territories.

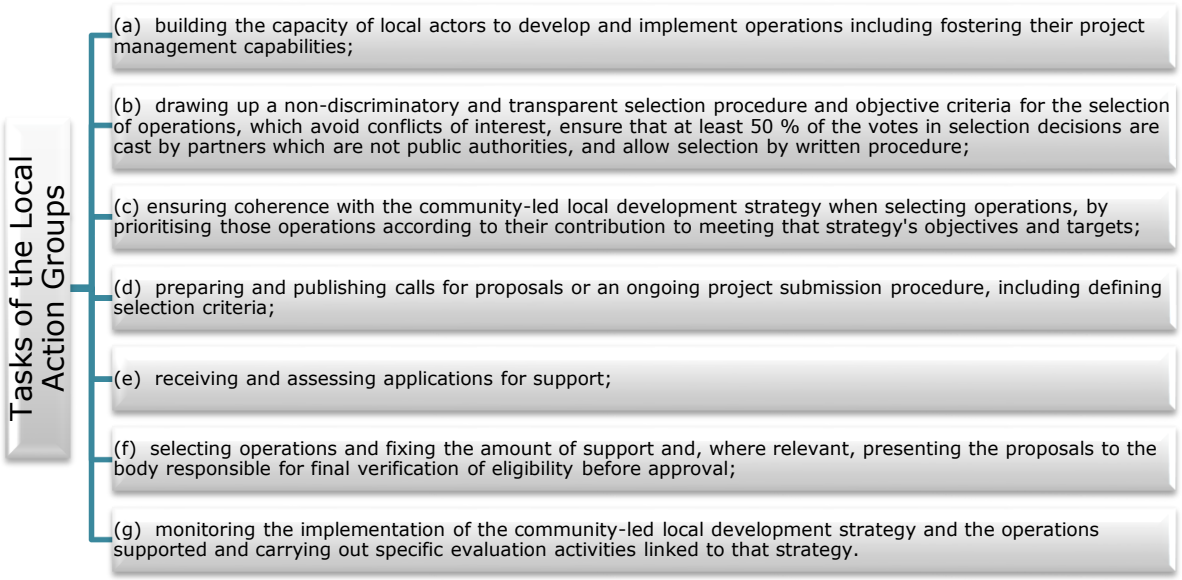
As a community initiative LEADER exists since 1991, but it was included as an integral part of the EU's rural development policy since the 2007-2013 programming and became a mandatory component of RDPs, alongside the other rural development instruments. In the programming of EU funds 2014-2020, LEADER can be supported in terms of co-financing exclusively by the EAFRD, but it can also benefit from a multi-fund approach which, in addition to resources for rural development, includes resources from the Structural Funds and the EMFF (Community-Led Local development - CLLD).

Programming and implementation of LEADER is regulated at EU level by the following main legislative instruments for the 2014-2022 period:

- Common provisions regulation: Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund (Chapter 2, Articles 32-35 on Community-Led Local Development - CLLD).
- Rural development regulation: Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD). Articles 42, 43 and 44 respectively provide the additional operational features of LAGs, establish the LEADER start-up kit measure and the provisions for cooperation activities under LEADER.
- Horizontal regulation for ESI Funds: Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy, as amended by Regulation (EU) 2016/791 of the European Parliament and of the Council of 11 May 2016.
- Implementing and delegating acts: Regulation (EU) No 821/2014, Regulation (EU) 2015/207, Regulation (EU) No 808/2014 and Regulation (EU) No 834/2014.

Article 34(c) of the horizontal regulation for ESI Funds specifies the tasks of the Local Action Groups based on the provision that *"Member States shall define the respective roles of the local action group and the authorities responsible for the implementation of the relevant programmes, concerning all implementation tasks relating to the community-led local development strategy"*. The LAGs tasks are illustrated in the figure on the next page.

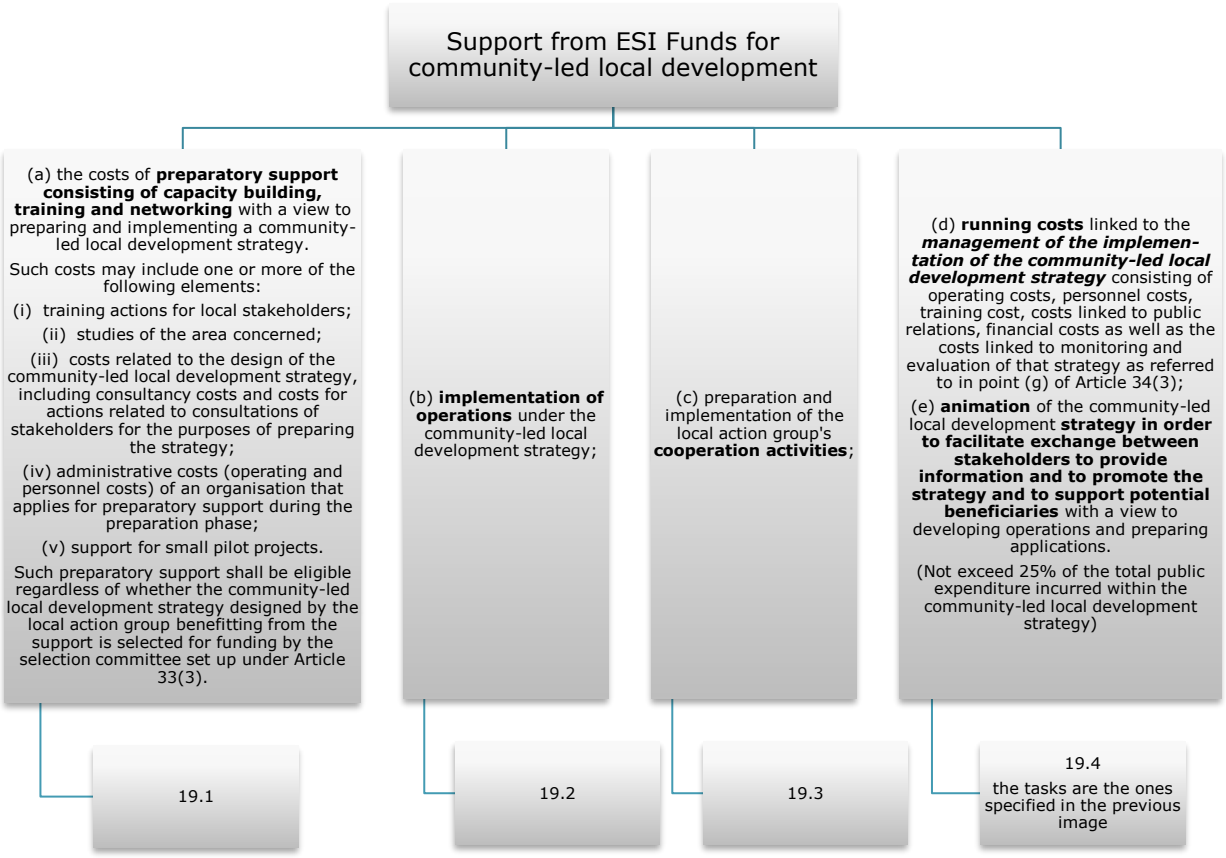
Figure 1 - Tasks of local action groups (Article 34(c) Reg. (EU) No. 1303/2013)



Source: own elaboration

Article 35 of the common provisions Regulation establishes the support from the ESI Funds for CLLD. The support from the ESI Funds covers four main points, coinciding with the four sub-measures of M19-LEADER, as illustrated in Figure 2 below.

Figure 2 - Support from ESI FUNDS for community-led local development (CLLD)



Source: own elaboration

Article 35 of the same common provisions regulation establishes that the support for **running costs and animation** as referred to in points (d) and (e) of paragraph 1 and shall not exceed 25 % of the ***total public expenditure*** incurred within the community-led local development strategy.

2.2 The conceptual framework

Implemented under Rural Development Programmes (Measure 19), LEADER is primarily aimed at stimulating the local development of rural areas (focus area 6B), but through LEADER projects it also contributes to other objectives (i.e., focus areas), for example Improving competitiveness of primary producers by better integrating them into the agri-food chain (3A), Facilitating diversification, creation and development of small enterprises, as well as job creation (6A). LEADER/CLLD also contributes within the RDPs, to the EU2020 Strategy's objective for smart, sustainable and inclusive growth, thus also contributing to some of the RDP's impact indicators that, according to the CMEF, define this objective: I14 – rural employment rate, I15 – rural poverty rate, and I16 – rural GDP per capita.

The analysis to assess the extent to which higher costs of implementing the LEADER approach are justified by its additional benefits, needs to consider both levels at which LEADER operates: the RDP level and the local level through LAGs.

Administrative costs are defined as the costs associated with the implementation of a programme. Such costs are borne by the bodies in charge of implementation (e.g., managing authorities) and include costs for the staff working for the programme implementation, the costs for external services and overhead costs. LEADER implementation entails both general and specific administrative costs. General administrative costs of LEADER are borne at both RDP and LAG level, whereas specific costs are borne by the LAGs alone (further detail on the definition of different types of costs is provided in the Glossary).

At both RDP and LAG levels, costs are affected by the delivery mechanism with which LEADER is implemented (see Glossary for definition). The delivery mechanism adopted at RDP level affects the application of LEADER at the local level. The effectiveness of the delivery mechanism at LAG level largely depends on the ability of LAGs to shape it, but it is affected by rules and administrative arrangements set up at RDP level for the implementation of M19 LEADER (e.g., level of autonomy given to LAGs, whether additional functions are delegated to LAGs by the MA and/or the PA).

In connection with the delivery mechanism, the administrative burden that may be created needs to be considered when evaluating the cost-effectiveness of LEADER. An example of administrative burden are the costs borne by beneficiaries for complying with the information obligations imposed by the legislation at EU and at national level (see Glossary).

The added value of the LEADER measure is defined as the benefits that are obtained through the proper application of the LEADER method[15], compared to those benefits, which would have been obtained without applying this method.

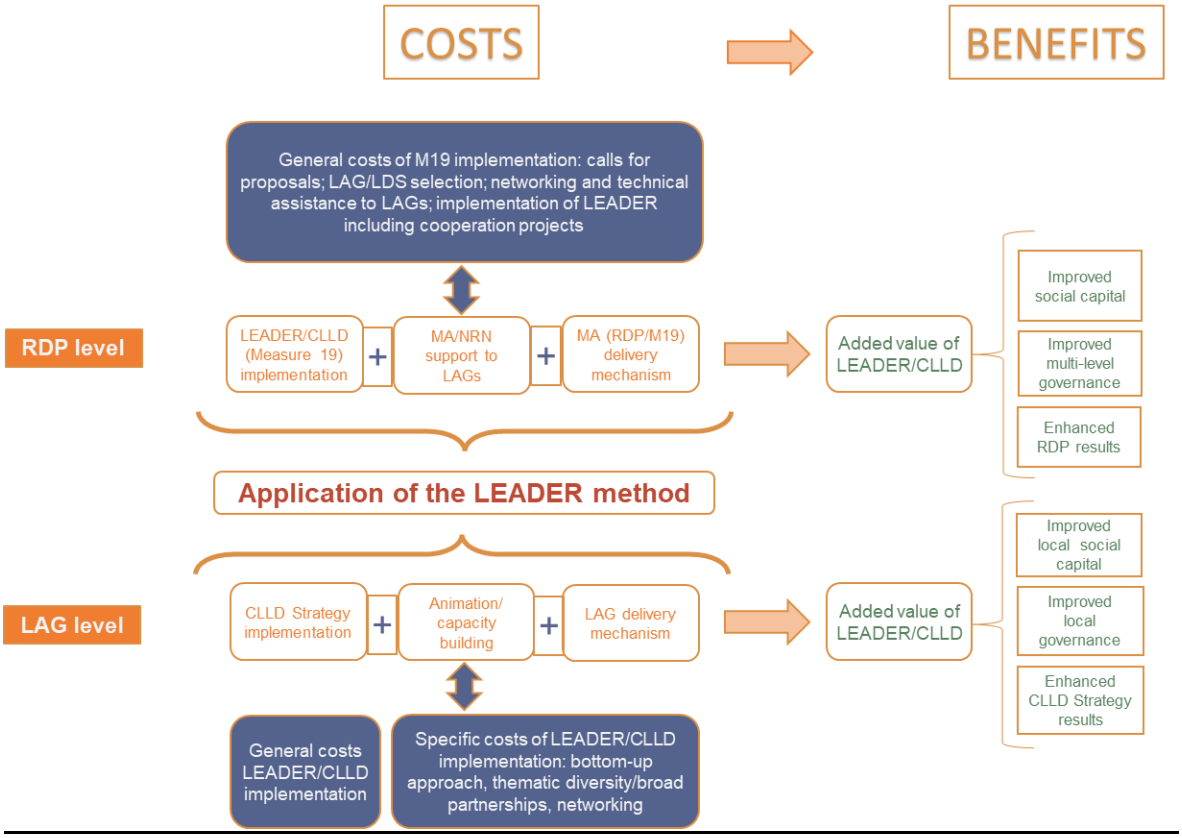
[15] Defined as the combined application of its seven principles: area-based local development strategies; bottom-up approach; public-private partnerships (LAGs); multi-sector approach: innovation; networking; territorial cooperation.

According to the conceptual framework proposed by the European Evaluation Helpdesk for Rural Development in the Guidelines for evaluating LEADER/CLLD[16], the added value of LEADER results from the combination of three elements:

- **Improved social capital**, which is understood as a multidimensional concept, including features of social organisations such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit.
- **Improved governance** comprises the institutions, processes and mechanisms through which public, economic and civil society stakeholders articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences to manage public affairs at all levels in a collaborative manner.
- **Enhanced results and impacts** of projects in terms of increased leverage, more sustainable projects, more innovative projects and new project promoters, as they compare to implementation without the LEADER method.

The figure below provides a schematic representation of costs and benefits of LEADER.

Figure 3 – Costs and Benefits of LEADER



Source: adapted from European Evaluation Helpdesk for Rural Development

A fourth added value element can be also included, as the European Commission considers that one of the core benefits of LEADER is in "**bringing the EU closer to citizens**"[17],

[16] European Evaluation Helpdesk for Rural Development. "Guidelines: Evaluation of LEADER/CLLD", August 2017. https://enrd.ec.europa.eu/evaluation/publications/evaluation-leaderclld_en.

[17] European Commission. Replies of the European Commission to the European Court of Auditors' special report "LEADER and community-led local development facilitates local engagement, but additional benefits still not sufficiently demonstrated" (2022).

which entails increasing public awareness about the initiatives carried out in rural areas using public EU funding, about the relevance of such initiatives for the interested population and about the "inclusive" nature of LEADER initiatives carried out by LAGs; and to some extent also increasing trust towards EU institutions.

The proposed common evaluation framework to assess the added value of LEADER is not binding for Member States. Rather, it is left to Member States and evaluators to define it.

2.3 Background to the evaluation support study: Findings of the literature review

This part of the report presents the findings resulting from reviewing relevant literature specifically focusing on assessing the added value and the efficiency or cost-effectiveness of LEADER (i.e., evaluations at EU and MS level and other scientific studies). Review of the literature also aims at identifying data sources and analytical approaches that can be used in the present LEADER evaluation support study.

EVALUATING THE ADDED VALUE OF LEADER

The definitions of what is meant by "added value of the LEADER measure" and of the composing elements that allow for assessing it (i.e., **improved local governance, improved social capital, and enhanced results/impacts** of LEADER implementation) provided by the Evaluation Helpdesk in the 2017 Guidelines (see ch.2.2 above) are used in the present evaluation support study as working definitions. Other definitions can be found in the literature, for example OECD (2013) provides different definitions of social capital[18].

As it emerges from recent work, such as the Good Practice Workshop on assessing the added value of LEADER/CLLD organised by the European Evaluation Helpdesk for Rural Development (Helsinki, 17-18 May 2018) and the "Social Innovation in Marginalised Rural Areas – SIMRA" project[19], the main contributions to the three added value elements are fostered by improved communication, innovation, and long-term relationships between Local Action Groups' (LAG) members. Indeed, the added value of LEADER goes beyond economic results, as it encompasses social and also environmental benefits that are relevant for rural areas. Such benefits, especially the social ones, are often intangible as they relate to investing in people, in networking and in collective learning processes, which allow to foster social capital and specifically trust among local actors. Thus, the availability of monitoring tools able to depict the longitudinal evolution of social capital could help to better understand how the social pre-conditions for the positive economic effects evolve thanks to the activity undertaken by a specific LAG. These are different examples of this specific type of monitoring systems (e.g., Pisani et al. 2017[20]; Nardone et al. 2013[21]).

[18] OECD (2013). *Four Interpretations of Social Capital: An Agenda for Measurement*. OECD Statistics Working Papers 2013/06. Authors: Scrivens K., Smith C. https://dx.doi.org/10.1787/5jzbcx010wmt-en.

[19] Ravazzoli, E., Dalla Torre, C., Streifeneder, T., Pisani, E., Da Re, R., Vicentini, K., Secco, L., Górriz-Mifsud, E., Marini Govigli, V., Melnykovych, M., Valero, D., Bryce, R., Weiß, G., Ludvig, A., Zivojinovic, I. and Lukesch, R. 2020. Final Report on Cross-Case Studies Assessment of Social Innovation. Deliverable 5.4, Social Innovation in Marginalised Rural Areas (SIMRA). Report to the European Commission, pp. 119. DOI: 10.5281/zenodo.3666742.

[20] Pisani et al. (2017) Social Capital and Local Development: From Theory to Empirics. Palgrave McMillan Springer Nature.

[21] Nardone, G., Sisto, R., & Lopolito, A. (2010). Social Capital in the LEADER Initiative: a methodological approach. Journal of Rural Studies, 26(1), 63-72.

A study carried out in **Denmark** (Thuesen A.A., Nielsen N.C., 2014[22]), investigating the added value of the LEADER approach in a multi-level governance setting, argues that each of the seven principles on which the LEADER approach is based (see footnote 1), contributes to generating added value in different ways. In this work, the identified forms of added value under each principle are supported by evidence found in the literature. The study uses focus groups to elicit information about LEADER added value directly from Danish LAGs and it shows that pursuing the LEADER method at the LAG level enhances rural development in the form of leverage, democratisation and bottom-up decision making that none of the other levels in the multi-level governance setup of LEADER would be able to provide with the same level of efficiency or effectiveness. On the other hand, the study finds that not all LEADER's seven concepts are fully valued, with a clear lower value assigned by focus group participants to regional and cross-sectoral cooperation, economic gains, area-based development and innovation.

The evaluation of the LEADER approach of the Mainland **Finland** RDP (Ministry of Agriculture and Forestry, 2020[23]) also investigates the added value generated by applying the LEADER principles to the benefit of local development, focusing also on the quality of local development strategies. The evaluation also entails an assessment of the role played by local governance in supporting the implementation of the LEADER principles and the added value of LEADER. The main conclusions of the study are that the greatest added value of the LEADER approach lies in enhancing social capital and the creation of local knowledge and that the LEADER governance mechanism works relatively well in supporting LEADER principles, but tensions remain, also due to limited funding available to simultaneously allow for development of rural areas, innovation, networking, etc. and a reform may be needed. The assessment relies on a wealth of primary and secondary data collected at LAG level using different methods. Interestingly, this evaluation includes a detailed description of the LAG/LDS selection process and the criteria used.

An evaluation of the 2014-2020 RDP of **Hungary**[24] was carried out to assess relevance, efficiency, effectiveness and results of the LEADER measure, focusing on demonstrating the added value created using the LEADER method and on measuring and analysing the achievement of the objectives set out in LDS. Based on analysis of monitoring data (operation database) and primary data collected through a survey, interviews and LAG case studies, the study concludes that implementation of LDS and the operation of the LAGs have brought significant added value: the presence and activities of LEADER LAGs have contributed greatly to providing funding to actors who would not have had the chance to do so without the concrete assistance of the LAG; the creation and operation of networks within the region took place in about a quarter of the LAGs. This ratio and the proportion of truly regional integrated projects should be increased; the animation activities of the LAGs and their own facilitation projects, bringing together sectors and development projects, can encourage the realisation of integrated projects at regional level; the objectives set out in LDS are expected to be met and the implementation of LDS also results in employment growth.

[22] Thuesen A.A., Nielsen N.C., 2014. A territorial perspective on EU's leader approach in Denmark: the added value of community-led local development of rural and coastal areas in a multi-level governance setting. *Europ. Countrys.* 4 – 2014, p. 307-326. DOI: 10.2478/euco-2014-0017.

[23] Ministry of Agriculture and Forestry (2020). Evaluation of the LEADER approach - Rural Development Programme 2014-2020 (carried out by MDI and University of Helsinki Ruralia Institute). Publications of the Ministry of Agriculture and Forestry 2020:1.

[24] Ministry of Agriculture of Hungary (2019). "Added Value Assessment of the CLLD (Community-led Local Development) approach".

A recent evaluation study in **France** relating to the implementation of LEADER within the framework of the EAFRD (Region Occitanie – Tériteo, 2022[25]), observes the evolution of LEADER in two French regions (Languedoc-Roussillon and Midi-Pyrénées, 38 LAGs in total) and examines LEADER's first results and effects on the territories, the share of change attributable to LEADER and its added value for the territories. This evaluation focuses also on effectiveness and efficiency of the governance model employed. The main results in terms of effectiveness and efficiency of LEADER report a significant financial leverage effect on projects and territories: a "trigger effect" and/or "accelerator effect"; a strong and shared effect on the qualitative improvement of operations (stronger ambition, improved quality of project); transversally, a leverage effect of LEADER in terms of engineering, skills and leadership. In spite of questioning certain key principles of LEADER (e.g., low level of partnerships with private entities), the results of the concerned RDPs remain positive and particularly visible on 3 themes: sustainability and local economy, services and quality of life and the promotion of the territory. The intensity of the programming contributes, on these themes, to the achievement of the expected results and changes particularly in terms of improving brand awareness and attractiveness, the development of the offer of tourist services and products, start-up of economic activities and assets. On the negative side, innovation and cooperation have faced several obstacles to this programming due to strict rules in legal and administrative aspects, and lack of coordination and networking of LAGs.

An evaluation study conducted in **Lithuania**[26] examines the added value of LEADER based on case studies at the level of individual LDS/LAGs. The study adopts the same conceptual framework and definitions proposed by the Evaluation Helpdesk 2017 Guidelines (see previous ch. 2.2). The analysis of improved local governance, social capital and of LEADER enhanced results uses data collected through a survey of case study LAGs, which replicates a similar survey carried out in 2014, therefore enabling comparison and assessment of changes occurred in the LAG areas. The reported results are solely based on LAG members and LAG management perceptions of changes occurred in the examined added value dimensions. Local governance appears to have improved with respect to LAG's relations with socio-economic partners operating in the LAG area, with local regional and national governments, with rural communities and other NGOs and municipal administrations. Social capital has also improved in many respects (e.g., participation of the rural population in local development decisions, rural population's involvement in social and voluntary activities), but not in terms of mutual trust within the local population. The LEADER approach is found as most beneficial for rural community-based organisations and businesses, especially non-agricultural businesses and, for individual groups, the LEADER approach is considered to be most beneficial for women and the elderly, less for the young.

In a recently published evaluation (EC – Evaluation support study on the impact of LEADER on Balanced Territorial Development, 2021)[27], the combined findings indicate that LEADER has been most effective in **improving local economies,** with all economic activities implemented in a territory through LEADER funding representing a direct effect of the programme. The same evaluation also points to clear evidence of LEADER's effectiveness in respect of **participation, social inclusion and social innovation** at local level, as well

[25] Region Occitanie – Tériteo. Etude évaluative relative à la mise en œuvre de LEADER dans le cadre du FEADER – Rapport d'évaluation – 19 avril 2022 https://www.europe-en-occitanie.eu/IMG/pdf/rapport_d_evaluation_leader.pdf.

[26] Estep Vilnius (2021). "The impact of the Lithuanian Rural Development Programme 2014-2020 measure LEADER programme on promoting social inclusion, poverty reduction and economic rural development in 2014-2020". Final report, 7 July 2021.

[27] European Commission. Evaluation Support Study on the Impact of Leader on Balanced Territorial Development. Final Report, October 2021 (Written by CCRI, ADE S.A. and OIR).

as evidence that LEADER projects and activities help to improve the incomes of some direct and indirect beneficiaries within LAG territories. LEADER and LAGs achieve their impacts through a mix of activities, including animation and networking, as well as funding projects with a diverse range of goals that help meet their LDS priorities.

The contributions of LEADER to achieve rural policy objectives can be improved with a more effective and better integrated approach in targeting the needs of rural areas. The proper application of the bottom-up approach can, for example, generate **more sustainable jobs**. These jobs are more suited to local needs, provide better income opportunities for the local population and may, in turn, help to stop depopulation of rural areas The proper application of the innovation principle can help to generate more innovative products. In turn, with these products it may be possible to reach niche markets inside and outside of the LEADER areas (EC – Evaluation support study on the impact of LEADER on Balanced Territorial Development, 2021)[11].

The same evaluation study suggests that LAGs have achieved relevant outcomes in **local governance** and **innovative approaches**. Different types of local governance effects were identified, from close relations between LAGs and local actors to multi-level relations with MA and PA, or with other areas and LAGs at transnational level. In general, there are strong links between the quality of governance relations between LAGs and MA-PA and quality of local governance achievements.

None of the studies reviewed above makes a comparison between LEADER and non-LEADER projects for the purpose of assessing possible enhanced results of LEADER. For the past programming period, a study by Fährmann, B., Grajewski, R., & Reiter, K. (2014)[28] compares the implementation costs of LEADER and non-LEADER projects to some extent (Germany – RDP 2007-2013 of the federal state Hessen). This study finds that for some measures, LEADER implementation costs are higher compared to the costs of similar non-LEADER measures (e.g., M322 Village development), but in other cases LEADER project costs are lower. The former case is largely due to LEADER higher overhead costs; the latter case can occur for non-LEADER measures implemented with small financial budget or requiring high administrative effort on the part of the paying agency.

An interesting approach to the evaluation of LEADER added value was proposed by Austria for the 2023-2027 programming period[29]. The method aims to ensure that the effects of daily networking and awareness-raising work can be mapped to identify a set of added value indicators that measure changes in the effects of LEADER projects before, during or after. Furthermore, to make these effects visible in a summarized form at national level, each LAG must use all developed indicators.

The examined evaluation studies focus on different elements of added value of LEADER (perceived as relevant for the specific LEADER areas under examination and the specific LDS), which are generally not directly comparable across studies. In terms of "enhanced results and impacts", a few studies assess the costs (in terms of project expenditure under M19.2 or FTE employed) versus the number of financed projects.

[28] Fährmann, B., Grajewski, R., & Reiter, K. (2014) Ex-post-Bewertung Hessischer Entwicklungsplan für den ländlichen Raum 2007 bis 2013: Implementations (kosten) analyse der Umsetzungsstrukturen des hessischen EPLR; Modulbericht 9.1 im Rahmen der begleitenden Evaluierung. Braunschweig. https://literatur.thuenen.de/digbib_extern/dn056119.pdf.

[29] Bundesministerium Landwirtschaft, Regionen und tourismus 2021- Eine neue Methode fur LEADER Wirkungsorientuierung in der Periode 2023-2027.

EVALUATING EFFICIENCY AND COST-EFFECTIVENESS OF LEADER

Concerning the key factors that help explain the cost-benefit relationship of LAG activities, the recent EC evaluation study (2021)[11] shows evidence that "*Internal technical and managerial staff and resources devoted to animation represent the most relevant tools to promote innovative and participatory approaches at local level and outreach as much as project promoters is possible*" (p.139) and also that "*animation and information activities are very specific instruments that LAGs can use to increase their efficiency in achieving results*" (p.140), in particular, compared to the usual RDP measures managed through public procedures. Further to this, evidence shows that the time allocated to animation and information is relevant to achieving good results for certain activities (service provision, social inclusion initiatives and developing new and existing business), since LAGs spending more time in animation and information activities perform better than LAGs spending less time.

Evidence also shows the positive effects of employing higher human resources on achieving a higher share of innovative projects and that scarce time resources limit the ability of LEADER to generate added-value activities such as networking and support/animation. In regions with low resources and with correspondingly low work capacity for tasks such as networking and support for project promoters, the value added generated by LEADER is lower (Fynn L-L., Pollermann K., 2022)[30].

On the other hand, the complexity of collective projects (e.g., more infrastructure/social oriented) can increase animation and running costs. Administrative efforts tied to funding may reduce the potential of LEADER to generate key outputs. In the context of social innovation, Dax *et al*. (2020)[31] note how administrative conditions of LEADER funding (primarily, the effort involved in reporting and claiming payments and the maximum project duration) reduce its effectiveness. Analysis of transaction costs of LEADER projects in the 2007-2013 programming (Berriet-Solliec *et al.,* 2016)[32] in Auvergne and Burgundy (France) found that most such costs were borne by project beneficiaries, due in particular to the complexity of the financial arrangements.

Fährmann and Grajewski (2018)[33] observe that in certain circumstances higher implementation costs (ICs), indicating a reduced efficiency, are necessary for improving the effectiveness of a specific measure. On the other hand, low relative ICs indicating an improved efficiency can translate in low effectiveness of a specific measure. So, when evaluating the costs and benefits of LEADER, it is necessary to consider a possible trade-off among efficiency and effectiveness.

[30] Fynn L-L, Pollermann K., Transnational report on the implementation of Leader in the 2014-2022 funding period - Comparative study in the context of the ongoing Evaluation of rural development programmes in the Länder Hessen, Lower Saxony, North Rhine-Westphalia and Schleswig-Holstein, 5-country evaluation 5/2022, Thünen Institute.

[31] Dax, T., Egartner, S., Ludvig, Al., Lukesch, R., and Oedl-Wieser, T., Niedermayr, J., Wagner, K., Weiss, G., Živojinović, I. Soziale Innovationen im ländlichen Raum. Ergebnisse aus dem EU Horizon 2020-Projekt SIMRA und der LEADER Evaluierung (Social Innovation in Rural Regions. Results from the EU Horizon 2020-project SIMRA and the LEADER evaluation), 2020.

[32] Berriet-Solliec et al. (2016). Innover en territorialisant quel est le prix à payer Analyse des coûts de transaction du programme LEADER 2007-2013 en Auvergne et Bourgogne. https://www.researchgate.net/publication/316001150.

[33] Fährmann B. and Grajewski R. (2018). Will the future CAP lead to less implementation costs and higher impacts of Rural Development Programs? Paper prepared for presentation for the 162nd Seminar "The evaluation of new CAP instruments: Lessons learned and the road ahead". April 26-27, 2018, Corvinus University of Budapest, Hungary.

"*Some of the implementation costs (ICs) incurred are to be seen as an investment in effectiveness. For this reason, targeted, effective measures in particular tend to have high-to-very-high relative ICs due to their sophisticated design and differentiated approaches, advising intensity, etc. Conversely, high implementation efficiency of individual measures, as expressed by low relative ICs, indicates a low effectiveness of measures, combined with higher deadweight risks arising from low funding requirement*s" (Fährmann and Grajewski, 2018:6).

In the EC evaluation (2021)[11], LEADER efficiency was analysed at different levels: LAG selection; implementation of LDS distinguishing between RDP level (PA and MA) and LAG level, taking into account differences across countries and regions adopting different delivery systems. LEADER efficiency is improved by setting a clear division of tasks and roles between MA, PA and LAGs and LAG efficiency improves through the provision of clear guidelines and specific support provided by the central authorities. The evaluation also found that "*at the LAG level, higher budget resources allocated to animation and information activities contribute to improve the efficiency since they allow to devote more time to reach local beneficiaries and increase the number and quality of projects financed*". The cost-benefit analysis contains an assessment of the average delivery cost per new job created at RDP level (based on AIR 2020 data) and at LAG level as only one aspect of possible added value. The results show that, apart from large differences across MS, the type of investment and project promoter contribute to differences, with projects promoted by SMEs and other private firms showing lower costs than public bodies and NGOs. Efficiency also strongly depends on the types of projects implemented by LAGs. The LAG survey suggests that "the higher the efficiency of LAGs, the higher their capacity to achieve outcomes in terms of economic impact, innovation and economic coherence. There is a less evident relation between efficiency and social impact, but high efficiency helps interventions for social inclusion and social services".

In a recent audit examining the extent to which LEADER/community-led local development has delivered benefits that justify its additional costs and risks, the European Court of Auditors (ECA)[34] argues that local action groups facilitate local engagement to an extent, but involve additional costs, projects are approved more slowly than anticipated and, in general, the additional benefits of LEADER and community-led local development are still not demonstrated. The ECA report acknowledges that a range of challenges exist in trying to measure improvements in the less tangible benefits of LEADER, such as enhanced social capital and local governance as reported in various scientific literature. Nonetheless, ECA recommended that the European Commission (EC) should comprehensively evaluate both the costs and benefits of LEADER.

ADMINISTRATIVE BURDEN AND SIMPLIFICATION IN LEADER

In its observations, the ECA Report (2022)[18] specifies that "The Member states should create the right conditions for local action groups to fulfil their tasks, particular to bring different local stakeholders together and to support them in developing projects that provide benefits for local development. In order to do so, they should give local action groups autonomy and keep their **administrative burdens** to a minimum" (p. 18).

The EC Evaluation Report (2021)[11] identifies through a number of case studies across Europe (i.e., Austria, Belgium, Czechia, Germany, Ireland, Italy, Romania, Slovenia, and Spain) that : "S*urvey data also showed that a majority of respondents agreed or strongly agreed that the overall administrative burden for both Mas (61 %) and LAGs (67 %)*

[34] European Court of Auditors. Special Report - LEADER and community-led local development facilitates local engagement but additional benefits still not sufficiently demonstrated, no 10/2022.

increased in the 2014-20 period, compared to the previous programming period" (EC Evaluation Report, 2021: p. 34)[11]. The administrative burden was analysed in relation to 12 tasks undertaken differently by LAGs, MAs, and PAs: Support for project applicants – Develop project idea and project application; Preparation of calls; Project selection criteria; Publication of calls; Project assessment and ranking; Project ranking; Project approval: Checking eligibility of support; Contract preparation: Contract signing; Claims payment; Control task; Project monitoring.

The analysis of case studies done in the same evaluation evidenced that a hindering factor in the effectiveness of the LAGs is the "increased administrative burden taking resources off animation", this negative aspect is leveraged by the "insufficient human and financial resources for animation and capacity building" (p. 81).

The evaluators conclude that "*eligibility checks in project assessment and approval, strong rigidity and complexity of software platforms, and disproportionate control activities all contribute to LAGs' increasing administrative costs*". In some cases, governance and procedural innovations that have been introduced, have contributed to lowering the administrative burden: stronger support to LAG activities by Managing Authorities through technical assistance and a closer monitoring of LAG projects; closer cooperation / collaboration between MA and LAGs; broader use of SCOs by LAGs, not only in sub-measure 19.1 and 19.4 (as in the EU survey) but also 19.2. However, results of this evaluation suggest that the use of SCOs particularly for preparation, animation and running costs, brings significant efficiencies to LAG operations.

Limited funding and the administrative burden were recognised as a challenge for effective implementation of LEADER at both RDP and LAG levels.

ASSESSING COST DRIVERS AND MEASURING COSTS FOR LEADER

In the literature, there are few examples of assessing Implementation Costs[35] (ICs) concerning individual RDP measures, rather than entire policy programmes (definition is given in the Glossary). As Fahrmann and Grajewski (2013)[36] pointed out, in most of the studies (which are however few) that examine the ICs of a wider range of support measures within the CAP, the main criteria used by national audit agencies is the magnitude of the relative ICs: "[...] *such studies however seldom relate these costs to the specific objectives of the measures or their impacts"*. This restricted approach might lead to the conclusion that measures with low relative ICs are favourable, whereas those with a high ratio should be phased out, regardless of their impacts.

Even the most recent evaluation of ESIF administrative costs and burden at EU level (2018)[37] points out that administrative costs or burden do not say anything about performance, which would require a cross-analysis of administrative costs or burden with the results and achievements of the funded operations. So, in other words, both efficiency and effectiveness analyses are required.

[35] ICs are primarily defined as costs at the state level, including (i) personnel input by public authorities, agencies and entities that are charged with implementing the RDP (that is, operational staff and technical and administrative support) for measure-specific tasks, as well as cross-functional tasks, so-called 'programme overhead'; (ii) the costs for contractors charged with performing the tasks, such as banks and engineering consultants (Fahrmann and Grajewski, 2013).

[36] Fahrmann B., Grajewski R. How expensive is the implementation of rural development programmes? *European Review of Agricultural Economics* Vol 40 (4) (2013) pp. 541–572.

[37] European Commission. *New assessment of ESIF administrative costs and burden*. Final Report – October 2018 (Written by Spatial Foresight & t33).

The same 2018 evaluation of ESIF administrative costs and burden presents the new baselines for ESIF administrative costs and burden (pages 37-38) covering each task performed by public authorities and beneficiaries for the implementation of ESI funded programmes. Specifically, for EAFRD:

- EAFRD administrative costs are on average 83 100 EUR per million EUR of eligible funding or 2.18 FTE per million EUR. EAFRD administrative costs, in both monetary and workload terms, are more than double the overall ESIF figure. Approximately 68 % of the overall administrative costs are paid out of the Technical Assistance budget. The remaining 32 % are financed by national or regional resources.
- The higher costs for EAFRD authorities can be explained by the relatively small size of most operations. EAFRD has many beneficiaries and small operations, but in reason of guaranteeing the overall performance of the policy, paying agencies carry out administrative checks on 100 % of beneficiaries, regardless of the size of the operations. Consequently, administrative costs for LEADER as well as for non-LEADER are highest for the Paying Agency (PA: 52 200 EUR per M EUR or 1.18 FTE per M EUR; MA: 26 600 EUR per M EUR or 0.91 FTE per M EUR), which not only certifies expenditures, but also includes tasks covered by Managing Authorities in the other funds.
- The most demanding tasks are the checks for each application of reimbursement, which require the highest workload[38], followed by the selection of operations and information to beneficiaries.
- Reduction potential lies mainly in reducing the number of checks (that could reduce the workload by 4-6 %) and in greatly expanding the scope of SCOs to cover 50 % of the budget that would allow for a more substantial decrease in the workload (i.e., by up to 38 %).

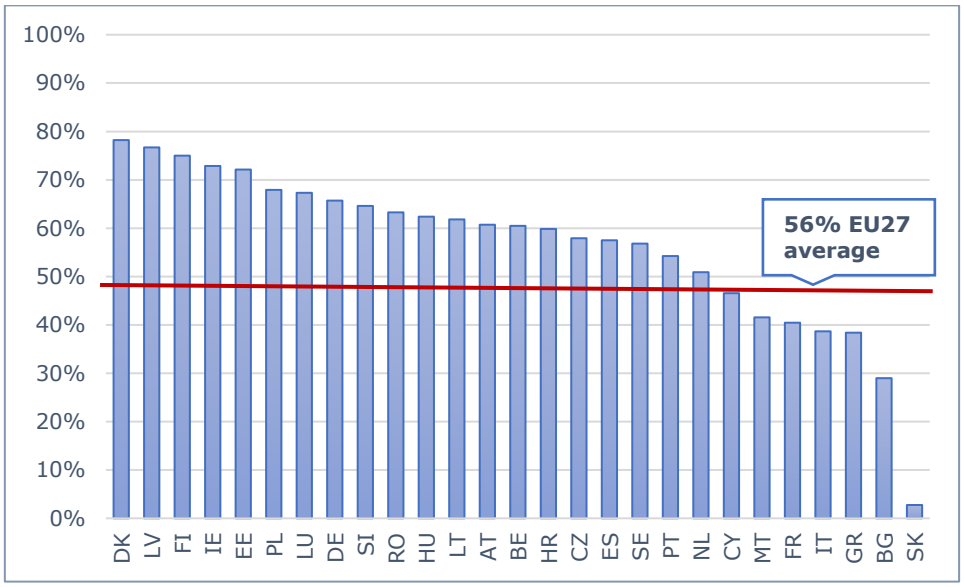
2.4 Advancement in execution of LEADER under the 2014-2022 rural development programming

Under the 2014-2020 (then extended to 2022) programming period, Rural Development Programmes were approved by the European Commission between Dec 2014 and Nov 2015. At the start of the programming period, RDP Measure 19-LEADER was allocated in total 9.7 billion EUR at EU28 level (including EAFRD allocation and national co-financing). Considering the additional funds for the extension of the programming to 2021-2022, the total financial allocation to M19 over the entire 2014-2022 period amounts to approximately 11.9 billion EUR. Measure 19 – LEADER represents just under 6 % of EAFRD financial resources at EU level (including 2021-2022 additional resources).

By end 2022, the financial execution of M19 reached an overall 56 % at EU27 level, or 57.4 % if also considering the UK that by end 2020 had used nearly the whole allocated resources. The figure on next page shows financial execution of M19 across the EU Member States.

[38] To be noted that these are tasks falling outside the core tasks of LAGs.

Figure 4 - Financial execution M19-LEADER, 2015-2022 (EU-27) (total public expenditure as % of total financial allocation)

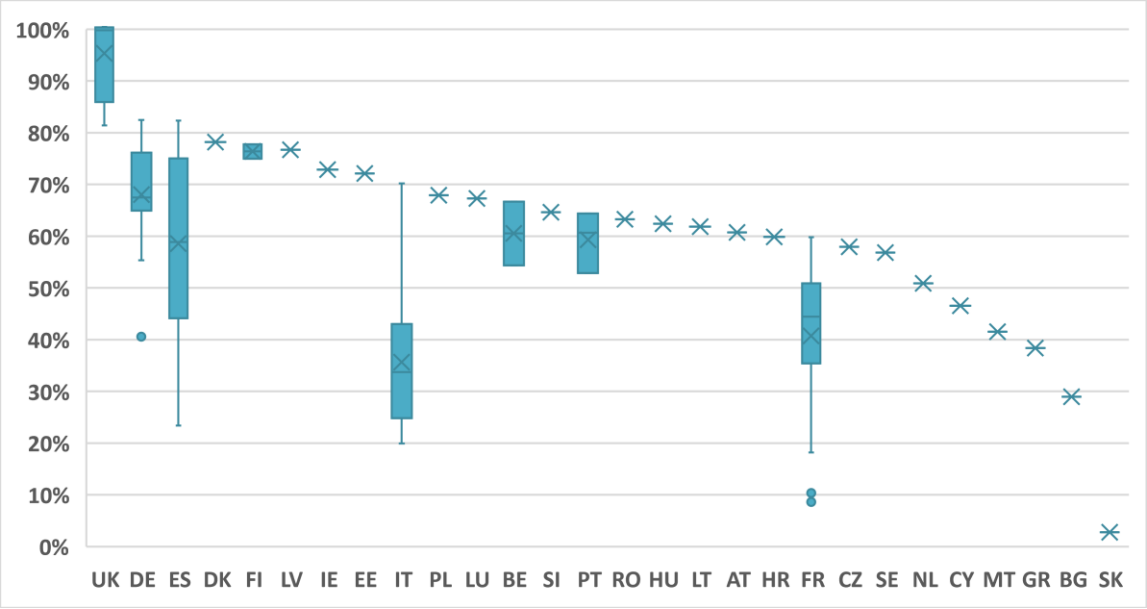


Source: DG AGRI - ESIF Finance Implementation, 2014-2022

At the end of 2022, advancement in execution is very differentiated across RDPs, with 18 Member States above EU average for M19 spending overall.

In over half RDPs (i.e., 61), the spending level is below EU average, with considerable variation in the execution rates of regional RDPs within Member States. This is particularly true in France and in Italy, where in only 2 RDPs financial execution is above EU average (respectively, FR-Auvergne and FR-Nord-Pas de Calais, IT-Puglia and IT-Veneto). Conversely, in Spain and Germany some regions (respectively, ES-Cantabria, ES-La Rioja, ES-Aragón, ES-Galicia, ES-Cataluña and DE-Niedersachsen-Bremen, DE-Nordrhein-Westfalen, DE-Thüringen, DE-Hessen, DE-Mecklenburg-Vorpommern), register much higher than average execution (>70 %).

Figure 5 – Financial execution by Member State and RDP up to 31/12/2022 (total eligible expenditure as % of total financial allocation)

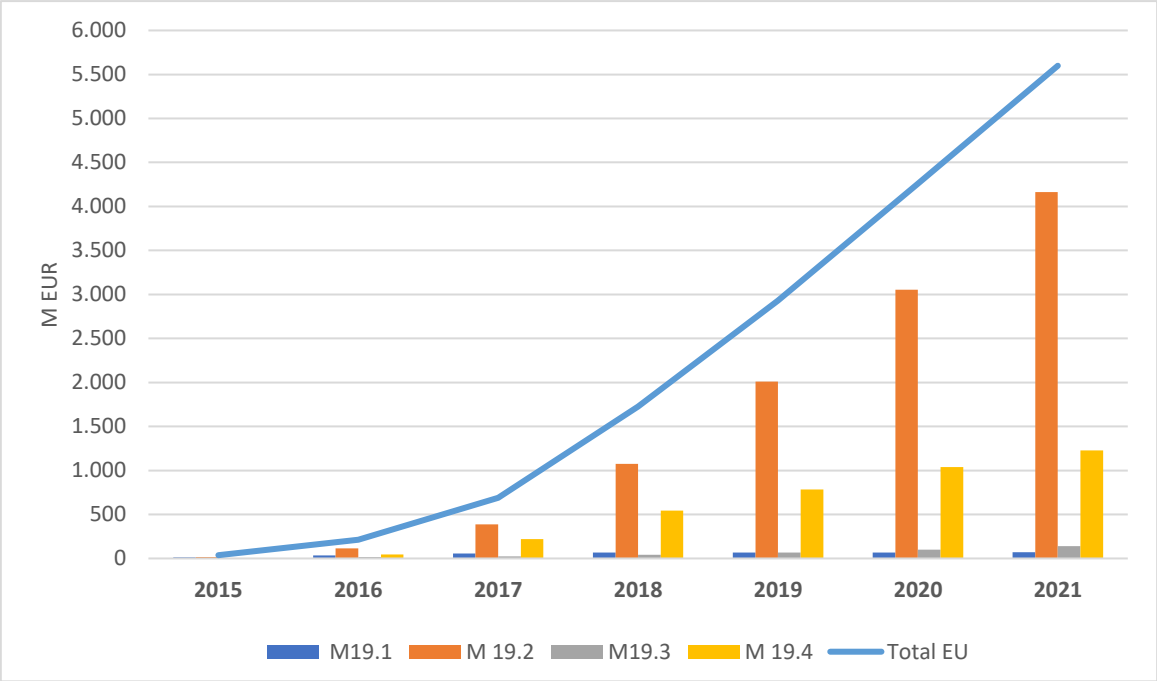


Source: DG AGRI - ESIF Finance Implementation, 2014-2022

Figure 5 shows for each Member State the % of total eligible expenditure over the total allocated amount. In case of Member States with regionalized RDPs, the box plots show mean values ("x") and median values ("-") of this ratio across the Member State regions and the quartile distribution of the data. The "whiskers" extending below and above the boxes indicate the magnitude of the variability below the bottom quartile and above the top quartile. In practice, the boxes provide information about the distribution and therefore the variation among individual regional RDPs in the level of financial execution.

Based on the latest available data disaggregated by sub-measure (AIR 2021[39]), the figure below shows that LAGs started spending substantially on LEADER overall and on financing projects (i.e., sub-measure 19.2 of RDPs) between 2018 and 2019. Only few RDPs (e.g., Denmark, few German federal states, Romania, Spain) started implementing LEADER projects earlier than 2018.

Figure 6 - Evolution of financial execution of M19 by sub-measure, 2015-2021 (M EUR)



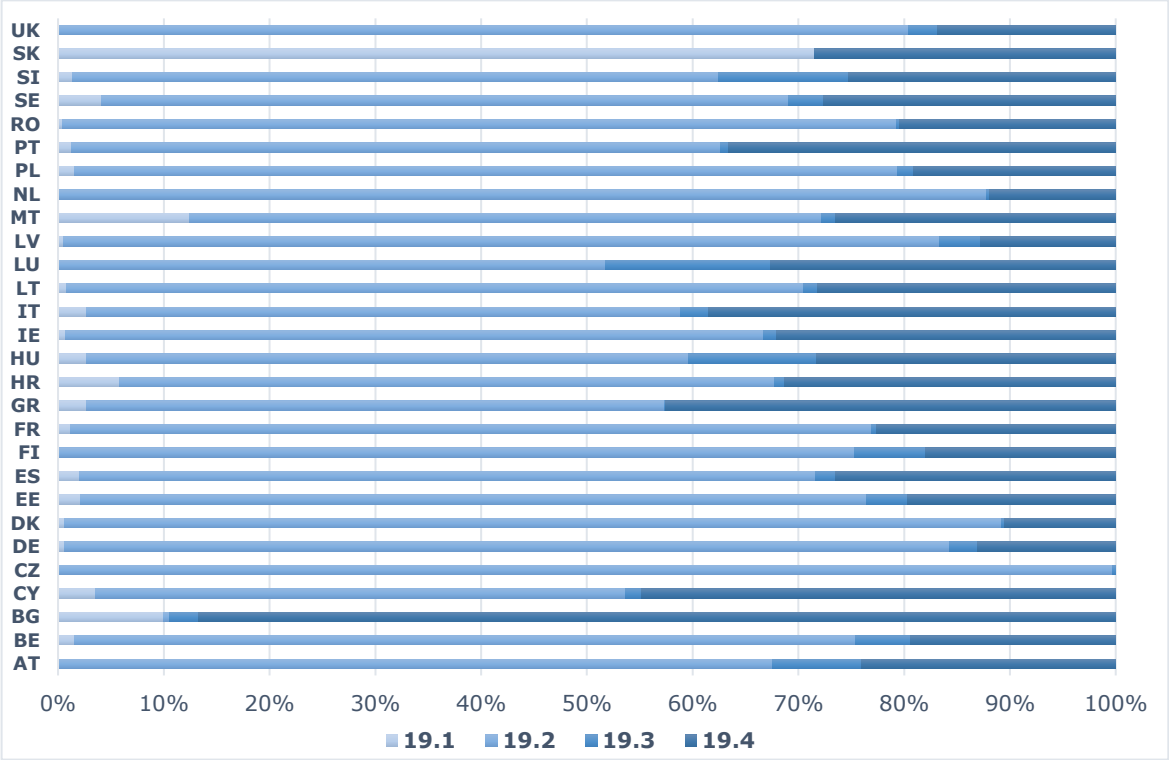
Source: Annual Implementation Reports (AIR), 2015-2021

Based on AIR 2021 data, total public expenditure for management and animation (sub-measure 19.4) amounts on average to 22 % of the total M19 expenditure at the end of 2021, therefore below the 25 % of threshold set by the rural development regulation for total public expenditure.

In some Member States, this ratio is much higher than average (e.g., Bulgaria, Greece, Italy, Cyprus and Portugal). In these MSs, high expenditure on sub-measure 19.4 may well be driven by low levels of spending on sub-measure 19.2. In some Member States, sub-measure 19.1 and/or sub-measure 19.4 are funded through ESI funds other than EAFRD, therefore data for these sub-measures are not reported in the AIR.

[39] AIR 2021 refers to data up to 31/12/2021, which are the latest available AIR data at the time of carrying out the evaluation.

Figure 7 –Rate of financial execution of M19-LEADER by sub-measure, in %, 2015-2021



Source: Annual Implementation Reports (AIR), 2014-2021

A total of 2 894 LAGs have been selected (2 783 for EU27), for a corresponding total financial allocated amount of 12.36 billion EUR (11.96 billion EUR for EU27). The total population covered by local development strategies across the EU is 184 529 303 inhabitants (nearly 172 M inhabitants for EU27).

In relation to Focus Area 6B which refers to LEADER/CLLD, the Common Evaluation Question in the 2014-2022 programming period is CEQ no. 17: "To what extent have RDP interventions supported local development in rural areas?" (Regulation (EC) No. 808/2014 Annex V). The same Regulation details the indicators for this Focus Area. Result indicators correspond to percentage or rural population covered by local development strategies (R22-T21), percentage of rural population benefiting from improved service /infrastructures (R23-T22) and jobs created in supported projects (LEADER) (R24-T23). These indicators are also considered target indicators.

The table below shows the main financial and physical execution indicators of M19 LEADER up to December 2021.

Table 1 - LEADER financial and physical execution up to 31/12/2021

Member State	No. LAGs	Total public expenditure M19 (EUR)	No. jobs created (R24/T23)	Rural population covered by LAGs (R22/T21)	% Rural population benefiting from new/improved services (R23/T22)
AT	77	166 340 300	2 114	4 672 784	94.4
BE	32	38 081 431	389	2 959 817	64.2
BG	64	20 233 778	0	1 646 588	46.1
CY	4	4 397 849	48	106 723	0.0
CZ	178	92 380 096	1 002	6 331 635	0.0
DE	321	1 164 006 117	2 173	30 359 352	35.7

Member State	No. LAGs	Total public expenditure M19 (EUR)	No. jobs created (R24/T23)	Rural population covered by LAGs (R22/T21)	% Rural population benefiting from new/improved services (R23/T22)
DK	26	82 457 937	1 032	2 347 169	5.6
EE	26	75 463 451	1 453	499 457	0.0
ES	253	644 034 941	7 423	11 947 950	15.0
FI	55	244 924 226	3 221	2 722 463	88.0
FR	335	457 329 248	1 832	26 085 157	11.2
GR	50	118 332 239	867	4 150 184	1.4
HR	54	39 114 429	71	2 446 694	40.2
HU	190	112 826 445	405	5 365 000	61.1
IE	29	178 910 446	1 397	3 082 317	0.0
IT	200	377 850 452	1 649	18 956 210	10.3
LT	49	52 402 306	848	1 075 726	29.0
LU	5	6 956 581	29	177 925	0.0
LV	35	68 074 307	234	964 909	3.6
MT	3	2 785 295	3	283 284	0.0
NL	20	34 534 099	227	3 391 728	0.0
PL	291	559 741 614	12 240	20 126 294	14.1
PT	56	134 564 879	2 862	5 029 295	0.0
RO	239	426 252 808	3 660	8 726 539	40.6
SE	44	112 264 377	662	4 261 701	27.7
SI	37	30 249 422	66	1 420 504	0.0
SK	110	1 539 061	0	2 837 385	9.1
EU27 Total	**2 783**	**5 246 048 133**	**45 907**	**171 974 790**	**18.4**

Source: Annual Implementation Reports (AIR), 2014-2021

At 5.25 M EUR of total public expenditure realised by end 2021, the overall financial execution rate of LEADER across the EU27 is 44 %.

All RDPs set a target for the population to be covered by LEADER, since R22/T21 is also a CMEF performance indicator. Some RDPs did not set targets regarding the population covered by new or improved services (R23/T22) or for new jobs created (R24/T23)[40], depending on the types of operations to be activated under LEADER and on the relevance placed in the RDP for such indicators. Specifically referring to indicator R24 of LEADER, it is important to remember that not all LEADER projects are aimed at creating new occupation. Public expenditure on M19-LEADER contributes to other results. Frequently, LEADER projects deal with basic services/infrastructure or other activities related to quality of life in rural areas. Even if projects are about tourism, job creation is not often easy to quantify because the LEADER-project itself improves the tourist attractiveness but does not include job creation directly.

Annual Implementation Report (AIR) data updated to 31st of December 2021 show that LEADER-funded projects have allowed to create 45 907 new jobs, 45 % of which are for women.

The analysis carried out under EQ3 examines in further detail the achieved results of LEADER.

[40] Or they indicate a zero value for these targets in the respective RDPs.

3 METHODOLOGICAL APPROACH TO THE EVALUATION SUPPORT STUDY

3.1 Evaluation design

Based on the stated objectives and the two levels of implementation of LEADER (i.e., RDP level and LAG level) a mixed-method approach is used for the evaluation support study, which integrates quantitative and qualitative techniques, with analysis conducted at three territorial levels:

- all national and regional RDPs in the EU;
- a selection of RDPs which are relatively advanced in LEADER execution;
- case study LAGs identified from the selected RDPs.

The analysis at the **level of all RDPs** aims to reconstruct the general implementation context of LEADER across all EU Member States (and Regions where RDPs are regional), based on AIR monitoring data and on data collected directly from RDP managing authorities and M19 managers at the level of MAs.

The analysis at the **level of selected RDPs** and **case study LAGs** aims to reconstruct the typologies of (analogous) projects supported both under LEADER and under RDP (i.e., non-LEADER) that can be compared for the purpose of evaluating the added value of LEADER.

The analysis covers the implementation of Rural Development Programmes over the 2014-2022 period. The geographical scope is the EU27 (implementation data also consider United Kingdom until December 2020).

At LAG level the evaluation support study uses a case study approach, as described below.

3.1.1 Case study approach

Based on the objective of the assessment of LEADER costs & benefits and on the methodology, the selection of case study LAGs was carried out in two subsequent steps.

It is important to recall here that in order to 1) quantify to the extent possible the costs and the benefits (including the intangible benefits) of LEADER implementation and 2) analyse the cost-effectiveness of LEADER projects compared to analogous projects executed under the RDP (i.e., non-LEADER), it was deemed necessary to select case studies for which the analysis could be based on an adequate number of completed projects, for which cost and result data could be made available.

Therefore, as a first step, national and regional RDPs characterised by a relatively advanced financial execution of M19 were identified based on AIR data (2015-2021). The criterion used to identify such sub-set of national and regional RDPs was **the share of sub-measure 19.2 (LEADER projects) Total Eligible Expenditure / Total Eligible Cost of projects selected on sub-measure 19.2 > 70 %**. This based on the assumption that the more advanced the LEADER execution is under any RDP, the higher the probability of finding LAGs with completed projects for which results are available and can be analysed vis-à-vis the implementation costs.

The analysis led to initially identify 19 national/regional RDPs satisfying or being close to the financial execution selection criterion, covering 11 Member States. In order to finalise the RDP selection, further information was sought for these RDPs by Evaluation Helpdesk geographic experts regarding 1) the types of operations that can be implemented both under LEADER and under RDP (i.e., for the purpose of the comparative analysis of LEADER and non-LEADER similar projects); 2) availability of adequate monitoring data and data from Paying Agencies and 3) sensitivity of public administrations and RDP managing

authorities as to the importance of assessing the added value of LEADER and, finally, their availability to collaborate to the project.

Finally, **10 RDPs were selected**, out of which 5 are regional programmes (i.e., if considering the Finnish RDP for Mainland as a national RDP): Austria, Germany-Mecklenburg Vorpommern, Denmark, Spain-Cataluña, Spain-Navarra, Finland-Mainland, France-Auvergne, Italy-Veneto, Poland and Romania. These RDPs account for 26 % of the total financial allocation to M19-LEADER at EU27 level (including resources 2021-2022).

In the second step, 13 LAGs were chosen as case studies from the 10 selected RDPs.

For the same reasons given above for the selection of RDPs, the analysis at the level of individual LAGs needs to be based on a reasonable share of completed or well-advanced LEADER projects for which data to assess cost-benefit relationships can be available. A further important criterion was dictated by the need to identify, to the extent possible, LAGs that have implemented similar types of operations / projects implemented under RDP (e.g., under M04, M06, M07, M16) to allow comparative analysis between analogous LEADER and non-LEADER projects to assess differences in costs and identify the added benefits of LEADER implementation. For these reasons, a totally random selection of case study LAGs was not viable.

Preliminary LAG information was sought by Evaluation Helpdesk geographic experts, also with a view to selecting LAGs with a good own monitoring system in place (and therefore available data), sensitive or active in doing self-assessment, sensitive to the importance of assessing the added value of LEADER in its main components: improved governance and social capital at local level and ability to deliver enhanced results for the interested rural areas. To this effect, attention was also given to identifying the presence of LEADER projects that by their nature may well be able to create added value such as "specific" operations[41] implemented only under LEADER, integrated multi-measure projects[42] (e.g., valorisation of food supply chains, joint investments and cooperation projects, valorisation of unique territorial assets, social, cultural, natural, etc.), inter-territorial and/or transnational cooperation projects under sub-measure 19.3; and possibly also presence of projects with innovation at the local level and projects delivering community benefits. A summary of the case study selection is provided in the table below.

Table 2 – Case study LAGs

Selected RDPs	Case study LAGs	LAG total financial allocation (EUR)	Population covered by LAG (inhabitants)
AT-Austria	AT_LAG_1	4 241 114	106 653
DE- Mecklenburg-Vorpommern	DE-Meck_LAG_1	8 890 337	122 245
DK-Denmark	DK_LAG_1	7 828 877	206 419
	DK_LAG_2	6 164 718	63 387
ES-Cataluña	ES-Cat_LAG_1	6 209 744	102 963
ES-Navarra	ES-Nav_LAG_1	4 571 470	115 980
FI-Mainland Finland	FI_LAG_1	3 152 612	64 740
	FI_LAG_2	5 337 200	30 611
FR-Auvergne	FR-Auv_LAG_1	7 700 984	79 927

[41] Specific operations are operations that cannot be assimilated to standard RDP operations (i.e., measures not foreseen in Reg EU No. 1305/2013), but are implemented only under LEADER.

[42] Complex projects are multi-measure integrated projects shared by groups of local beneficiaries covering a more or less wide range of interventions.

Selected RDPs	Case study LAGs	LAG total financial allocation (EUR)	Population covered by LAG (inhabitants)
IT-Veneto	IT-Ven_LAG_1	11 387 461	140 254
PL-Poland	PL_LAG_1	3 321 833	42 465
RO-Romania	RO_LAG_1	3 388 844	61 306
	RO_LAG_2	3 182 352	71 119
TOTAL	**13 case studies**	**75 377 547**	**1 207 979**

Source: Own elaboration

3.1.2 Evaluation questions

The evaluation design draws on a range of methods and tools for collecting and analysing quantitative and qualitative data necessary to answer the following **evaluation questions** and to summarise the results into a robust overall **assessment of the extent to which the additional costs of implementing the LEADER approach are justified by its additional benefits**.

For each EQ, the evaluation framework including Judgement Criteria, indicators and sources used in the analysis is presented below.

The analysis to answer EQs uses some CMEF indicators at RDP level (AIR 2021 data). The LAG indicators used for analysis are not CMEF indicators as AIR does not collect CMEF indicators for M19 at LAG level.

EQ1 - **To what extent are the implementation costs under LEADER different from the implementation costs of similar non-LEADER projects? To what extent (if any) do the governance choices of the LEADER approach at the RDP and LAG levels affect its administrative complexity?**

Table 3 - Judgement criteria and indicators for EQ1

JC 1.1 - Implementing LEADER entails additional costs: Differences in costs for LEADER and non-LEADER (e.g., operations under M16; 7.2; 7.4; 7.5; 7.6, 4.1, 4.2, 6.4).	
Indicators	**Sources**
1.1.1 -Differences of general administrative costs for LEADER and non-LEADER implementation and specific costs for LEADER at RDP-level: **a)** LEADER/non-LEADER: Implementation Costs, FTE / RDP staff & paying agencies (Euro) **b)** LEADER/non-LEADER: The length of processing times for assessing funding applications (number of days) **c)** LEADER: specific costs associated with networking and technical assistance to LAGs (Euro) **d)** LEADER: specific costs for selection of LAGs /LDS (Euro, but not calculated because of missing data)	- Questionnaire-based survey of RDP MAs, interviews with MAs and PAs - DG AGRI – Delivery Cost Survey 2021 - Documentary analysis - AIR - Financial execution data for 19.2 & 19.3 and non-LEADER projects
1.1.2 – Assessing the specific costs of LEADER at LAG-level: **a)** LEADER: Costs for M19.1 and use of LAG own resources (Euro) and days for voluntary work (translated to Euro) **b)** LEADER: Costs for M19.4: animation costs to improve human capital at local level (Euro) **c)** LEADER: Costs for M19.4 (running costs of implementation and management of LDS projects 19.2 and 19.3 (Euro)) **d)** LEADER: Costs for beneficiaries (hours for administrative management of project implementation), cost reducing because of LAG-support in project application (percentage of time saving) **e)** Costs for LAG decision-making body (time of board members translated in Euro) **f)** Outreach work needed to get new actors to apply for LAG funding (estimations from interviews)	- AIR - Financial execution data by sub-measure (19.1 -19.4) - Survey data of RDP MAs / desk officers M19 - Interviews in case study LAGs - Interviews with LEADER experts
JC 1.2 - The governance choices for implementation of LEADER affect administrative complexity and the administrative burden	

1.2.1 Qualitative assessments of beneficiaries and LAG-managers about administrative complexities: – extra administrative burden for project owners, – long selection procedures, – animation/help for beneficiaries provided by LAGs, which can improve accessibility to funding	- Interviews in case study LAGs
1.2.2 Qualitative assessments of cost drivers	- Interviews in case study LAGs - Documentary analysis
1.2.3 Actions implemented to reduce administrative burden	- Survey data of RDP MAs / desk officers M19 - Focus groups in case study LAGs - Interviews with LEADER experts

EQ2 - To what extent LEADER implementation brings additional benefits in terms of improved governance and social capital at local level?

Table 4 - Judgement criteria and indicators for EQ2

JC 2.1: The implementation of LEADER led to the establishment of an effective multi-level governance system between the MA, PA, and LAG to facilitate the smooth implementation of LEADER	
Indicators	**Sources**
2.1.1. Improved coordination between different levels of governance 2.1.2. Improved quality of interactions between relevant institutions	- Questionnaire-based survey of RDP MAs - Interviews and focus groups in case study LAGs - Expert interviews - Documentary research
JC 2.2: The partnership composition of the LAGs affected the governance processes created	
2.2.1. LAG's legal/organisational form contributes to • Inclusive governance. • Inclusive partnership composition • The possibility for the general population to take part in governance (appointed or elected partners) • Mobility in the decision-making group	- Interviews in case study LAGs - Focus groups in case study LAGs - Expert interviews - Documentary research
JC 2.3: The implementation of LEADER improved the social capital of the LAGs	
2.3.1. Indices of structural social capital of the LAGs 2.3.2. Indices of improvement of normative social capital of the LAGs 2.3.3. General indices of change of social capital of the LAGs	- Interviews in case study LAGs - Focus groups in case study LAGs - Selected RDP interviews - Expert interviews - Documentary research
JC 2.4: The implementation of LEADER improved the social capital of the LEADER areas	
2.4.1. Indices of structural social capital in LEADER areas 2.4.2. Indices of improvement of social capital in LEADER areas 2.4.3. General indices of change of social capital in LEADER areas	- Interviews in case study LAGs - Focus groups in case study LAGs - Selected RDP interviews - Expert interviews - Documentary research - AIR 2021 data
JC 2.5: The implementation of LEADER improved the social capital among LEADER areas within a member state (inter-territorial cooperation) and among member states (transnational cooperation)	
2.5.1. Incidence of cooperation projects operationalised via M.19.3 of the selected LAGs 2.5.2. Network Diversity Index of inter-territorial and transnational cooperation projects in the selected LAGs 2.5.3. Capacity of inter-territorial and transnational cooperation projects to create added value for the LEADER area. 2.5.4. General indices of change of social capital among LEADER areas within a Member State and among Member States.	- Interviews in case study LAGs - Focus groups in case study LAGs - Selected RDP interviews - Expert interviews - Documentary research - AIR 2021 data
JC 2.6: The implementation of LEADER improved the linkages towards actors external to the LAGs (other LAGs nationally or transnationally, business organisations, MAs etc.)	

2.6.1. Number and types of animation activities undertaken in cooperation with other regional business, social cultural, environmental organisations and public authorities 2.6.2. LAG linkages with established national and European networks and participation in related organised activities/events	- Interviews and focus groups in case study LAGs - Expert interviews - Documentary research
JC 2.7: The implementation of LEADER gave power to the local population beyond what is achieved in nationally administered schemes and created new platforms for change	
2.7.1. Number of projects from actors who have not applied before (for LEADER as well as for non-LEADER measures) 2.7.2. The number of platforms for change that have been developed/consolidated/sustained 2.7.3. Judgement on how LEADER brings the EU closer to citizens	- Interviews and focus groups in case study LAGs - Expert interviews

EQ3 - To what extent LEADER funded projects bring additional benefits in terms of better results compared to analogous non-LEADER projects funded by RDPs?

Table 5 - Judgement criteria and indicators for EQ3

JC 3.1 The support provided to LAGs for the implementation of LEADER and the application of a selection process influence the complexity and specificity of projects implemented under LEADER and enhance the added value	
Indicators	**Sources**
3.1.1 implementation and degree of support for the design of local development strategies. 3.1.2 In the selection process of local strategies: Importance given to criteria promoting strategies with potentially higher added value in terms of better results 3.1.3 Number and share of LAGs implementing specific operations 3.1.4 Number and share of LAGs implementing Complex Projects (multi-measure integrated projects) 3.1.5 Number and share of LAGs implementing cooperation projects (e.g., M16.3, M16.9 or other types) 3.1.6 Number and share of LAGs implementing Inter-territorial and Transnational cooperation projects (19.3) 3.1.7 The contribution of LEADER to FA other than FA 6B	- AIR 2021 data - Survey data of RDP MAs / desk officers M19 - In-depth interviews with selected RDP Mas/desk officer of RDP - In-depth interviews with LAG-management
JC 3.2 LEADER projects include greater "sustainability" of projects and jobs created compared to non-LEADER projects and affect the inclusion of women and young people in the job market	
3.2.1 Average public expenditure of similar projects under RDP and under LEADER 3.2.2 Judgment and % given by respondent of projects that survive without support in comparison to non-LEADER projects under RDP 3.2.3 Average public expenditure for a new job created in comparison with analogous non-LEADER measures 3.2.4 Results achieved by the LAG in terms of creation of sustainable employment opportunities 3.2.5 Judgement expressed by FG participants on the capacity of the LAG to contribute to the integration of young people and women in the labour market	- AIR 2021 Data - Survey of MA / M19 desk officers of selected RDPs - In-depth interviews LAG-management - Focus groups - Documentary analysis
JC 3.3 The animation, networking and technical assistance provided by the LAG improve the performance of local enterprises in the area concerned; the projects use better local knowledge and address better specific local needs compared to non-LEADER projects	
3.3.1 LAG (number and %) which report the use of voluntary work in projects financed 3.3.2 LAGs which report examples or Number of projects, for which ideas have been created in LEADER workings groups 3.3.3 LAGs which report projects with improvements through – consulting within LAG 3.3.4 The degree to which the animation, networking and technical assistance provided by the LAG have improved the performance of local enterprises in the area concerned	- In-depth interviews LAG-management - Focus groups

3.3.5 Judgement expressed by FG participants on the capacity of the LAG to continue the interaction with applicants of the supported projects.	
JC 3.4 LEADER projects are more innovative compared to non-LEADER projects	
3.4.1 Judgement expressed by respondents on innovativeness of projects under LAG in comparison to non-LEADER projects under RDP 3.4.2 Number of LAGs which have supported innovative products or innovative arrangements 3.4.3 Description of the main innovations supported 3.4.4 Judgement expressed by participant in FG on the capacity of LAG to promote innovation (i.e., new products, process, systems, working methods, but also social innovation)	- Questionnaire-based survey of MA / M19/other measure desk officers in selected RDP - In-depth interviews LAG-management - Documentary analysis - Interviews with LEADER experts (e.g., evaluators) - Focus groups
JC 3.5 LEADER projects supporting the improvement of local production and local assets can perform better compared to similar non-LEADER projects in the areas concerned	
3.5.1 Number of LAGs in which an increase is observed in 1) the added value of local products; 2) the number of local products finalised (produced, processed and packaged); 3) the margin of local product's producers in the final price of local products; 4) sales and new customer; 5) Touristic flow; 6) Improved access to and usability of local services 3.5.2 Number of LAGs in which an increment of tourist flow and visitors is observed 3.5.3 Judgement expressed by FG participants and respondents on Enhanced results compared to ordinary RDP measures	- Questionnaire-based survey of MA / M19 desk officers of selected RDP - In depth interviews LAG-management - Focus groups - Documentary analysis - Interviews with LEADER experts
JC 3.6 The implementation of the strategy as a whole produce structural changes in the dimensions on which the strategy intervenes and affects the socio economics dynamics	
3.6.1 Judgement expressed by FG participants and respondents on the capacity of the Strategy to improve quality of life and social inclusion 3.6.2 Judgement expressed by FG participants and respondents on the capacity to produce structural changes in the dimensions on which the strategy intervenes 3.6.3 Judgement expressed by FG participants and respondents on the capacity of the LDS to affect socio-economic dynamics	- Questionnaire-based survey of MA / M19 desk officers of selected RDP - In depth interviews LAG-management - Interviews with LEADER experts - Focus groups and Q1 annex 1 - Documentary analysis - EUROSTAT/National official statistics - Context indicators
JC 3.7 LAGs are efficient, effective, and capable to utilise resources necessary for implementing specific RDP measures	
3.7.1. LAG input indicators 3.7.2. LAG output indicators 3.7.3. LAG result indicators 3.7.4. Efficiency of the LAG 3.7.5. Effectiveness of the LAG 3.7.6. Utilisation of financial resources by the LAG	- In-depth interviews LAG-management

3.2 Data collection

3.2.1 Primary data

Primary data collected on the field play a central role in the current evaluation support study. The data were collected using different tools described in the following paragraphs.

The designed data collection tools are well rooted in the evaluation frameworks developed for each EQ. Specifically, the work carried out in developing the data collection tools was aimed at:

- Ensuring consistency between the proposed Judgement Criteria and related indicators of each EQ and the specific questions/ items included in each data collection tool.
- Ensuring consistency between the data being collected and the use of such data at the appropriate level of analysis (i.e., all RDPs, selected RDPs, case study LAGs).
- Ensuring that the data is collected in a form suitable for use under different / alternative analytical tools (descriptive statistical analysis, I-O analysis, social network analysis, etc.).

The table below synthesises the collection of primary data according to the tools that have been designed and used for each level of analysis.

Table 6 - Data collection tools by level of analysis

Level of analysis	Documentary research	Primary data collection tools
All RDPs	LEADER evaluation reports and other relevant literature	Questionnaire-based survey of RDP MAs / Measure managers / PAs (Paying Agencies)
Selected RDPs	National and regional RDP documents, M19 call for proposal, AIRs, Evaluation reports (annual, interim, thematic)	Questionnaire based survey of RDP MAs / Measure managers (enhanced questionnaire) + Interviews
		Interviews with PAs
		Interviews with LEADER experts (NRN, evaluators, etc.)
Case study LAGs	Local Development Strategies; LAG websites; LAG statutes; LAG annual monitoring reports to MA; LAG self-assessment reports	Interviews with LAG management Focus Groups

Source: own elaboration

In relation to the objectives of the LEADER evaluation support study, maximum effort was made to ensure the collection of quantitative or easily quantifiable information (e.g., opinions and judgements collected through scale scores) for all three levels of analysis. This will allow to treat collected data and responses in a homogeneous way across RDPs and across case studies and to make comparisons.

a. Level of analysis: All RDPs (EU 27)

Data were collected through a **questionnaire-based survey targeted to all national and regional RDPs** was directed to RDP 2014-2022 Managing Authorities (and to M19 managers and other RDP measures' managers within the MAs, as well as Paying Agencies, as appropriate case by case). The survey was administered by email by the study team at central level.

The designed questionnaire contains 14 questions (with some added qualitative sub-questions), most of which are close ended aimed at collecting quantitative or easily quantifiable information, as said above, specifically:

- administrative and monitoring data, many of which at the level of individual LAGs,
- judgements and opinions collected through multiple-choice questions with pre-coded answers.

To ease the compilation, the questionnaire was complemented by a template for respondents to record costs and other data requested at the level of individual LAGs. The

questionnaire contains two main sections: the first one collects information about the selection of LDS, implementation of M19 LEADER and judgement on LEADER results under the concerned RDP; the second part focuses on collecting administrative cost data, information about governance and actions taken to reduce administrative burden.

b. Level of analysis: Selected RDPs

In the Selected RDP Member States and regions, data were collected using three different tools.

The same **questionnaire** was used as for the all-RDP survey, but further "enhanced" to include additional questions mostly to gain further insight about governance and data on similar types of operations implemented under LEADER and under RDP (i.e., non-LEADER), for the purpose of comparison. Evaluation Helpdesk geographic experts collected the information directly on the field from RDP Managing Authorities through **in-depth interviews.** In this case too, the questionnaire was complemented by a template to record the more detailed cost data and information requested at the level of individual LAGs.

For each selected RDP, short **interviews with Paying Agencies** were organised by Evaluation Helpdesk geographic experts aimed at collecting administrative cost data for different functions (eligibility checks, controls, payments, etc,.) for M19 and other Measures implemented under the RDP, again for the purpose of comparison.

For each selected RDP, one or two **interviews with LEADER experts** such as NRN representatives and RDP independent evaluators were conducted again by Evaluation Helpdesk geographic experts. One additional interview was conducted with a representative of ELARD.

c. Level of analysis: Case study LAGs

For data collection at case study level two tools were used: extensive in-depth interviews with the LAG management and 1-2 relevant members of the LAG partnership and Focus Groups (i.e., 1 Focus Group in each case study LAG). For both, guidelines were designed by the study team.

LAG interviews were aimed at collecting detailed information about the cost of implementing LEADER, also in comparison with similar projects implemented under the RDP (i.e., non-LEADER), cost drivers and administrative burden, structure and composition of LAG partnerships, governance models, social capital, cooperation, innovation through LEADER projects and the added value of LEADER, including better and more sustainable results.

Focus groups (FG) were used to collect in a single phase the opinions expressed by various stakeholders involved and not involved in the implementation of the LDS. To ensure wide representation of stakeholders affected (directly or indirectly) by the LDS and the collection of unbiased judgements, the groups were composed by 8-12 persons, including the following types of participants:

- Members of the LAG partnership (max 2);
- Direct beneficiaries of supported projects (max 3);
- Actors that are representative of the territory but not involved in the LDS (max 3);
- Actors who submitted project applications to the LAG but were not financed (max 2);
- LAG staff members (max 2, one of whom must be the LAG manager/director).

The technique used is the Nominal Group Technique (NGT), which falls under the wide family of participatory approaches and allows to capture synthetic judgements shared by the different focus group participants about whether and to what extent the

implementation of the Local Development Strategy as a whole produces added value in (i) the concerned LAG area and (ii) with respect to hypothesized added value elements on which participants are expected to provide their ideas, reflections, comments and opinions.

NGT is a technique suitable to produce estimates (cardinal value attribution) on issues that cannot be treated with quantitative techniques.

Focus groups were carried out in two stages: in the first stage, the participants, working individually, were asked to provide synthetic judgements on aspects/indicators preliminarily identified by the study team (e.g., indicators based on Likert-type scales). In the second stage, the judgements were collected by the focus group mediator and discussed by the group seeking to reach shared values on each topic or most of the topics discussed.

Documentary research

As a complementary tool to RDP survey, interviews and focus groups, documentary research was conducted to gather both qualitative and quantitative information through review of relevant literature (see previous chapter 2) and of other relevant documents.

Documentary research was conducted by Evaluation Helpdesk geo experts based on a range of existing documents at the level of Selected RDPs and case study LAGs and allowed to gather basic information about the design of M19 LEADER in the different RDPs, about the delivery mechanism and type of governance. For case study LAGs, documentary research was designed in a way that some information to be collected through interviews with the LAG management/partnership could be gathered beforehand and verified during interviews. The table below summarises the main information sought through documentary research.

Table 7 - Information collected through documentary research

LEVEL OF ANALYSIS	DOCUMENTARY RESEARCH	SOURCE	YEARS
Selected RDPs	Rural Development Programme 2014-2022	RDP MAs RDP Websites	2020/2021/2022
	Monitoring and evaluation systems of selected RDPs		
	Annual Implementation Reports (AIR) - Implementation of M19 – LEADER		
	Data from Specific monitoring systems set up for LAGs (e.g., SIPRAM in Denmark)		
	RDP Evaluation Reports 2015-2022	RDP MAs RDP Websites	2020/2021/2022
	For measure 19.2 and 19.3: Financial and physical execution, outputs (number of projects financed and concluded), type of beneficiaries, average expenditure for projects; cost-effectiveness		
	For RDP measures to be compared with similar measures financed under LEADER: Financial and physical execution, outputs (number of projects financed and concluded), type of beneficiaries, average expenditure for projects; cost-effectiveness analysis (if done)		
Case study LAGs	LAG annual monitoring reports to RDP Managing Authority	LAG – LAG statute – LAG website	2020/2021/2022
	Members of the LAG Partnership		
	Planned outputs and results		
	Financial and physical execution, outputs (number of projects financed and concluded), results		
	LAG self-assessment reports (if available)		
	Financial and physical execution, outputs (number of projects financed and concluded), type of beneficiaries, average expenditure for projects; cost-effectiveness analysis		

Source: own elaboration

3.2.2 Secondary data

Secondary data are used in the evaluation support study for answering the EQs to complement the analysis carried out on data collected in the field at the level of RDPs and case study LAGs. The table below summarizes such secondary data and relative sources.

Table 8 - Secondary data and sources

Database	Source	Detail
Annual Implementation Reports of RDPs Indicators_in_AIR_with_Historical_data_2021	DG AGRI:	2015-2021
ESIF 2014-2020 Finance Implementation Details (ODP)	DG AGRI:	Data at 31/12/2022
EAFRD declared expenditure by measure and year	DG AGRI	Up to Q2 2022
DG AGRI Delivery Cost Survey 2021	DG AGRI:	2021 (budget year 2020)
Number of controls EAFRD	DG AGRI	CY2020
Regional Statistics	EUROSTAT/national statistical offices	NUTS2 or NUTS3
LAG database	ENRD	

Regarding the LAG database designed by the ENRD, various data have been identified as interesting for the purpose of the LEADER evaluation support study. However, from information received by the ENRD, the data of interest (e.g., key themes of LAG strategies, number of entities in LAG decision body, number of LAG staff, LAG budget, no. of inhabitants) are available only for a small proportion of LAGs (i.e., max 4 % of the total 2 912 LAGs). These data and more have been collected on the field for the case study LAGs. Some detailed data at LAG level were also collected for all RDPs or for the 10 Selected RDPs.

3.3 Results of data collection

Data collection was carried out between mid-January and March. The last filled-in questionnaires were received towards the end of March 2023. The table below summarises the results of data collection at RDP and case study level through the different tools used.

Table 9 – Overview of primary data collection

	Survey directed to RDP MAs and PAs		**Interviews with LEADER experts**	
	Number of RDPs answering the survey	Total number of respondents	Number of respondents	
All RDPs	55	89	1 (ELARD)	
Selected RDPs	10	25	14	
	Interviews with LAG managers / Members of LAG partnership		**Focus Groups**	
	Number of LAGs	Total number of respondents	Number of LAGs	Total number of participants
Case study LAGs	13	17	12(*)	112

(*) It was not possible to organise the Focus Group in one of the two Romanian case study LAGs.

Source: own elaboration

The data collection is further illustrated in the following sections.

3.3.1 Questionnaire-based survey of all RDPs

The survey, conducted by email, was launched during the last week of January to collect data from 96 national and regional RDPs covering the EU 27 (i.e., excluding from the

existing 115 RDPs: 4 UK regional RDPs, the 10 Selected RDPs, 3 national RDPs of Italy, France and Spain and 2 NRN Programmes of Italy and France).

A total of 55 filled-in questionnaires were returned by email and additional 10 questionnaires were completed for the Selected RDPs (i.e., as explained above, the same questionnaire was used, but with additional questions) with the aid of in-depth interviews carried out by the Evaluation Helpdesk geographic experts.

Therefore, **counting a total of 65 completed questionnaires, the overall response rate for the RDP survey is 61.3 %.** The RDPs (national and regional) answering the survey represent a very large proportion of M19-LEADER implementation over the 2014-2022 period across the EU 27, specifically:

- **77 % of total allocated financial resources**, including EAFRD and national co-financing;
- **81 % of total realised total public expenditure**, including EAFRD resources and national co-financing;
- **77 % of all LAGs;**
- **78 % of the total rural population covered by LAGs**.

For most RDPs, more than one person contributed to answering the survey, usually the RDP Managing Authority assisted by the official responsible for implementation of M19 and/or a technical/administrative officer and/or the Paying Agency. In total, **114 persons** provided their contribution to the 65 completed questionnaires.

3.3.2 Interviews with LEADER experts

A total of 14 complementary interviews were carried out in the 10 selected RDPs with NRN experts and evaluators of LEADER. An additional interview was carried out with a vice-president of ELARD. The interviews have allowed to gather valuable insights on LEADER added value features in terms of improved governance and social capital at local level, and in terms of enhanced results.

3.3.3 In-depth interviews in case study LAGs

A total of 17 in-depth interviews have been conducted with LAG managers/members of the LAG partnership covering 13 case study LAGs.

3.3.4 Focus Groups in case study LAGs

A total of 12 Focus Groups have been carried out across the selected case study LAGs. Each focus group has seen participation of 8 to 12 persons selected in a way to adequately represent both stakeholders involved in the LDS and other actors operating within the LAG area but not directly involved in LAG activities and LDS, to ensure unbiased judgements to the extent possible. Indeed, participation to Focus Groups was quite balanced and representative of different types of stakeholders: about one third of FG participants across the case studies are not directly involved in LAG activities or LEADER projects, one third are beneficiaries of LEADER funding and the remaining participants are actors employed in LAG activities or in the LAG partnership.

The table on next page summarises Focus Group participants by category.

Table 10 – Typologies of Focus Group participants in case study LAGs

Participant typology	Number
Actors that are representative of the territory but not involved in the LAG/LDS	28
Actors who submitted project applications to the LAG but were not financed	10
Direct beneficiaries of supported projects	37
Members of the LAG partnership	20
LAG Manager / LAG staff	17
Total Focus Group participants	**112**

Source: Own elaboration

Focus Group sessions were also used to collect information from a wide group of respondents (i.e., not limited to LAG staff or LAG members) to feed the analysis of trust under social capital and opinions about the influence of LAGs on the economic growth of the local area, on social inclusion, on the environmental quality of the local area and on local governance among local actors.

3.3.5 Documentary research

Information and data collected through documentary research is used in various parts of the analysis to answers the evaluation questions. Here we provide a summary of information collected at the level of selected RDPs that describes the functioning of the delivery models adopted.

Box 1 - The LEADER delivery model in selected RDPs

In **Austria** projects that fit into a standard RDP measure are funded there so that LAGs can focus on other necessary projects from a regional perspective. The LAG budgets are far too small for standard projects. The LEADER regions do not carry out calls for standard RDP measures. In the period 2014-2020, the LAGs were not obliged to publish any calls. The previous LEADER projects were almost exclusively pure LEADER projects.

The **ES-Cataluña** RDP foresees demarcation between RDP and LEADER for M07 and M16. M07 implemented by the Administration focuses on environmental issues (drafting and updating of use and management plans, special protection plans, nature management plans, as well as the dissemination of the environmental values of natural areas), whereas LEADER focuses on the implementation of projects and investments related to the conservation and improvement of heritage, creation of companies and strategic projects promoting economic dynamism and job creation in rural areas.

Regarding M16, the complementarity is assured though annual meetings that aim at analysing the possible overlaps between projects implemented under RDP and under LEADER.

Regarding investment in agri-food industries (M4.2), the RDP makes a demarcation according to the amount of the investment: investment less than 250 000 EUR are supported by LEADER whereas investment superior as 250 000 EUR are supported by the RDP Administration.

Regarding investment in non-agricultural activities, the RDP offers support to farmers and farmers' family members for diversification through M6.4. LAGs can support investment in non-agricultural SMEs when the promotors are outside the agricultural sector. If we consider farm diversification strictly as non-agricultural activities developed by farmers, LEADER does not implement this kind of support. However, as detailed above, investment for non-agricultural activities can be implemented under LEADER and under M6.4. It depends on the type of beneficiary: if it is a farmer or member of farmer's family, it goes through M6.4 of the RDP. If not, and in the LEADER areas, it can go through LEADER. M6.2, 7.2, 7.4, 7.5, 16.3, 16.9 are not implemented under the RDP.

In **ES-Navarra**, sub-measure 4.1 (Farm investments) is implemented only under RDP M04; Sub-measure 4.2 (Investments in agri-food processing and marketing) is mostly implemented under RDP, but in some specific cases, it has been implemented under LEADER. There is no clear demarcation.

Sub-measure 6.2 (Non-agricultural start-ups) can be implemented both under RDP and LEADER. Sub-measure 6.4 (Farm diversification; farm-linked diversification: professional farmer or member of the farmer's family unit) is managed directly by the Administration (RDP). Other types of diversifications can be financed by the LAGs. Sub-measures 7.2 (Investments for small scale infrastructures), 7.4 (Basic services in rural areas), 7.5 (Small scale recreational and tourism infrastructures) and Sub-measures 16.3 (Cooperation for tourism) and 16.9 (Cooperation social services) can be implemented only under LEADER; Sub-measure 16.4 (Cooperation among supply chain actors) only under RDP.
In **Finland,** the measures that can be implemented under LEADER can also be implemented under RDP (except measure 4.1 and measure 6.4 that are implemented only under RDP and umbrella projects funded with measure 7 which are solely for LEADER). The LEADER groups and the regionalised MAs draft an agreement on the demarcation and cooperation in the RDP implementation. The general demarcation line is that for local or small projects the funding source is LEADER and for regional or large projects (in financial terms) the funding is regionalised (e.g., average financial size of 4.2 LAG project =19 072 EUR against 142 503 EUR of 4.2 RDP Projects). However, the MA and the LAGs cooperate – if a potential beneficiary asks about funding, the LAGs refer them to the MA if the project is outside of the scope of the LDS but would fit the MA funding.
In the **FR-Auvergne** region, according to the RDP, for operations that are at regional level, projects should apply for funding under RDP measures. Sub-measures 4.1 and 4.2 can be implemented only under RDP. Operations that can also be activated at local level are M7.4, M6.4.3, M16, but the main criterion is coherence with the local development strategy. If coherence is not demonstrated, the application can be presented under RDP measure. The verification is done by the LAG.
In **DE-Mecklenburg Vorpommern**, LEADER can activate RDP Measures but the contribute is monitored only to FA 6B. Furthermore, projects activated under measure 19.2 are only partially assimilable to RDP measures.
In **Denmark** clear demarcation is used and LEADER projects are exclusively LEADER (under 19.2) focussing on FA 6B. Sub-measures under M4 are only used to support investments in physical assets in the agricultural sector and cannot be used by LAGs. Sub-measures under 6 are not a part of the Danish RDP programming for 2014-2022. Sub-measures under 7 are only used to pay for commitments made between 2010-2012 relating to biogas production facilities and investments in outdoor activities and natural heritage under RDP 2007-2013. These are supposed to contribute to Priorities 4A, 4B, 4C and 5C according to the intervention logic in the RDP 2014-2022. Sub-measures under M16 are directed towards strengthening of innovation and competitiveness in the primary agricultural sector while supporting sustainable agricultural development through innovation and cooperation between relevant actors. The LEADER part of the programme is complementary to the other RDP activities and does not overlap.
In **IT-Veneto** the measures activated by the LAGs can also be activated under RDP (e.g., 6.4.1). But in specific circumstances, some types of interventions have been activated by the Veneto Region only in non-LEADER areas (e.g., 6.4.2). The eligibility conditions are specific and clearly presented in each call for proposals based on the detailed specifications of each RDP measure. The Veneto region has also activated a specific type of intervention for Veneto LAGs called 19.2.1.x, which represents an excerpt of the intervention 7.5.1 and specific for tourism promotion activities "Information activities for the development of knowledge and usability of rural territories".

Source: own elaboration based on documentary research

Similar information was also collected through the survey of RDP MAs/PAs to help characterise LEADER implementation rules applied within different RDP delivery models.

The table on next page provides an overview across survey respondents (in total 65 RDPs), indicating that most RDPs use clear demarcation (75 % of cases) or other restrictions. Only 12 RDPs allow all operations that are generally financed under the RDP to be implemented also under LEADER – 18.5 % of all examined cases).

Table 11 - Types of operations that can be implemented under RDP and under LEADER

Types of measures/operations that can be implemented under RDP and under LEADER	Number of responses	% on total responses (n=65)
All operations financed under RDP can be financed also under M19 LEADER	12	18.5 %
The RDP establishes a demarcation between operations that can and cannot be financed under M19 LEADER	49	75.4 %
Operations that cannot be assimilated to standard RDP operations (i.e., measures not foreseen in Reg. EU 1305/2013) but are specifically designed for the concerned LEADER territory	33	50.8 %
Measures foreseen in Reg EU 1305/2013 but not activated in the RDP	31	47.7 %
Measures foreseen by the RDP but adapted if implemented under LEADER	45	69.2 %
Investments in agriculture and food processing (i.e., Measure 4) can be financed under LEADER	45	69.2 %
Investments for farm diversification into non-agricultural activities can be financed under LEADER (sub-measure 6.4)	54	83.1 %
Investments or maintenance of local infrastructure (e.g., local roads, street lighting, etc.) can be financed under LEADER (e.g., under sub-measure 7.2)	43	66.2 %
Investments in local IT services (e.g., open Wi-Fi, e-governance services, etc.) can be financed under LEADER (e.g., under sub-measure 7.4)	43	66.2 %
In the areas covered by LEADER projects implemented under LEADER and under the RDP coexist for the same operations	36	55.4 %

Source: RDP survey

3.4 Analytical tools

Various analytical approaches and tools have been used in the analysis carried out to answer the Evaluation Questions, as detailed below.

3.4.1 Statistical analysis

Descriptive statistics are widely used in all parts of the evaluation support study to analyse both primary and secondary data. The use of simple statistical indicators such as percentages, proportions, averages, ratios (i.e., cost ratios), correlations and other indicators based on data distributions is effective for relating basic information and making comparisons.

Judgments and opinions collected through the RDP survey, LAG interviews and Focus Groups using scales and scores are treated to the extent possible in a quantitative manner to ensure a comparable and aggregable format.

Statistical methods are used in the analysis for all Evaluation Questions.

3.4.2 Contribution analysis

Contribution Analysis (CA) is a qualitative approach used to assess causal relationships and inferring causality based on a step-by-step approach. The essential value of CA is that it offers an approach designed to reduce uncertainty about the contribution of an intervention to the observed results through an increased understanding of why the observed results have occurred (or they have not) and the role played by the intervention and other internal and external factors.

In the present evaluation support study, CA is used in the analysis for answering EQ2 and EQ3 especially for judgements and opinions expressed for indicators collected through the Focus Groups.

3.4.3 Efficiency, effectiveness and utilisation of resources analysis

For the analysis of the LAG efficiency and effectiveness, operational definitions have been taken considering the work done by Bartuševičienė and Šakalytė (2013).

"***Effectiveness*** *measures the degree to which an organisation achieves its goals, or the way outputs interact with the economic and social environment.* ***Efficiency*** *measures relationship between inputs and outputs or how successfully the inputs have been transformed into outputs*" *(*Bartuševičienė and Šakalytė, 2013: 48-49)[43].

Utilisation of resources relates to the capacity of the decision group to manage co-financed project and is expressed by the proportion of financial resources used (Lopolito et al. 2011)[44]. In order to analyse LAGs for their efficiency, effectiveness and capacity to utilise resources, a set of *ad hoc* **input, output and result indicators** have been used.[45]

The **input indicators,** which specify the efforts in terms of time[46] and labour costs[47] that include management activities[48] of the LAG, staff are:

- LAG.I.1. Number of hours devoted to individual trainings by the LAG staff.
- LAG.I.2. Labour costs sustained for individual trainings offered by the LAG staff.
- LAG.I.3. Number of hours devoted to collective trainings by the LAG staff.
- LAG.I.4. Labour costs sustained for collective trainings organized by the LAG staff.

The **output indicators for the LAG**, regarding the activities performed in terms of individual or collective training activities organised by the LAG staff, are:

- LAG.O.1. Number of individuals trainings.
- LAG.O.2. Number of collective trainings.
- LAG.O.3. Number of persons individually trained.
- LAG.O.4. Number of persons collectively trained.
- LAG.O.5. Number of persons asking for general information but not trained.

The **result indicators for the LAG**, representing the aims achieved by the organisation by transforming inputs into outputs, are:

- LAG.R.1. Number of applications presented to the MA-PA

[43] Bartuševičienė, I., Šakalytė, E., (2013). Organizational Assessment: effectiveness vs. efficiency. *Social Transformations in Contemporary Society*, 1:45-53.

[44] Lopolito, A., Nardone, G., & Sisto, R. (2011). Towards a comprehensive evaluation of local action groups in LEADER programmes. New Medit: Mediterranean Journal of Economics, Agriculture and Environment - *Revue Méditerranéenne d'Economie Agriculture et Environment*, 10(1), 43.

[45] We clarify here a methodological issue. In the Inception Report we have specified the use of I-O analysis. Here we do not refer to the classic I-O matrix used in macroeconomic studies, but we refer to input, output and result indicators and their ratios in order to compute the efficiency and effectiveness of the case study LAGs.

[46] Labour time devoted by the LAG's staff to the specific measure i activated by the LAG j and expressed in Full Time Equivalents (FTE). The hourly rate is calculated by dividing the annual gross employment costs for the person by the standardised annual productive hours which have been calculated with the fixed value of 1720 yearly hours as set out in Art. 68 (2) Reg. 1303/2103. This hourly rate is then multiplied by the hours worked on the measure to calculate the staff costs.

[47] Labour costs (i.e., annual gross employment costs) sustained by the LAG j for the specific measure i concerning different activities (i.e., call for proposal preparation, organisation and implementation of training activities for individuals or groups of potential beneficiaries, communication and promotion activities, legal and technical advice, monitoring activities of projects). For this purpose, the number of hours devoted by the staff (director, technical officer, administrative manager, etc.) to a specific measure in all the years under analysis (i.e., 2014-2022) has been computed for the selected LAGs.

- LAG.R.2. Number of LEADER projects supported (indicator O20)
- LAG.R.3. Total costs of financed projects
- LAG.R.4. Number of beneficiaries [1] supported (indicator O4)
- LAG.R.5. Number of newly established enterprises in supported LEADER projects
- LAG.R.6. Number of jobs created in supported LEADER projects (indicator R24/T23)
- LAG.R.7. Population benefitting from new or improved services in supported LEADER projects (indicator O15).

Based on the previous indicators, the analysis of efficiency, effectiveness and utilisation of resources has been performed based on specific **ratios** among different input, output and result indicators.

The **efficiency ratios** proposed for the analysis are:

- I-I.1: Labour cost for one hour of individual training.
- I-I.2: Labour cost for one hour of collective training.
- I-O.1: Labour cost for one beneficiary individually trained.
- I-O.2: Labour cost for one beneficiary collectively trained.
- I-O.3: Labour cost for one collective training organised.

The **effectiveness ratios** used in the analysis are:

- R-O.1. Rate of success of who received an individual training.
- R-O.2. Rate of success of who received a collective training.
- R-R.1. Rate of success of who has applied to the call for proposals.
- R-R.2. Average number of beneficiaries supported by a project.
- R-R.3. Number of new enterprises created thanks to a project.
- R-R.4. Number of new jobs created thanks to a project.

The **utilisation of financial resources ratios** used in the analysis are:

- R-R.5. Average cost of a financed project
- R-R.6. Project costs for a person benefitting from new or improved services.

To facilitate the reader, the code I-I refers a ratio characterised by an input indicator as numerator and an input indicator as denominator, while I-O means a ratio characterised by an input indicator as numerator and an output indicator as denominator. To provide an example I-I.1 is computed as:

"*LAG.I.2. Labour costs sustained for individual trainings offered by the LAG staff* (numerator) ***over*** *"LAG.I.1. Number of hours devoted to individual trainings by the LAG staff*" as denominator, allowing to compute *I-I.1: Labour cost for one hour of individual training.* The same rule applies for the other ratios. The same concept applies for the other indicators.

3.4.4 Cost-impact synopsis

Cost–impact synopsis is an enhanced version of the multiple item impact analysis employed by Fahrmann, Grajewski and Pufahl (2005). This approach is relevant as it aims to answer a crucial question "What is the relationship between the impact levels of various measures and the magnitude of their implementation costs (ICs)?"

In the present evaluation support study, we apply the first step of analysis of this approach:

- ICs magnitude and main determinants: the analysis of implementation costs and the main determinants intends to assess what is the magnitude of the ICs resulting from the implementation of the measures under RDPs and under LEADER and what are the main determinants of ICs.

This analytical approach is used for answering EQ1 and partly for answering the overall question as to the extent to which the increased costs of implementing the LEADER approach are justified by its additional benefits.

3.4.5 Analysis of improved social capital in LAGs, in LEADER areas and among LEADER areas

According to social capital theory - Putnam, 1993[49]; Bourdieu, 1986[50]; Coleman, 1988[51]- a wider variety of diverse actors within a group (e.g., a LAG) could provide access to useful resources which are not otherwise available to the single individuals (e.g., LAG members). This group could provide valuable non-tangible assets to other actors of the local territory (e.g., potential beneficiaries, project promoters, but also other local actors), by enlarging the network of relations. Moreover, different groups could interact among them and with other territorial actors both at the national and transnational level.

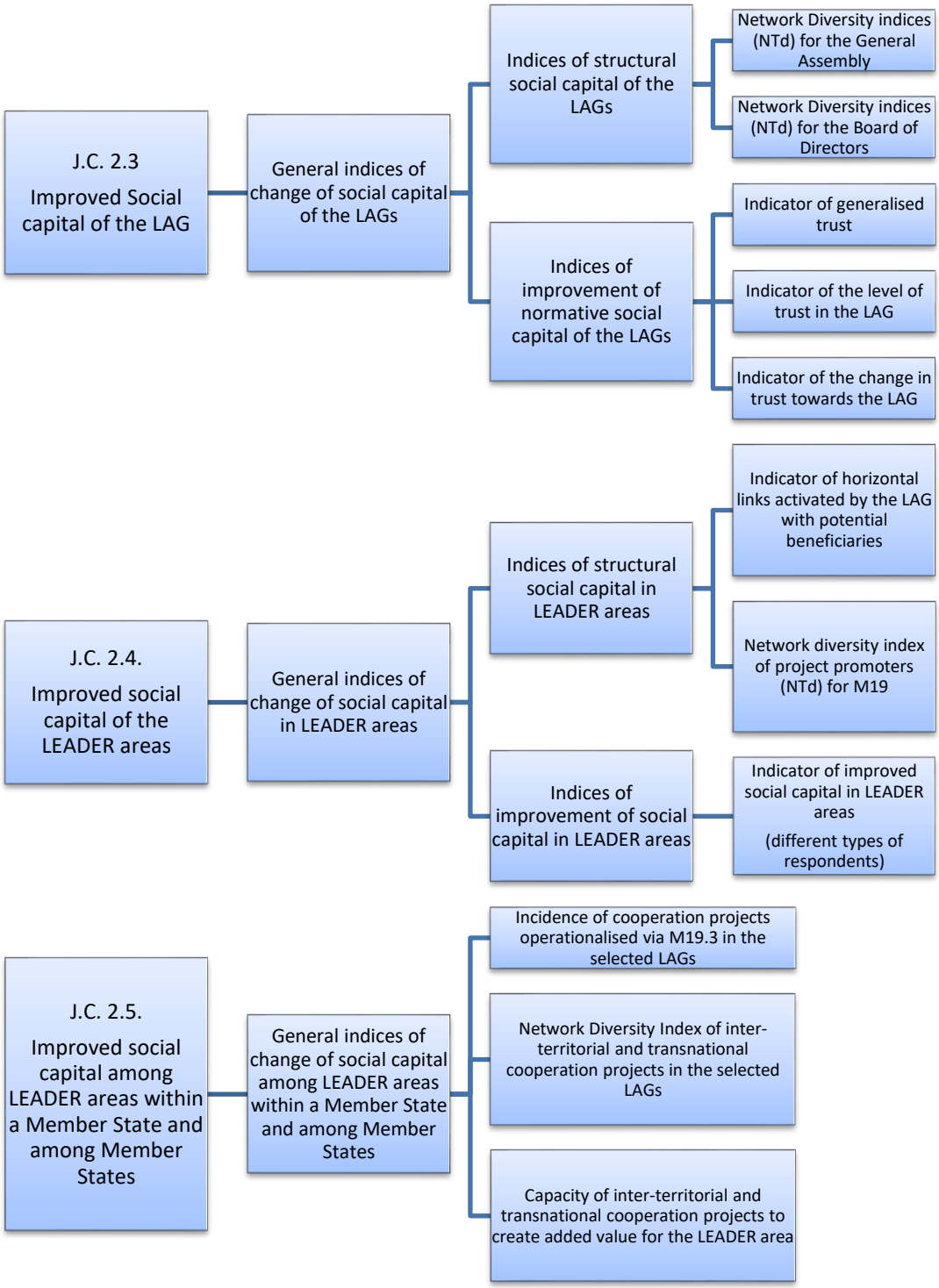
To operationalise these concepts, which are at the core of the analysis of social capital (i) in LAGs, (ii) in the LEADER area, and (iii) among LEADER areas (within a Member State through inter-territorial cooperation and among Member States through transnational cooperation), we apply a set of different indices and indicators. The figure on next page shows the overall approach applied in the analysis carried to out to answer EQ2 with respect to Judgement Criteria 2.3, 2.4 and 2.5.

[49] Putnam, R. (1993). Making Democracy Work: Civic Traditions in Modern Italy. Princeton: Princeton University Press.

[50] Bourdieu, P. (1986). The forms of capital. In: Richardson, J., Handbook of Theory and Research for the Sociology of Education. Westport, CT: Greenwood: 241–58.

[51] Coleman, J. S. (1988). Social Capital in the Creation of Human Capital. American Journal of Sociology, 94, S95–S120. http://www.jstor.org/stable/2780243 .

Figure 8 - Structure of the analysis of improved social capital in the LAG, in the LEADER areas and among LEADER areas within a Member State or among Member States



Source: Own elaboration

Specificities of indices and indicators for the analysis of improved social capital in LAGs, in LEADER areas and among LEADER areas

The following indices were used to evaluate the **improvement of social capital in the LAG**:

- **Indices of structural social capital of the LAGs**, which are based on the average values of the Network Diversity indices (NTd) for the General Assembly and the Board of Directors for each of the selected LAGs. The index ranges within a minimum value of 0 to a maximum value of 1. The interpretation criterion specifies that a LAG with an index value below 0.30 attests a low performance in terms of structural social capital, while a LAG with an index value above 0.70 attests a high performance in terms of structural social capital.
- **Indices of improvement of normative social capital of the LAGs**, which are based on normalised average values of three indicators (i.e., generalised trust, level of trust in the LAG, change of the trust towards the LAG) for each of the selected LAGs. The index ranges within a minimum value of 0 to a maximum value of 1. The previous interpretation criterion also applies. The index evidence the change (i.e., the improvement or the worsening in normative values related to social capital).
- **General indices of social capital of the LAGs**, which are based on the average of the previous indices and provides a synthetic value capturing the different structural and change of normative features of social capital for each of the selected LAGs. The index ranges within a minimum value of 0 to a maximum value of 1. The same interpretation criterion is applied as in the previous indices. Moreover, positive and negative drivers emerging from the qualitative answers of different respondents allow to understand *why* LAGs perform differently in terms of the general index of social capital of the LAGs.

The **Network diversity index (NTd)** aims at capturing the level of diversity inside each typology of network considered (i.e., General Assembly of the LAG, Board of Directors of the LAG, Project promoters of M19 as specified in CMEF output indicator O.22, Inter-territorial and Transnational cooperation projects, and EIP-AGRI Operational Groups - OG). Thanks to this index, it is possible to capture the heterogeneity of the categories to which the various members belong. The greater the representativeness of each category, the more various the group, and the more equal the representation of the various categories, the higher the structural social capital (= improvement) of the considered network.

Box 2 - Understanding the Network Diversity Index (NTd)

The NDI captures the level of diversity inside a network, or the heterogeneity of the categories the actors belong to. According to the social capital theory, a wider variety within the group and among the groups could provide access to useful resources which are not otherwise available to the group. This aspect of LAGs also refers to the partnership principles, the equilibrium in the representation, the opening to diversity of categories, and the democratic functioning of the group. The index varies in the range of 0 to 1 assuming the value 0 (no diversity) when there is only one category in the group and the value 1 (maximum diversity) when all the categories are represented in the same measure in the group. The index is calculated as:

$$NTd = 1 - \frac{\sum_{i=1}^{N-1}(p_i - q_i)}{\sum_{i=1}^{N-1} p_i}$$

where NTd stands for network diversity and the second part of the equation is a form of Gini's concentration index. N represents the maximum number of categories potentially present in a LAG, pi = i/N the proportion of all the first i categories, and qi the number of members belonging to the first i categories. The index studies the distribution of the variable "type of category" and measures the distance between each case and the maximum concentration level (all members belong to the same category).

Own elaboration based on Nardone et al. (2011)

For the indices of normative social capital of the LAG, we have used an average value of three different indicators for which information was collected from Focus Group participants across case study LAGs:

Generalised trust, which is the spontaneous sociability of people and corresponds to the trust that people have in the other members of the society in general and without knowing them. The standard question used to measure it is the Rosenberg question (1956)[52] asking "*In general, would you say that most people can be trusted, or do you have to be cautious when dealing with people?*". The final value of the indicator is the percentage of persons having answered "most people can be trusted" compared to the total number of respondents. **Level of trust in the LAGs,** which has been measured thanks to the question "*How do you grade on a scale from 1 to 10 (where 1 is the minimum and 10 is the maximum) your level of trust in the LAG thanks to the activities performed by the organization and its network?*". The final value of the indicators is based on the average of the answers provided by respondents. **Change in the trust towards the LAG,** which has been measured thanks to the question "*To what extent has your trust in the LAG changed thanks to the activities performed by the organization and its networks during the 2014-2022 programming period?*" with three possible options: "My trust has worsened [1]", "My trust has not changed [2]", "My trust has improved [3]". The final value of the indicator is the percentage of persons that has declared to prefer a specific option over to total number of respondents (e.g., the percentage of persons answering "my trust has improved" over the total number of respondents). This last indicator specifies the change.

For the **improvement of social capital in LEADER areas,** we have applied the following indices:

- **Indices of structural social capital in LEADER areas.** These indices are determined by the average values of two indicators for each selected LAG. The first indicator is the **horizontal links activated by the LAG with potential beneficiaries**, which is based on the total number of contacts activated with potential beneficiaries or people asking for general information in relation to two RDP measures selected by the LAG managers. The numbers of contacts are consequently normalised through scores. The second indicator is the **network diversity index of project promoters** (NTd) for M19 at the RDP level and based on AIR 2021 data. The index of structural social capital in LEADER areas ranges within a minimum value of 0 to a maximum value of 1. In terms of interpretation criterion, a LAG with an index value below 0.30 attests a low performance in terms of structural social capital, while a LAG with an index value above 0.70 attests a high performance in terms of structural social capital.
- **Indices of improvement of social capital in LEADER areas**. These indices are determined by averaging the different scores (from 1 to 5) attributed to the level of improvement of social capital in local areas by different respondents and in relation to each selected LAGs. Respondents are RDP managers, LAGs, and LEADER experts. The index ranges within a minimum value of 0 to a maximum value of 1. The same interpretation criterion is applied. These indices capture the change.
- **General indices of change of social capital in LEADER areas**. This index equals the average of the previous two indices to propose a general evaluation of capacity of LEADER to improve social capital in LEADER areas. Moreover, positive and negative drivers emerging from the qualitative answers of different respondents allow to

[52] Rosenberg, M. (1956). Misanthropy and political ideology. *American sociological review*, *21*(6), 690-695.

understand *why* social capital has improved in LEADER areas by comparing best performing LAGs with least performing ones.

For the analysis of **improved social capital among LEADER areas** we have proposed the following indices and indicators:

- **Incidence of cooperation projects operationalised via M19.3 in the selected LAGs,** which is measured as the percentage of cooperation projects of a specific LAG over the total number of cooperation projects of the selected LAGs.
- **Network diversity index of inter-territorial and transnational cooperation projects in the selected LAGs** (NTd index of cooperation projects operationalised via M19.3), which is measured for both the inter-territorial and transnational cooperation projects as a classical Network Diversity index with exactly the same categories of actors we have used for the analysis of social capital for the LAGs.
- **Capacity of inter-territorial and transnational cooperation projects to create added value for the LEADER area**, which is measured as an average value of perceptions of the creation of added value for the LEADER area by different respondents (MAs, LAGs, and LEADER experts). The perceived capacity to create added value for the LEADER areas attests the dynamics of relations created by the projects in different contexts and consequently the perceived change determined.
- **General indices of change of social capital among LEADER areas,** which is computed as average value per each selected LAG of the previous three indicators and index. Moreover, positive and negative drivers emerging from the qualitative answers of different respondents allow to understand *why* added value is created in LEADER areas thanks to cooperation projects of M19.3.

3.4.6 Framework matrices

A framework matrix is a way of summarizing and analysing qualitative data in a table which is built on a hierarchy of themes and sub-themes and allows for cross-case as well as sorting data by theme/issue. The Framework method favours the process of summarisation, resulting in a robust, flexible and unique matrix output, allowing the analysis of data both by observed case and theme. It also assists with managing and interpreting data. It facilitates the systematic and comprehensive analysis of all qualitative data sets, from the more straightforward to the more complex. In fact, data summarisation and synthesis reduce the volume of data to deal with yet maintaining a direct link to the primary data and the context.

This approach is used in the analysis to answer the overall evaluation question "To what extent the increased costs of implementing the LEADER approach are justified by its additional benefits?" (Chapter 4.4). Framework matrices are used as the basis to compute correlation coefficients to assess existing relationships between the additional costs of LEADER and the generated benefits in terms of improved governance, improved social capital and enhanced results. Correlation analysis is based on cost and benefit data for each case study LAG examined (further detail is provided in chapter 4.4).

3.5 Main limitations of data and analysis

This part synthetically describes the main caveats of the study in terms of limitations of data and analysis.

Data gaps

A first general caveat of the evaluation support study relates to the availability of adequate data to assess the LEADER added value elements: improved governance and social capital, and enhanced results and impacts. LEADER implementation and project delivery aim at

positively contributing to economic results, innovation, capacity building, enhanced governance and social capital, improved environmental and wellbeing outcomes. However, the monitoring requirements for the 2014-2022 programming period do not include systematic collection of information pertaining to local governance or social capital in the LAGs. In terms of LEADER results, the CMEF only foresees the collection of selected information at RDP level about results, specifically in terms of population covered by LAGs, the rural population benefitting from new or improved services and the number of jobs created (i.e., CMEF result/target indicators). This means that RDP managing authorities and LAG managers were not required by regulation to consistently collect standardised monitoring information (i.e., beyond CMEF indicators) about the benefits described above nor data about LEADER results such as improved valorisation of territorial assets (natural, cultural and social), innovative products and processes, sustainability or better performance of projects, new businesses created thanks to LEADER funding, etc. The monitoring and evaluation framework (PMEF) developed for the 2023-2027 CAP will allow to collect more information relevant to assessing the added value of LEADER implementation.

In order to collect the necessary data to carry out the evaluation analysis, the study team used a questionnaire-based survey directed to RDP Managing Authorities and Paying Agencies and interviews and focus groups at the level of case study LAGs. However, monitoring systems (i.e., that go beyond regulatory requirements) considerably differ across RDPs and LAGs, therefore the detail available for different types of data ranging from administrative costs to project results also varies greatly. This means that in the present evaluation support study some data collected at the RDP level through the survey and at the LAG level (through interviews) are not available across all respondents and some pieces of analysis can only be done for sub-sets of respondents. Therefore, the results obtained from the analysis often refer to a limited number of observations and cannot be generalised to the wider LEADER implementation and LAG "population". This represents a general limitation of the study.

In order to mitigate the problem of missing relevant cost information, in the RDP survey and interviews with PAs, the study team used some results of the evaluation "New assessment of ESIF administrative costs and burden" (see 2.3) as baseline costs for the respondents to validate such figures or provide their own estimates. Data were collected for about one third of the 65 returned questionnaires.

Data gaps are also found in some secondary data used:

- AIR data (source: DG AGRI): In spite of the requirements[53], only some Member States and Regions report for their RDPs the detail of running costs as separated from animation costs (sub-measure 19.4). Similarly, not all case study LAGs were able to provide separate cost figures for running and for animation.
- Delivery cost survey (source: DG AGRI): The "Delivery cost survey – 2021" reports FTE employed for controls by PA and, where applied, by Delegated Bodies (DB) and Managing Authorities (MA), but not personnel costs in Euro. FTE information is suitable for direct comparison for specific issues but represents a limitation for the monetary assessment of management and control costs in relation to overall expenditure on RDP measures.

[53] Working Document for the Rural Development Committee, Rural Development Annual Implementation report, Monitoring tables (2014-202), v. 2.3 February 2019. Legal basis: Art.75 of Regulation EU No.1305/2013; Art.15 and Annex VII of Implementing Regulation EU No. 808/2014.

Comparability of LEADER and non-LEADER projects

Another caveat of the study concerns the possibility of comparing LEADER projects with analogous non-LEADER projects in terms of costs and benefits (i.e., analysis carried out in Selected RDPs and case study LAGs). Various limiting factors were identified:

- In most RDPs clear demarcation is applied (e.g., by type of project/investment or by financial size of projects) by which it is very often not possible to activate exactly the same types of operations under RDP and under LEADER (see previous Table 8).
- Not everywhere there is correspondence between RDP types of operations and LEADER types of operations/projects. Therefore, it is difficult to ascertain the actual project comparability.
- Administrative/personnel costs for implementing LEADER projects under M19 may not be directly comparable with the same type of costs sustained for implementing similar non-LEADER projects under the RDP, as in the RDP Managing Authority, the staff is usually responsible for several measures or for several operations under the same measure (as an example, it is possible to assess the MA staff costs for M4 but it is usually not possible to separate the costs for operations under sub-measures 4.1, 4.2, etc.). The comparison of costs for LEADER and non-LEADER of M19 LEADER vs. RDP measures has therefore been carried out at the level of overall measures (M19-LEADER vs. RDP measures M4, M6, M7, M16).

Quality of collected primary data

One main methodological challenge relates to the precision of survey and interview responses, and whether the questions are understood in the same way by respondents due to the different ways in which LEADER governance systems are structured across different Member States and local contexts, and the somewhat broad definitions existing of what constitutes governance and social capital. Trying to capture this in a uniform questionnaire format is complicated overall.

Limitations of the present evaluation support study can be linked to self-selection bias and response bias as for the LAGs agreeing to collaborate in the case studies, for the local actors agreeing to participate in the Focus Groups and also for MAs answering the RDP survey. It is not uncommon for LAG stakeholders and other participants (especially local actors of LAG areas) to express overall positive judgements or even desirable answers on different aspects of LEADER implementation and achieved results as they wish for the work done in their local areas being seen positively. In order to mitigate this issue, the Focus Groups were designed to involve as participants also local actors not directly involved in the LAGs.

Finally, it was in practice somewhat difficult to identify case studies in some of the 10 Selected RDPs as various contacted LAGs would not make themselves available to collaborate for the collection of the required information through interviews and focus groups. This has caused some delay in the data collection phase.

4 ANSWERS TO EVALUATION QUESTIONS

According to the main objective of the specific assignment, the overall question to be answered is **"To what extent the increased costs of implementing the LEADER approach are justified by its additional benefits?"**

As described in chapter 3, the analysis is developed according to three Evaluation Questions: EQ1 aims at assessing costs and cost drivers of LEADER and compare LEADER and non-LEADER implementation costs. In addition, the analysis focuses on the possible effects of governance models on administrative complexities; EQ2 aims at assessing LEADER benefits in terms of improved governance and social capital at local level; EQ3 aims at assessing the extent to which LEADER projects bring additional benefits in terms of enhanced results compared to analogous non-LEADER projects funded by RDPs.

The results of the analysis under each EQ are subsequently summarised to provide a synthetic judgement as to the extent to which the additional costs of implementing the LEADER approach (EQ1) are justified by its additional benefits, measured according to LEADER "unique" adding value features relating to improved governance and improved social capital (EQ2), and enhanced results (EQ3). Such "unique" adding value features are shown in the table below.

Table 12 – Adding value features of LEADER

UNIQUE "ADDING VALUE" FEATURES OF LEADER	
Non-tangible benefits of LDS in terms of improved governance	Improved coordination between different levels of governance
	Improved quality of interactions between relevant institutions
	More involvement/participation of the local population in the design and implementation of LDS
	More involvement/participation of women and young people in the design and implementation of LDS
	Promote involvement of new actors in LEADER who would not normally apply for EU funding
	LEADER brings the EU closer to citizens
Non-tangible benefits of LDS in terms of improved social capital	Improved relations and social trust within the LAGs
	Improved relations among local actors in the LEADER areas
	Improved relations through inter-territorial and transnational cooperation (sub-measure 19.3)
Additional benefits in terms of enhanced results of LEADER projects	Promote collaboration among local actors through cooperation projects to reinforce local production and local assets
	Promote projects with innovation at the local level
	Better performance of funded projects thanks to LAG assistance/training
	More sustainable or cheaper projects due to knowledge of local conditions (e.g., diversification)
	Valorisation of unique territorial assets to contribute to the socio-economic dynamics thanks to integrated territorial approach

Source: Own elaboration

4.1 EQ1 - To what extent are the implementation costs under LEADER different from the implementation costs of similar non-LEADER projects? To what extent (if any) do the governance choices of the LEADER approach at the RDP and LAG levels affect its administrative complexity?

4.1.1 Comprehension of the evaluation question

Evaluation question 1 (EQ1) addresses the cost side of this evaluation support study and it includes two sub questions. The first part requires to assess the differences between LEADER and non-LEADER projects, in terms of the additional costs incurred by LEADER through the bottom-up approach. The second part requires to examine governance choices of LEADER at both RDP and LAG levels and their possible impact on the administrative complexity as well as cost structures for different organisations involved (i.e., MA, PA, LAGs).

If an evaluation does not address the implementation costs (IC) that are linked with different policy instruments, and if they are subsequently excluded from any cost-efficiency and cost-effectiveness assessment, neither its findings nor its recommendations can be truly meaningful (Fährmann & Grajewski, 2013)[54]. The same authors define two hypotheses: on the one hand "High relative ICs increase the overall cost of the programme and thus reduce funding efficiency", on the other hand, it is possible that "High relative ICs increase the use efficiency of the programmes because they are associated with more targeted and effective measures". Thereby, LEADER generally higher ICs could possibly achieve higher impact level because of well-tailored Local Development Strategy (LDS) implementation and the generated added value.

The aim of analysis for the first part of EQ1 is:

- to describe and quantify the general administrative costs of LEADER and non-LEADER projects, which comprise costs for the staff specifically working on implementation, the costs/investments associated with networking and technical assistance (TA) to LAGs, the costs for the selection of LAGs/LDS, the costs for external services and overhead costs (administrations for RDP).
- to describe and quantify the further additional costs of the LEADER approach. *The most crucial element affecting LEADER specific costs are different administrative costs for implementing LDS stemming from the decision-making at local level.* The bottom-up selection process based on individual LDS is more costly compared to a purely authority-led process (top-down) with general selection procedures and criteria. Beyond single projects, LEADER funding also includes activities for animation as well as networking within a region and between regions (partly financed under TA). These additional costs are considered necessary to promote an endogenous rural development process,[55] realised by activating and organising local capacities, that without LEADER would be neglected.

[54] Fährmann, B., & Grajewski, R. (2013) How expensive is the implementation of rural development programmes? *European review of agricultural economics*, 40(4), 541-572.

[55] Cloke, P., Marsden, T., & Mooney, P. (Eds.). (2006). *Handbook of rural studies*. Sage.

LEADER costs can be identified based on the tasks assigned to the LAGs, specifically referring to Article 34(c) of Reg. (EU) No. 1303/2013. The different cost typologies which apply for LEADER and non-LEADER measures are summarised in the table on next page.

Table 13 - Typologies of relevant costs for LEADER and non-LEADER

COST TYPOLOGIES	LEADER	Non-LEADER
General administrative costs (Managing Authority - MA): preparing and publishing calls for proposals, assessing applications, project selection, managing RDP, controls, monitoring implementation, etc.	◙	◙
Administrative costs (Paying Agency - PA): preparing and publishing calls for proposals, assessing applications, project selection, controls, issuing payments, etc.	◙	◙
Costs for preparation of LDS (M19.1) / (LAGs own resources)	◙	
Costs of LAG/LDS running and animation (M19.4), including general costs at LAG level	◙	
Costs to provide technical assistance to LAGs / networking (MA/external)	◙	
Costs to provide technical assistance to beneficiaries / networking (cost for LAGs)	◙	
LAG time for decision making (including costs for voluntary work)	◙	

Source: own elaboration

The table above thus confirms that the cost analysis should focus on two aspects: at RDP level, cost comparison between LEADER and non-LEADER based on general administrative costs sustained by MAs and PAs for Measure 19-LEADER and for non-LEADER measures; assessment of the identified additional specific costs of LEADER implementation at LAG level.

It is important to highlight that LEADER implementation is part of a multi-level governance framework, with its specific costs at each level. Although LEADER is commonly called a bottom-up approach, LAGs/LDS operate under the high influence of the superordinated framework of funding regulations and norms. The governance choices for the design of this framework may influence the administrative complexities and burden, including choices at EU level as well as those made by the Managing Authorities (MA) of single RDPs.

The aim of analysis for the second part of EQ1 is to examine:

- whether and in what way the governance choices of LEADER at both RDP and LAG levels can affect the administrative complexity in terms of additional administrative procedures and compliance obligations that contribute to generate administrative burden (i.e., costs sustained by LAG beneficiaries for complying with the information obligations imposed by Regulation (EU) No 1305/2013, CLLD-Guidelines). The evaluation report "New assessment of ESIF administrative costs and burden"[56] analyses the "additional administrative obligations on top of the minimum requirements set by the ESIF regulatory framework". Thereby, different levels of regulations exist. In general, the normative settings from the EU are further translated into much more detailed requirements by RDP MAs (Pollermann *et al.* 2014)[57], for

[56] European Commission, 2018 (written by Spatial Foresight & t33).

[57] Pollermann K., Raue P., Schnaut G. Opportunities for a participative approach in rural development: Findings from LEADER in Mecklenburg-Vorpommern and the requirements for Community Led Local Development, December 2014 Landbauforschung Volkenrode 64(3-4):127-138.

example, the requirements for LAG-composition, project selection criteria or LAG-management staff capacity. This increased complexity is an intrinsic feature of the system of the shared management of EU funds if compared to direct management, and in the specific case of LEADER, the complexity further increases due to the additional level of governance inserted in the overall governance structure represented by the LAGs.

- whether and in what manner actions to reduce costs and administrative complexities are adopted at RDP and LAG level. This analysis also considers knowledge of the topic by staff at the RDPs MA and LAG level and the ability to adopt opportunities and tools for simplification (Simplified Cost Options – SCO, such as lump sum payments).

4.1.2 Analysis

4.1.2.1 Judgement Criterion 1.1: Implementing LEADER entails additional costs: differences in costs for LEADER and non-LEADER

The analysis under the first judgement criterion entails assessing the additional costs of LEADER implementation through comparison with the implementation costs of LEADER and non-LEADER interventions.

The analysis is carried out at both RDP and case study level (LAGs), based on primary and secondary cost data. Beyond own data collection (see section 3.3), we use secondary data sourced from DG AGRI: AIR data (RDP implementation up to 31/12/2021) and data collected through the Delivery cost survey (latest survey was carried out in 2021).

1.1.1 Differences of general administrative costs for LEADER and non-LEADER implementation and specific costs for LEADER at RDP-level

The key concepts for this part of the analysis are recalled here and how they have been operationalised in the present evaluation support study.

RDP implementation costs for LEADER and non-LEADER measures include the following costs at RDP level (MA/PA):

(i) costs for operational staff and technical and administrative support for measure-specific tasks, as well as cross-functional tasks, so-called 'programme overheads';
(ii) costs for contractors charged with performing the tasks.

General administrative costs specific for LEADER at RDP-level are:

1. Costs of personnel at the level of RDP Managing Authority associated with the **selection process of Local Development Strategies** (LDS) and LAGs.
2. Costs associated with **networking and technical assistance** to LAGs done by MAs.
3. LEADER-specific costs associated with **implementation of LEADER projects including cooperation projects** (i.e., personnel and working time for administrative tasks).

The analysis is developed based on the proposed indicators as detailed in the following parts.

1.1.1a) LEADER/non-LEADER measures: a comparison of general administrative costs for RDP MAs and for PAs (implementation costs for MA and PA in FTE and EUR)

The first part of the analysis compares LEADER and non-LEADER general administrative costs for different tasks.

To assess if LEADER shows higher general administrative costs, we compare the costs of LEADER and non-LEADER measures as ratios of expenditure over "committed financial resources"[58] based on AIR data (up to 31st December 2021).

This enables to detect whether LEADER general administrative costs are higher if compared to general administrative costs of non-LEADER measures and allows also to capture the relative weight that diverse types of costs have on the overall costs of LEADER relative to general administrative costs.

The aim of this indicator is to catch general administrative costs for managing the funding of different measures at RDP level. Administrative costs generally fall on two main institutions, the MA and the PA.

Box 3 – Use of baseline cost values

A EU study[59] carried out in 2018 (using DG AGRI Delivery cost survey data for 2017) estimates overall RDP administrative costs at 8.3 % of allocated financial resources (83 100 EUR per million EUR funding), which are composed by costs attributable to the tasks specified in the table below.

Table 14 - General administrative costs per tasks of RDP (EUR per million EUR funding)

Preparation of the Rural Development Programme (RDP)	Managing Authorities (RDP implementation)	Certifying Authorities/ Paying Agencies	Audit Authorities /Certification Bodies	Total RDP administrative costs
1 900 EUR	26 600 EUR	52 200 EUR	2 400 EUR	83 100 EUR

Source: European Commission. New assessment of ESIF administrative costs and burden. Final Report – October 2018 (Written by Spatial Foresight & t33).

As shown in the table, general administrative costs for MA and PA represent the largest part of these costs, with PA costs being twice the amount of MA costs.

In the RDP survey these estimations were used as baseline and MAs were asked to assess whether such estimated values adequately represent their own experience and, if not, to provide their own estimates. Out of the 65 RDPs answering the survey, 21 RDPs confirmed the values indicated in the above table, 3 RDPs provided their own estimates (Sweden estimates the total RDP administrative costs at 110 000 EUR, ES-Navarre at 86 600 EUR – the value is quite close to the given baseline - and Poland at a much lower figure compared to the baseline), and 41 RDPs were not able to provide an answer.

Source: RDP survey

In order to measure general administrative costs for M19-LEADER and for some non-LEADER measures selected for comparison, in the RDP survey respondents were asked to indicate the number of the Managing Authority (MA) internal staff and external resources (e.g., Technical Assistance) employed on average per year (i.e., 2015-2022 period) to manage M19 and the other RDP measures of interest, and the associated average annual cost expressed in both monetary terms and FTE. Results of the data collection indicate that for at least some of the considered measures (i.e., M4, M6, M7, M16) the administrative costs could be higher than costs for M19 (in terms of higher unit amount per Million Euro funding), at least when using committed expenditure.

[58] The amount of the budgetary commitment in favour of the beneficiary: the maximum amount the beneficiary may receive based on costs incurred. The total amount actually paid out may therefore be smaller. In contrast, the consumed amount (updated on a quarterly basis) represents the sum of payments already made to the beneficiary for the commitment. https://ec.europa.eu/budget/financial-transparency-system/faq.html.

[59] European Commission. New assessment of ESIF administrative costs and burden. Final Report – October 2018 (Written by Spatial Foresight & t33).

The table below shows the overall results from the data collected through the survey, regardless of whether RDP MAs provided data for all measures or only for some measures or only for M19.

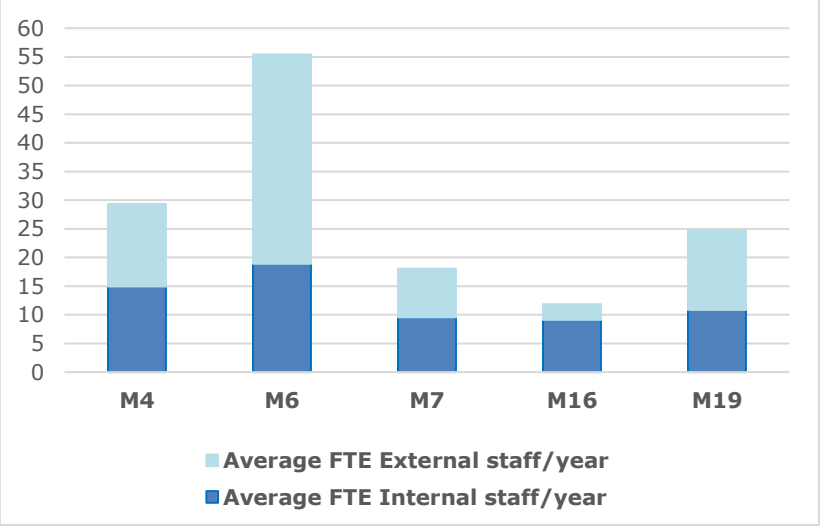
Table 15 – Internal staff and external resources employed by the MA for managing RDP measures (FTE-Full Time Equivalents and related costs in EUR per year)

	Number of RDP survey answers				Average FTE and cost* per year				Total FTE for 7 years	
RDP measure	FTE Internal staff	Cost per year Internal staff	FTE External staff	Cost per year external staff	FTE Internal staff	Average cost of an internal FTE (EUR)	FTE External staff	Average cost of an external FTE (EUR)	FTE Internal staff	FTE External staff
M4	28	20	9	8	14.93	19 111	14.41	30 442	104.52	100.86
M6	28	20	9	8	18.92	25 946	36.48	32 847	132.41	255.38
M7	24	16	7	5	9.58	11 722	8.48	35 595	67.07	59.35
M16	25	19	8	7	9.12	10 098	2.76	30 283	63.82	19.29
M19	41	30	16	16	10.84	18 660	13.91	32 550	75.87	97.38

*Costs not corrected for PPP. Source: RDP survey

General administrative costs for internal MA staff for M19 are on average lower compared to the same costs for M4 and M6, but higher than costs for M7 and M16 (in FTE terms, the difference is however not very large). Equivalent results are obtained also with respect to external resources employed to support measure implementation. However, in this case the costs for LEADER are lower compared to the costs of M6 and M7, but higher than the costs of M4 and M16. As shown in the figure below, when considering internal and external staff together, M19 employs about 25 FTE on average per year, which is lower than the 29 FTE employed for M4 and about 55 FTE for M6, but higher than the 12 FTE employed for M16, and the 18 FTE employed for M7.

Figure 9 – Comparison of internal and external staff employed for implementation of RDP measures on average per year (FTE)



Source: RDP survey

The next part of the analysis is based on the same data collected for a smaller group of 18 RDPs (out of 65 RDP answering the questionnaire), for which responses were collected for both M19 and at least one other measure (M4, M6, M7, M16). The analysis is carried

out for the aggregate costs for the Managing Authority (MA) internal staff and external resources (e.g., Technical Assistance)[60].

The **annual cost expressed** in Euro, multiplied by 7 (years 2015 to 2021)[61] is used to compute **the total costs for internal staff and external resources (2015-2021)** as general administrative costs, in relation to the **committed expenditure (2015-2021)** for each measure (AIR data 2021).

The results presented in the table below are expressed as "cent of staff cost for one EUR committed expenditure" (thus the number is also a percentage of the committed expenditure). We observe considerable value differences within the measures across RDPs and between the measures. The most suitable statistical indicator to compare in this case is the median value[62]. **LEADER administrative costs are placed in the middle of the observed cost range**, confirming the results of the broader analysis above on all collected survey responses. **The average (median value) of these costs is 5.5 % for M19, which is higher than for M4 (2.1 %) and slightly higher than for M7 (4.9 %), but lower than the same cost for M6 (12 %) and for M16 (13.4 %)**.

Table 16 - LEADER/non-LEADER measures, a comparison of general administrative costs for MAs (internal staff and external resources, excluding overheads), 2015-2021

	M04	M06	M07	M16	M19
	MA costs per committed expenditure = "cents per 1 EUR of committed expenditure"				
Median value	**2.1**	**12.0**	**4.9**	**13.4**	**5.5**

Source: RDP survey and AIR 2021 (n=18 RDPs)

Looking for explanations, it seems obvious that measures with a high total budget and/or bigger financial size of projects have lower relative costs (effects of scale). M4 and M7 are also very "old", and so "easy" to manage measures, in contrast to M16 set up that can be more complex. The LEADER approach has two sides: it can save efforts for the MA, because a lot of management is done at local level, on the other hand it needs some more managing resources due to the high number of actors involved and the diversity of implementation options (which sometimes need clarifications from the MA side). It should not be forgotten that LEADER too is an "old" measure compared to M16, so it benefits from an experience effect, based on the experience gained by MAs in over 30 years of implementation.

Regarding the general administrative costs of PA, we have quite relevant data availability problems. The related question for selected RDP "Could you please indicate how many internal staff of the Paying agency (PA) are employed on average per year (i.e., 2015-2022 period) for controls and payments in relation to the following RDP measures and what is the average annual cost associated?" have been answered in an appropriate way for M4, M6, M7, M16 and M19 only by two RDPs (DE-Mecklenburg-Vorpommern and Romania).

To compensate for missing information, we used the data of the 2021 DG AGRI Delivery cost survey (DG AGRI) and set these costs in relation to committed expenditure for measures M4, M6, M7, M16 and M19 (AIR data 2021). The costs of administrative controls include, for Paying Agencies (PA), Managing Authorities (MA) and Delegated Bodies (DB),

[60] Q9/14: "Could you please indicate the number of the Managing Authority (MA) internal staff and external resources (e.g., Technical Assistance) employed on average per year (i.e., 2014-2022 period) to manage the following RDP measures and what the associated average annual cost is?".

[61] For 2022 there are no AIR-data available yet, and in 2014 there was yet no expenditure for measure implementation and thus no related costs for running the RDP.

[62] To lower the influence of single very high and very low values. If considering the sum instead of the median, single RDPs of big size would have disproportionate influence.

information about FTE annually employed for administrative controls, on-the-spot controls and other controls[63]. As such, it can be assumed that these costs represent an important share of the overall administrative costs at RDP level (as also suggested by a previous study. See Table 14 in Box 3). Given the considerable value differences within measures and between measures, the most suitable statistical indicator for comparison is the median value (as shown in the following table).

Table 17 - Comparison of general administrative costs of controls for PAs, MAs and DBs between LEADER and non-LEADER RDP measures

	M04	M06	M07	M16	M19
	FTE for controls (PA+MA+DB) / million Euro committed expenditure				
Median value	**0.85**	**2.79**	**0.90**	**1.20**	**1.30**

Source: DG AGRI – Delivery cost survey 2021 and AIR 2021 (n=42 RDPs)

Results based on computed median values show that M06 has the highest need of FTE for controls, M04 and M07 have lower costs, whereas costs of controls for LEADER (M19) and M16 are in the middle. Overall, LEADER costs are slightly higher than for most of the other RDP measures. However, the difference does not appear to be very important (in terms of employed FTE) considering that controls of a multitude of small size projects such as LEADER projects within an RDP can be rather costly.

1.1.1b) LEADER/non-LEADER: The length of processing times for assessing funding applications

This indicator examines the "waiting time" for project approval, this cannot be translated into monetary value, but the indicator illustrates an important administrative burden. The aim of the analysis is to provide a comparison between LEADER and non-LEADER measures. The data used have been collected through the RDP-survey across the E27.

Among the 42 RDP with answers for time length of processing applications for M19, here we consider answers of 27 RDP, where a comparison with other measures is possible (Q13/Q19 "How long does it take on average to process applications for funding for operations under the following measures and Focus Areas?". Thus, this includes the administrative process time within LAGS. The average number of days are shown in the table below.

Table 18 – Comparison of processing times of support applications for LEADER and non-LEADER measures

	M4 (FA 2A-3A)	M6 (FA 2A – 6A)	M7 (FA 6B)	M16 (FA 3A – 6A – 6B)	M19 (FA 6B)
Average number of days needed to process funding applications	174	176	158	168	147

Source: RDP survey

Thus, LEADER has shorter processing times than other measures. Two different origins of time saving can be assumed. Firstly, the work of LAG-management supports a high quality of applications, which foster a fast work for approval from PA. Secondly, possible reasons for even shorter time spans are that LEADER LAGs offer more time slots for application, in contrast to RDP-measure with only one or two calls per year. Especially measures with only one call per year can have quite some delays.

[63] Monetary costs for FTE are not reported with these data and a conversion of FTE into cent/Euro is not possible.

To summarise, the results suggest that thanks to good preparation within the LAG-system, no additional delays are caused by requirements of the LEADER-approach.

1.1.1c) - LEADER specific costs at RDP level for LAGs networking and technical assistance to LAGs

The aim of the analysis is to provide information about this specific part of general administrative costs for LEADER to judge how much these costs weigh on LEADER committed resources, whereby these costs are also a direct benefit, because of networking bringing knowledge, skills and (new) relations.

The information was collected through the RDP survey, where the Managing Authorities have been asked to indicate whether they incur costs for networking and for providing technical assistance to LAGs.[64] Out of the 65 collected questionnaires, 26 RDPs declare to incur such costs (43 % of answers), 35 do not bear this specific type of costs, and four do not provide any information. Out of the 26 claiming to incur networking and technical assistance costs for providing direct assistance to LAGs, only 6 RDPs were able to provide cost figures[65] as reported in the table below.

Table 19 - General administrative costs for LEADER: costs for networking and technical assistance to LAGs

RDP	Total committed expenditure M19	Expenditure for networking and technical assistance to LAGs	Expenditure for networking/total committed expenditure
Czech Republic	124 130 547	625 823	0.5 %
DE-Berlin / Brandenburg	339 225 629	2 614 673	0.8 %
DE-Schleswig-Holstein	76 005 402	830 529	1.1 %
Ireland	421 530 000	618 750	0.1 %
IT-Liguria	14 220 786	800 000	5.6 %
Slovenia	54 271 741	565 000	1.0 %
Total 6 RDPs	**1 029 384 105**	**6 054 775**	**0.6 %**

Source: RDP survey and AIR 2021

These costs, which can be quantified separately, in the 6 RDPs are approximately 0.6 % of overall expenditure of M19 (AIR data 2021) ranging from 0.1 % to 5.6 % in individual RDPs. For the case of 5.6 %, it is necessary to know that the large weight can be, at least partly, explained by a small RDP budget in conjunction with a low level of implementation, resulting in much larger weight compared the other RDPs.

Although the scarce data availability does not allow for a robust estimation, it is quite clear that the weight of such costs for the MAs is low. If we assume that only 43 % of the RDPs have extra-costs for networking, which are not included in general administrative costs or under M19.4, this reduces the estimation for the costs for networking even more to an average of 0.26 % per RDP (=0.6 % in RDP with costs multiplied by 0.43).

1.1.1d) - LEADER specific costs for selection of LAGs/LDS

The selection of LDS is a crucial step to develop a framework for the work of LEADER, but as the costs associated to the selection of LAGs and LDS only arise once at the beginning

[64] We recall that networking and technical assistance to the LAGs provided by MAs is included in the General Administrative costs for LEADER.

[65] For few RDPs (i.e., Slovakia, Hungary, IT-Emilia-Romagna), the impossibility to provide figures is explained by the fact that time is required to gather such cost information and that networking and TA costs are partly or totally sustained by NRNs and it was not possible for Managing Authorities to collect the information in the timeframe of the survey.

of the programming period, it can be expected that their incidence on LEADER expenditure is not very high.

The costs for selection of LAGs/LDS at the beginning of the programming period are partly included in the general administrative costs for M19 because usually considerable work for this purpose is done by the MA at RDP level. Further costs are those related to evaluation of the single LDS by external experts as well as experts' participation in selection committees, which besides MA staff, sometimes include (paid) external experts and sometimes also delegates of different stakeholder groups.

The detailed costs for external experts have not been collected, but altogether in relation to total expenditure, these costs are negligible, because they arise only once at the beginning of the programming period (drawing from examples of German RDPs, such costs are estimated below 1 % of LEADER expenditure). Thus, such costs for external experts are not considered in further analysis within this study. The other costs related to LAG selection process (working time of MA) are included in administrative costs of MA.

1.1.2 – Assessing the specific costs of LEADER implementation at LAG-level

This part of the analysis entails assessing the additional costs of LEADER implementation, which are related to the specificities of the LEADER approach. The analysis is carried out at both RDP and case study level (LAGs), based on primary and secondary cost data. Beyond own data collection (see section 3.3), we use secondary data, sourced from DG AGRI: AIR data referring to RDP implementation up to 31/12/2021.

The main aim of the analysis is to estimate the additional costs in relation to LEADER expenditure. The analysis is based on several indicators, as detailed below.

1.1.2a) LEADER: Costs for M19.1, use of LAG own resources and voluntary work

This indicator examines the additional costs for the preparation of LDS/start of LAG-work and estimates a percentage in relation to overall expenditure for LEADER. It should be pointed out that not all RDPs use M19.1 EAFRD funding.

The additional costs for the preparation at LAG level consist of funding through M19.1 as well as through use of the LAGs own resources (financial, voluntary work). These contributions can be seen both as costs as well as a positive indicator for the commitment of local actors since voluntary work directly contributes to the benefits and goes beyond the task of distributing funding.

Regarding costs for M19.1 there are 90 RDPs using EAFRD funding (out of 105 RDP) for a total cost of 70 M EUR (AIR data 2021). M19.1 accounts for 0.7 % of the total committed expenditure of M19 (AIR data 2021).

Interviews in case study LAGs asked about the use of LAG own financial resources and voluntary work to establish the LAG and prepare the LDS:

- Regarding financial resources, only 6 LAGs out of the 12 case study LAGs indicate the use of own financial resources and 2 LAGs did not answer the question. The amount of own financial resources ranges from 1 340 EUR to 59 471 EUR, in total appx. 105 000 EUR, which is a quite negligible amount (appx. 17 550 EUR per LAG on average in relation to the budget of 6 case study LAGs). One case study LAG (IT-Veneto) indicated that other regional financial sources were used to support the preparation of the LDS.
- Regarding voluntary work, the statements from LAGs are very different. Only half of the LAGs confirmed the use of voluntary work, with values varying from 20 days to

500 days[66] with an average of 132 days. To translate this into a monetary value we used specifications from the European Commission decision adopted in 2019 for "authorising the use of unit costs for declaring personnel costs for the work carried out by volunteers under an action or a work programme"[67]. Altogether, this accounts for 99 800 EUR, thus below 100 000 EUR on average for each LAG.

Calculating financial resources and value of voluntary work (altogether 20 480 EUR on average per LAG) in relation to LAG-budget the share is 0.34 %. These costs are identified as additional LEADER costs at LAG level. At the same time, the use of own resources and voluntary work can be considered, at least partly, already an activation of endogenous resources invested in the LAG areas for the subsequent implementation of the LDS.

Altogether the preparation of the LDS accounts for 1 % of the total cost of LEADER (=1.2 cents per EUR funding for M19). This includes both expenditure on M19.1 calculated based on AIR data 2021 and LAG resources (calculation based on case study data).

1.1.2b) and 1.1.2c) LEADER: Costs for M19.4: animation costs to improve human capital at local level and running costs of implementation and management of LDS projects (19.2 and 19.3)

The largest part of LEADER specific costs is covered by EAFRD funding through measure 19.4. The largest part of these costs are personnel costs for LAG-management and include all the specific costs for animation activities (including studies for the areas) and network character, which are paid from the budget of single LAGs.

Article 35 of Reg. (EU) No 1303/2013 determines that the support for running costs and animation shall not exceed 25 % of the total public expenditure incurred within the community-led local development strategy.

The analysis in this part aims at assessing the LEADER additional costs for "animation" and "running" and estimating their relative weight in relation to overall LEADER costs. The first part of the analysis uses information collected from case study LAGs to assess how they perform if compared to average values of M19.4 for both running and animation costs of the respective RDPs (the latter information is sourced from AIR data). In the second part of the analysis, synthetic indicators are computed, based on AIR 2021 data, to assess the relative weight of running costs and animation in relation to the financial resources committed to finance LEADER projects.

For the 13 LAGs selected as case studies, information was collected about LAG annual costs for running and animation[68]. The collected data are used to compute for the programming period 2014-2022 the following types of costs, as detailed in the table on next page:

1. Staff cost for running and animation on average (in euro)
2. Running costs for 19.4a on average (in euro)
3. Animation cost for 19.4b on average (in euro)
4. Running and animation costs of 19.4 (a and b) on average (in euro)
5. Staff over total costs of 19.4 (a and b) on average (in %)
6. Running over Total costs of 19.4 (a and b) on average (in %)
7. Animation over Total costs of 19.4 (a and b) on average (in %)

[66] This high value is reported by the LAG selected under the RDP of Austria: the given figure for voluntary work in strategy development includes not only the LDS supported by the programme, but also ongoing development of sector-specific strategies, e.g., for tourism, crafts, bioeconomy, soil/water (the costs for subject-specific strategies were not accounted for under 19.1). It is not possible to provide separate figures relating to 19.1, but in Austria development takes place through volunteer work to a considerable extent. The given figure is therefore an overestimate.

[67] EUROPEAN COMMISSION 2019. Decision C(2019) 2646 final "Authorising the use of unit costs for declaring personnel costs for the work carried out by volunteers under an action or a work programme".

[68] Q3 (LAG interviews): "Could you please detail the annual costs of Measure 19.4 for the LAG?".

These values have been computed for 11 LAGs, whereas only aggregated running and animation cost information is available for the 2 Finnish case study LAGs.

Table 20 - Running and Animation costs in case study LAGs

RDP/LAG	*Staff cost for running and animation (2014-2022) on average per year*	Running cost for M19.4 a on average per year	Animation cost for M19.b on average per year	Running and animation costs for M19.4 (a and b) on average per year	*Staff over total costs of M19.4 (a and b) on average per year*	*Running over total costs of M19.4 (a and b) on average per year*	*Animation over total costs of M19.4 (a and b) on average per year*	*Total Expenditure Animation/ Total expenditure 19.4 (%) at RDP level (AIR 2021)*
	Euro/year	Euro/year	Euro/year	Euro/year	%	%	%	%
AT-LAG 1	*110 000*	67 000	80 000	147 000	74.8	45.6	54.4	4.2
DE-Mecklenburg VP -LAG 1	*88 506*	102 395	n.a.	102 395	86.4	100.0	n.a.	n.a.
DK-LAG 1	*84 296*	115 637	66 562	182 199	82.8	63.5	36.5	n.a.
DK-LAG 2	*48 933*	56 383	2 000	58 383	83.8	96.6	3.4	n.a.
ES-Cataluña - LAG 1	*118 899*	62 456	70 351	132 807	89.5	47.0	53.0	n.a.
ES-Navarra - LAG 1	*152 342*	164 136	20 308	184 445	82.6	89.0	11.0	n.a.
FI-LAG 1	*n.a.*	n.a.	n.a.	228 383	n.a.	n.a.	n.a.	35.0
FI-LAG 2	*n.a.*	n.a.	n.a.	115 349	n.a.	n.a.	n.a.	
FR-LAG 1	*87 535*	39 816	64 097	103 914	84.2	38.3	61.7	42.8
IT-Veneto - LAG 1	*221 873*	244 635	38 909	283 765	78.2	86.3	13.7	8.0
RO-LAG 1	*83 200*	101 021	2 727	103 747	80.2	97.4	2.6	2.1
RO-LAG 2	*n.a.*	99 942	10 808	110 750	n.a.	98.3	1.7	
PL-LAG 1	*n.a.*	42 490	3 247	45 737	n.a.	92.9	7.1	19.1

n.a. = not available

Source: Case study LAG interviews and AIR 2021

The data show considerable differences in the split between running and animation costs, whereby the resources invested in animation range from a minimum of 1.7 % to a maximum of 61.7 %. It is hypothesised that the larger the amount invested in animation, the higher the possibility of creating added value for the LAG area in terms of more LEADER specific benefits like for example innovative projects or activating new actors. Based on AIR 2021 data, the total expenditure for **animation costs** across all RDPs was, at the end of 2021, 126 469 574 EUR, accounting for 1.4 % of the total COMMITTED expenditure for M19. The total expenditure for **running costs** was 1 038 M EUR, representing 11.4 % of the total COMMITTED expenditure for M19. Therefore, the latter are the most relevant cost driver for the specific LEADER costs, but, according to the literature[69], this is at the same time a very important source of added value and contributes to reduce time costs for beneficiaries.

[69] Pollermann, K., Fynn, L., & Schwarze, S. (2021). What are favouring conditions for the implementation of innovative projects in Community-Led Local Development (CLLD) approaches? In: "Structural change in rural and urban economies" - 11th summer conference of the German-speaking section (GfR) of the European Regional Science Association (ERSA), 2-3 July 2020, Kiel; Hamburg: ZBW - Leibniz Information Centre for Economics.

Thuesen, A. A., & Nielsen, N. C. (2014) A Territorial Perspective On EU´S Leader Approach In Denmark: The Added Value Of Community-Led Local Development Of Rural And Coastal Areas In A Multi-Level Governance Settings. *European Countryside*, *6*(4), 307-326.

A large share of LEADER implementation costs is financed through M19.4 "running costs", which include different tasks. These costs are considered additional for LEADER as similar costs do not arise for non-LEADER measures, but partly they already help to save time for beneficiaries as well as for the PA (e.g., because through such costs the LAG-management can ensure high quality of applications) and also contribute for animation and training.

A possible limit of the analysis is that, despite the monitoring required by regulation, there is no clear dividing line between M19.4 costs for animation and the general running costs for the LAG management. It is quite possible that personnel costs included in running costs are also used for animation activities.

1.1.2d) - LEADER: Costs for beneficiaries (hours for administrative management of project implementation), cost reducing because of LAG-support in project application

The analysis here is in fact not about "additional" costs but more about "reduced" costs through the LEADER-approach. We are not able to compute an indicator to show cost savings in monetary terms but based on information collected in case study LAG interviews[70] it is possible to provide an estimation of reduced time costs for the beneficiaries.

All answering LAG interview respondents[71] estimate that thanks to the support provided by LAGs, the costs for the beneficiaries (in particular, in terms of working hours) have decreased (15 "YES", 2 "NO" answers to the question asked). The percentage of timesaving varies from 5-10 % to 50 % with an average of 34 % (8 answers). One respondent estimates the cost-saving at only 1 % of the total monetary costs of projects, 6 respondents do not provide an estimate.

Further qualitative information was collected in the interviews to explain the support provided and related cost-saving for LEADER beneficiaries. In general, LAG support is delivered at different stages, with early support being especially beneficial. Detailed answers are listed below.

Box 4 – Examples of LAG support activities that reduce costs and time for LEADER applicants and beneficiaries

"The *LAG management accompanies the applicants intensively already before the formal application for funding and during project implementation and gives assistance. The beneficiaries value that very much."*
Another statement explains the opportunities of communication*: "information is provided on all aspects of the call for grants, and they* [applicants] *are given guidance and advice on how to add value to their projects. For example: through collaboration agreements with other entities or associations, being in permanent contact with them, either by telephone or face-to-face meetings, to resolve any doubts that may arise."* "*In terms of results, focusing on the savings that beneficiaries had, these can be divided into three dimensions:* *1. Reduction of costs related to the acquisition of information, which would generally be provided by professionals through consulting activities (the value the potential beneficiaries should pay for this service is equal to 5 % of the total costs of the projects. The LAG provides this for free.)* *2. <u>Added value of the LAG, which thanks to its activities, allows the participation of people to the RDP call for proposals that without LAG would not have participated</u>. The LAG can frame and contextualise the demand that others are not able to do, thanks to its knowledge of the territory*

[70] Q7 (LAG interviews): « We would like to understand if costs for the beneficiaries (in particular, in terms of working hours) have decreased thanks to the support you have provided? If yes, can you provide an estimate of how much costs have decreased? ».

[71] I.e., 17 interviews across the 13 case study LAGs.

and of the different forms of financing that are available, leading the identification of the best alternative (the value is equal to 10 % of the total costs of the projects, and the LAG provides this for free). *3. Resolution of very critical and unprecedented problems and situations that beneficiaries would not be able to solve without the support of the LAG. The value is equal to 50 % of the total costs of the projects and relates to exceptional situations that occur with a frequency of 3-4 % of potential beneficiaries and beneficiaries".*
"Generally, the inclusive action of the LAG through a personalised approach aiming at reaching the maximum participation to the call by all actors who could be interested in, succeeds in including new beneficiaries."

Source: Case study LAG interviews

1.1.2e) - LEADER: Costs for the LAG decision-making body (time of LAG board members)

This indicator describes additional costs, which are higher than in a top-down approach because the decision-making involves many participants. The aim of the analysis is to quantify additional costs in relation to the overall expenditure of the LAGs with data for these costs collected through interviews with LAG managers in case study LAGs[72]. Again, these costs are additional but at the same time they serve to activate endogenous resources from LAGs and can therefore be seen as investments.

Suitable data was provided by 8 CS-LAGs, the estimated yearly time amount for voluntary contribution varies between 115 to 849 hours with an average of 496 hours per LAG. Voluntary work represents a cost as well as benefits (i.e., in terms of participation and networking opportunities for local actors). From an economic and societal perspective, the time dedicated to voluntary work is to be regarded as a cost, because time used for LEADER from local stakeholders could not be used for other commitments. If we count 6 years working together, in consideration of the fact that LAGs did not start their work for the selection of projects before 2016, this leads to 2 976 hours per LAG.

If we translate this into monetary cost equivalents (same source[73] for calculation as for 1.1.2.a), this is for a sum of 48 900 EUR average per LAG. These are relevant costs, but of course the used time of LAG-members also contributed to positive outputs from networking and mutual learning. Cost for LAG paid staff is not included in this section.

This costs for decision making amount to 0.7 % of average LAG budget of case study LAGs with full answers for these costs (8 LAGs). These meetings are "additional" but not "dead-costs", because the meetings provide networking opportunities as well as a contribution for creating social capital.

1.1.2f) - Outreach work needed to get new actors to apply for LAG funding

Outreach work is an important element contributing to create added value (i.e., involving new actors to participate), which of course has an additional cost. The financial costs of outreach work are already included in the costs for animation/running cost (M19.4), but

[72] Q22: « Could you please provide the following information related to the engagement of the members of the Board of Directors (or analogous decision-making body)? [Members of Board of Directors, number] [Meetings of Board of Directors per year, number] [Average attendance of Board members to meetings, %], [Average time of a meeting, in hours] [Time spent by members of Board of Directors besides meetings on average per year: hours].

[73] EUROPEAN COMMISSION 2019. Decision C(2019) 2646 final "Authorising the use of unit costs for declaring personnel costs for the work carried out by volunteers under an action or a work programme".

for this indicator we deliver some qualitative estimations based on information collected in Case study LAGs[74] [75]).

Getting new actors involved is an important task of animation, which works quite well in most case study LAGs (based on interviews). This aspect is analysed in further detail in EQ2 which focuses on the added value generated by LEADER in terms of improved governance and improved social capital at local level.

4.1.2.2 Summary of results under Judgement Criterion 1.1

The table below lists all the indicators for which a quantification in terms of "additional costs in Euro" or "days" or "percentage time saving" was provided through the analysis carried out.

Table 21 – Overview of LEADER additional costs, processing time and time saving on average per year

Indicator	Cost typologies	LEADER	Non-LEADER			
		M19	M4	M6	M7	M16
1.1.1 a)	General administrative Costs MA	5.5 %	2.1 %	12 %	4.9 %	13.4 %
1.1.1 b)	Processing time of funding applications	147 days	174 days	176 days	158 days	168 days
1.1.2 d)	Administrative work to support beneficiaries	34 % time saving for beneficiaries through LAG-support	None			
1.1.2 a)	Preparation (M19.1)	0.7 %				
1.1.2 a)	Preparation LAG resources	0.3 %				
1.1.2 b)	M19.4 animation	1.4 %				
1.1.2 c)	M19.4 running	11.4 %				
1.1.1 c)	Networking	0.3 %				
1.1.2 e)	Decision-making in LAG	0.7 %				

Source: own elaboration based on RDP survey; case study LAG interviews; AIR 2021

General administrative costs represent the largest share of total costs of LEADER as well as of other RDP measures. Such costs are sustained by the RDP administration authorities (MA and PA) and for LEADER by LAGs.

As previously discussed, the results suggest that at RDP level, LEADER performs well in comparison with M6, M7 and M16 for which general administrative costs appear to be higher (or aligned in the case of MA general administrative costs for M7). Only M4 appears to be less costly to manage, possibly in relation to scale effects due to the relative larger size of investment projects compared to other project types.

The additional costs of LEADER are estimated to amount to **14.8 cents/EUR of the total committed expenditure for M19. Most of these additional costs are specific costs of LEADER at LAG level** (including LAG costs for the preparation of the LDS, and costs for decision-making within the LAG). Only a very small share of additional costs (i.e., 0.3 cents/EUR committed expenditure is borne by the RDP MA). Running costs and animation (M19.4) account for the biggest share of specific LEADER costs at LAG level.

For further interpretation, we can highlight that part of these additional costs can be seen as direct contributions for LEADER added value (benefits generated through networking, voluntary commitment) and only the administrative costs (mainly running costs) are such

[74] Q42: « To what extent is outreach work needed to encourage new actors (who have not applied in the past) to apply for LAG funding and to what extent do you think you have been successful? »

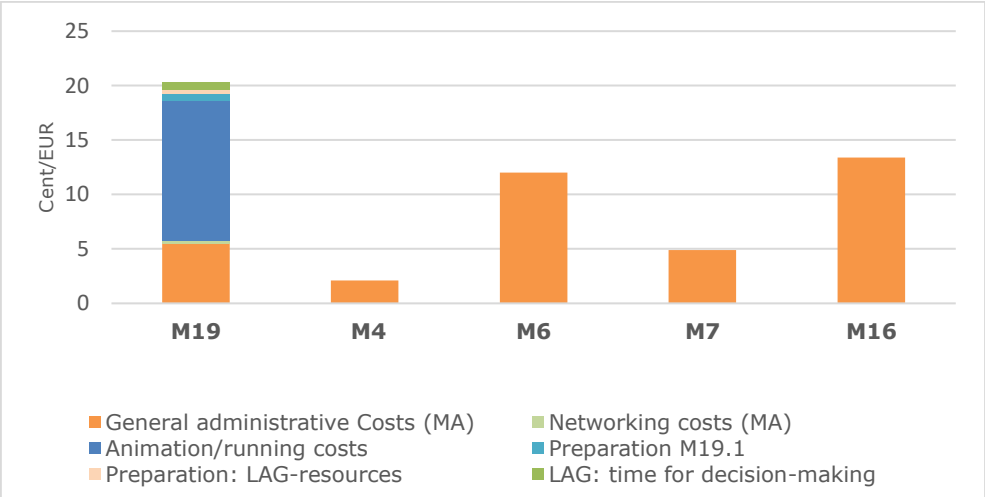
[75] Q43: « To what extent is outreach work part of: tasks of [LAG-management] [LAG decision-making body] [partnership members/members of association].

"additional costs" which should be justified by the additional benefits obtained through the implementation of LEADER.

The figure below provides a more immediate picture of how the general administrative costs compare across RDP measures and of additional LEADER costs. General administrative costs (orange in the figure) do not create added value. **LEADER specific costs are directly linked to added value creation** (in blue in the figure). Furthermore, **for LEADER some additional costs can be seen as investments as they contribute to activate LAG endogenous resources** (green in the figure).

Some caution is however necessary when interpreting the presented results as most indicators could be calculated only for a limited number of RDPs (i.e., general administrative costs) and of LAGs (i.e., LEADER additional costs).

Figure 10 – Cost comparison LEADER/non-LEADER



Source: own elaboration based on RDP survey data, case study LAG interviews and AIR 2021

4.1.2.3 Judgement Criterion 1.2 - The governance choices for implementation of LEADER affect administrative complexity and the administrative burden

The analysis under the second judgement criterion for EQ1 entails assessing the governance choices to explain the role of different cost drivers and potential to reduce administrative burden. In contrast to the first JC, it is based on qualitative estimations from local actors.

The analysis is carried out at both RDP and case study level (LAGs), but mainly based on primary data from case study LAGs. The analysis is based on various indicators, as detailed below.

1.2.1 Qualitative assessments of beneficiaries and LAG-managements about administrative complexities (e.g., extra administrative burden for project owners, long selection procedures, but also support provided by LAGs to beneficiaries, which improves accessibility to funding)

This indicator provides a qualitative assessment of administrative complexities, to explain their role as a cost driver, which is already well explained in the literature[76]. The analysis

[76] Fährmann, B., & Grajewski, R. (2013) How expensive is the implementation of rural development programmes? *European review of agricultural economics*, 40(4), 541-572.

Dax, T., & Oedl-Wieser, T. (2016) Rural innovation activities as a means for changing development perspectives–An assessment of more than two decades of promoting LEADER initiatives across the European Union. *Studies in Agricultural Economics*, 118, 30-37.

is carried out at case study level using information collected from interviews with LAG managers and other informed "witnesses" such as members of the LAG membership.

One origin of administrative complexities is the different tasks carried out by different players; the RDP survey delivers information about the responsibilities (RDP Q13/Q18[77]). Some tasks are sole responsibility of one actor (e.g., payments are usually done by PA alone), whereas for some other tasks responsibility is shared among different actors (e.g., monitoring of LDS).

A general qualitative assessment is based on responses of Case-Study LAG interviews to the question "How do you overall estimate the administrative procedures for project funding at RDP level and at LAG level?". A variety of judgements were collected, sometimes highlighting generally suitable procedures but with some room for simplification. The box below reports some relevant statements explaining positive and negative judgements.

Box 5 – Summary of relevant answers as to the evaluation of administrative procedures by case study LAGs

"*The application to the LAG for project selection is relatively simple which constitutes a very low barrier to apply for funding. Formal project application and processing is clearly more time-consuming. Flat rates or lump sums should be used more especially for small projects to unburden beneficiaries. For example, for projects with a value lower than 30 000 Euro. Total costs there could be a simplified treatment.*"

"It is administratively cumbersome. There is no room for mistakes, mistakes will be punished. Without skilled LAG managers, the project beneficiaries would never succeed in getting the money home. The system is too restrictive and focuses on small mistakes. The restrictive administration and control of the projects is deadly."

"Especially in the beginning of the programming period, people needed help with the IT system, but by now it is getting more familiar. The project funding administrative procedures work quite well […], but the payment process has the most administrative burden also for the applicants. At LAG level the project funding administrative procedures work well."

One respondent summarises that there are *"Two sides to the answer: Bottom up works fine and a more flexible system in the [paying] agency would mean that we could save some of our manager's time."*

Source: Case study LAG interviews

In interviews, LAG managers and other stakeholders were asked for the extent to which they are satisfied with the overall administrative procedures at RDP-level for the implementation of LEADER. Answers were collected on a scale ranging between -2=Very dissatisfied to +2=Very satisfied. The average overall score calculated for 17 responses is -0.24, therefore fairly neutral. Indeed, most respondents (11) answered either "Dissatisfied" or "Neither dissatisfied nor satisfied".

Table 22 – Level of LAG satisfaction with overall administrative procedures at RDP-level for the implementation of LEADER

Very dissatisfied	Dissatisfied	Neither dissatisfied nor satisfied	Satisfied	Very satisfied	Total no. answers	Avg score (overall CS)
1	5	6	2	3	17	**-0.24**

Source: Case study LAG interviews

[77] Q13/18 (RDP survey) « Can you please indicate the subjects who are responsible or share responsibility for each task reported in the table below with reference to sub-measure 19.2? ».

1.2.2 Qualitative assessment of beneficiaries and LAG-management about cost drivers

This indicator delivers information about the main cost drivers, to what extent these are LEADER-specific and which type of extra administrative burden generates costs.

To analyse different aspects relating to cost drivers, we use qualitative judgements collected through interviews in case study LAGs[78]. The answers indicate that cost drivers are not LEADER-specific but general requirements for funding (from EU-level as well as from procedures set by single Member States).

In fact, LEADER-institutions have been named as helpful, for example: "*It is not due to LEADER but to other requirements that administrative costs are high for beneficiaries, e.g., tender and contract procedures […] The assistance of the LAG management helps to cope with the administrative procedures, especially for beneficiaries who rarely apply for funding*."

And again: "*One of the main complaints of LEADER applicants is the excessive bureaucracy at all stages (from application to payment). The documentation to be submitted is very numerous and sometimes too complex for some profiles*."

Many respondents name audits and controls, in particular: "*There are many audits: EU audits, state audits, and internal audits*". Often the demands seem to be too detailed and sometimes there is lack of digital options "*Every file had to be printed and sent to the Paying agency, it is not digitalised*".

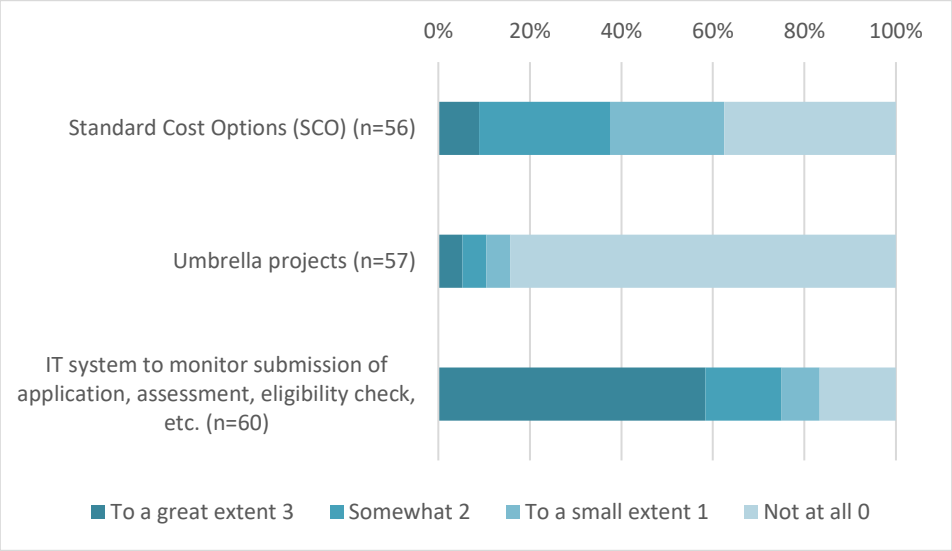
1.2.3 Actions implemented to reduce administrative burden

This indicator illustrates the actions taken to reduce administrative burden for LEADER at both RDP and LAG level. The analysis is based on information collected through the RDP-survey[79] and LAG focus group discussions. Information about the use of different actions and tools to reduce administrative burden collected through the RDP survey is shown in the figure on the next page.

[78] Q10 (LAG interviews): "Which elements of LEADER implementation increase implementation costs for the LAG and for beneficiaries (e.g., due to the amount of documentation asked from applicants, eligibility rules, rules for payments, etc.)?".

[79] Q14/Q20 (RDP survey): « To what extent have actions been adopted to reduce costs and administrative burden associated with M19 LEADER? ».

Figure 11 - Adoption of actions to reduce costs and administrative burden



Source: RDP survey

IT solutions are the most frequently used option to contain the administrative burden (in over 70 % of RDP survey respondents, IT systems are implemented to a great or to some extent). The usage of SCO is also relatively widely used, but overall, to a smaller extent compared to IT systems. Umbrella projects[80] are, on the other hand, far less frequently used.

At LAG level, some case study interviews[81] provide insights about positive and negative sides of the implementation of umbrella projects (2 case study LAGs declare to implement umbrella projects) and the reasons not to activate them. For example, one interviewee explains that "*The umbrella costs are very burdensome for the LAG, which is operating them. There is a lot of animation and activation involved, as well as making the application form as easy as possible for the small beneficiaries. At the same time, the LAG has to make the full application to the RDP, with all requirements fulfilled. The final payment claim can only be done after the last small beneficiary has finished their operation and sent the final report. The LAG then has to compile the final reports and make a final report for the umbrella project*". Similarly, another LAG manager explains: "*Even though the umbrella projects have reduced the administrative burden for the small beneficiaries, the burden has been transferred to the LAG which runs the umbrella project. These projects are very taxing in terms of time spent on the administration.*". Thus, umbrella projects increase additional costs for LAGs but lowers time consuming administrative work on the part of beneficiaries, probably much more than in normal projects.

Further information was collected in the interviews in relation to options and tools used to reduce administrative burden:

- Digitalisation: one LAG introduced online meetings (including information meetings), which have reduced costs. The LAG has bought new equipment to be able to do this even more in the future. Another LAG described efforts for e-administration at RDP-

[80] We recall that so-called Umbrella projects or LAG-led LEADER Specific Actions can be seen as a package of small operations to be funded together (e.g., related to a specific theme – culture, tourism - or type of beneficiary), which is treated as a single project, thus simplifying the application for support. They involve local actors (especially small municipalities and small businesses) with LAGs coordinating their actions, facilitating implementation procedures in order to shorten the time it takes to approve and implement the project, reduce administrative burdens by grouping together a large number of small applicants present in the LAG area.

[81] Q8 (LAG interviews) "To what extent have actions been adopted to reduce costs and administrative burden associated with projects implemented under LEADER?".

level, which required great effort for the LAG, but should foster improvements in the future.

- Reference costs: one LAG explained that reference costs have been introduced in the calls for proposals, which facilitates the verification of cost reasonableness and reduces the administrative burden both for the applicant, who does not need to submit 3 budgets/proformas, and for the LAG's technical team when carrying out the moderation of costs.
- One LAG reported adopting an "outcome-orientated project selection", whereby no detailed cost plan is asked from applicants (i.e., if the outcome is delivered) and flat rates are used.

Focus Groups were also used to collect information about the use of tools and options to reduce administrative burden and to evaluate the performance of such tools on a five-point scale from 1=Very poor to 5=Very good[82]. Focus Groups show mixed results: in four groups the common rating was "5=very good", in one group "4=good" and in six groups "3=not poor nor good".

Detailed discussions in focus groups indicate that the LAG management delivers important support and the satisfaction of actors at local level with the work in their own LAG is in most case study LAGs quite high: *"The administrative burden demotivates potential promoters. The Group provides support to make this task less arduous, especially for smaller entities that have less experience in presenting public aid or entities with less technical capacity"*. At the same time, LAGs see room for improvement for handling procedures of PA and norms established by the MA at RDP level: *"It was concluded that overall, the administrative burden is extremely high and this is discouraging for those who implement projects or would like to apply in the future. The procedures at the national level must be simplified".* A further opinion was that: *"There seems to be a culture of distrust to the beneficiary when it comes to EU funding – everything needs to have a proof and everything is checked several times (during application, during implementation, also at final payment)."*

Focus Groups seem to confirm that one option to reduce burden is digitalisation: *"Digitalisation is being used to reduce bureaucracy".* Thus, some actions to reduce administrative burden are acknowledged, but still administrative burden is a problem: *"Some things, such as flat rate, have reduced the administrative burden, but overall, it remains quite high ".*

4.1.2.4 Summary of results under Judgement Criterion 1.2

The analysis for JC 1.2 mainly relies on qualitative assessments. The answers to different questions underpin that the administrative burden remains a very important issue, which needs further attention. The satisfaction with the administrative procedures within the LAG-system is in general higher than the overall satisfaction with administrative procedures with MA, PA or other actors of controls. LAG respondents identify as cost drivers the general requirements for funding rather than LEADER-specific issues.

Regarding actions already used to reduce administrative burden there are some positive approaches (better IT-solutions, standard cost options) but further implementation of such actions would be beneficial.

The problem of high administrative burden is a general problem in the context of European funding schemes. However, recalling analysis done under indicator 1.1.2 d), the support

[82] Item 18 (Focus Groups in LAG areas): « How do you value the capacity of the adopted procedures to reduce administrative burden for project owners? ».

provided by the LAG, especially by LAG-management, significantly reduces the administrative burden for beneficiaries and improves accessibility of funding.

4.1.3 Conclusions

EQ1 addresses the cost-side of the present evaluation support study, whereby the analysis carried out under the first Judgement Criterion (JC 1.1) makes it possible to first compare general administrative costs sustained for LEADER and, comparatively, for non-LEADER measures and then provide a quantification of LEADER additional costs.

At RDP level, the distribution of costs for LEADER and non-LEADER was analysed under JC 1.1. **LEADER performs well in comparison with M6, M7 and M16 for which general administrative costs appear to be higher than for M19 (or aligned in the case of MA general administrative costs for M7). Only M4 appears to be less costly to manage.** It is also worth mentioning that the administrative costs for MA and PA are very different not only between LEADER and non-LEADER measures, but also between M4, M6, M7 and M16.

According to the estimations, **the additional costs of LEADER amount to 14.8 cents/EUR of committed expenditure, most of which are specific costs borne by LAGs**, including LAG costs for the preparation of the LDS, and costs for decision-making within the LAG, which are additional costs for LEADER but also generate directs benefits.

In terms of specific LEADER costs at LAG level, running costs and animation (M19.4) account for the biggest share of total costs, in particular running costs (i.e., 11.4 cents/EUR of committed expenditure). We can point out that the largest part of additional specific LEADER costs are not "dead" costs (in the sense of resources used to cover administrative overheads) but are used to directly support participation and networking for local actors. For example, the (time) costs for the meetings of decision-making within the LAG lead to a benefit of networking and contribute to social capital (see EQ2).

Lower costs in terms of shorter time for project approval are detected for LEADER in comparison to other RDP measures (M4, M6, M7, M16). The additional support provided by LAG managers to applicants and to the beneficiaries in terms of consulting and providing tailored advice is important for faster procedures. This support can result into better quality of proposed LEADER projects, making it easier for PA to check eligibility. The analysis estimates that LEADER specific support saves approx. 34 % of the time spent for administrative work of beneficiaries on project applications and administration A further assumable reason is that LEADER generally offers more frequent opportunities to apply for funding, in contrast to only one or two calls per year for other measures, which can generate a long waiting time for beneficiaries when large numbers of applications are received.

However, the presented results should be interpreted with some caution as most indicators could be calculated only for a limited number of RDPs (i.e., general administrative costs) and/or of LAGs (i.e., LEADER additional costs).

Governance choices influence both costs and administrative burden. The findings show that **the implementation of options to reduce administrative burden, such as SCO, is still not very well developed for LEADER**, which is a reminder that more efforts may be needed to reduce bureaucratic restrictions (also to make it possible to involve such actors, who are not used to deal with complex administrative procedure). One of the main cost drivers is personnel employed for LAG-management, which can be influenced by norms at RDP level (to set a minimum staff capacity) and is generally restricted from EU-level, as expenditure for M19.4 cannot be more than 25 % of total spending. This cost driver is at the same time a main source for the creation of added value of LEADER, because LAG-management enables animation and support for local actors. A general conclusion is

that burden/on-top-percentage of additional costs is related to the size of LAG-budget, because some overhead costs are fixed or at least do not vary so much (for example the preparation of the LDS for a LAG-budget of 4 M EUR is not twice as expensive than the preparation of the LDS with a LAG-budget of 2 M EUR). Thus, the EU should again set requirements for a minimum budget (e.g., 3-4 M EUR per LAG), this enables also to set a minimum LAG staff capacity, without having too high a share for M19.4 as this is the highest additional cost.

4.2 EQ 2 - To what extent LEADER implementation brings additional benefits in terms of improved governance and social capital at local level?

4.2.1 Comprehension of the evaluation question

Evaluation Question 2 (EQ2) aims at assessing whether LEADER brings additional benefits in terms of improved social capital and local governance at the local level (definitions of social capital and local governance are provided in the Glossary). It thus entails assessing what are considered to be the more intangible benefits that are part of LEADER added value produced by LEADER implementation. Such non-economic aspects are hypothesised in the scientific literature but also in recent policy documents[83] to be the necessary premises for LEADER to influence general social development and economic growth (e.g., Pisani et al, 2017; Teilmann, 2012; Lopolito *et al*., 2011; Nardone *et al*, 2010; Farrell and Thirion, 2005)[84]. In other terms, by dealing with governance and social capital, EQ2 contributes to assessing the role that LAGs play for rural development. Besides the capacity to activate social capital within the organisation and to propose a local governance framework, in EQ2 it is also important to assess the extent to which LAGs help to build a culture of cooperation in the whole LAG partnership and among actors in LEADER areas more generally, thereby contributing to project holders becoming more open to cooperation but also to common project design and implementation.

The analysis to answer EQ2 involves assessing if and to what extent the application of the LEADER approach, through the creation of networks and links between the involved actors, generates improved social capital and improved local governance that can be translated into enhanced local development. The conceptual framework behind the EQ2 is shown in the figure on next page.

[83] EPRS European Parliament Research Service. Beyond growth. Pathways towards sustainable prosperity in the EU. Lead author Liselotte Jensen. PE 747.108 - May 2023. https://www.europarl.europa.eu/RegData/etudes/STUD/2023/747108/EPRS_STU(2023)747108_EN.pdf.

[84] Pisani, E., Franceschetti, G., Secco, L., & Christoforou, A. (Eds.). (2017). *Social capital and local development: from theory to empirics*. Springer Nature. Palgrave McMillan.

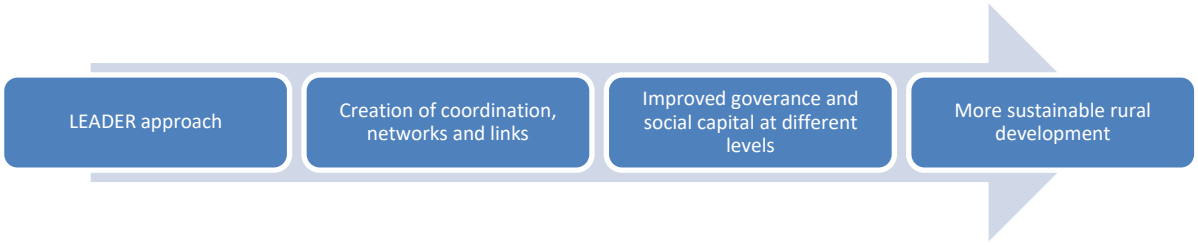
Teilmann, K. (2012). Measuring social capital accumulation in rural development. *Journal of Rural Studies*, *28*(4), 458-465.

Lopolito, A., Nardone, G., & Sisto, R. (2011). Towards a comprehensive evaluation of local action groups in LEADER programmes. *New Medit: Mediterranean Journal of Economics, Agriculture and Environment*, *10*(1), 43.

Nardone, G., Sisto, R., & Lopolito, A. (2010). Social Capital in the LEADER Initiative: a methodological approach. *Journal of Rural Studies*, *26*(1), 63-72.

Farrell, G., & Thirion, S. (2005). Social capital and rural development: from win-lose to win-win with the LEADER initiative. In *Winning and Losing* (pp. 281-298). Routledge.

Figure 12 - The conceptual framework underpinning EQ2



Source: Own elaboration

Specifically, the evaluation question investigates the following aspects:

- The extent to which networks and links have been created internally in LAGs, thanks to the implementation of the LEADER approach. This aspect is important to assess as it shows whether LAGs have evolved into organisations where all partners' resources are put into play for the local development, and where there is confidence in finding common solutions to challenges. Considering the network composition and the size of the organisation, it is also important to examine the diversity and representativeness of the LAGs, as this may have an impact on which development opportunities the LAG focuses on.
- The extent to which the establishment of networks and links internally in LAGs have influenced the way networks and links along with the bottom-up approach have been created downwards among project holders/applicants, the members of the LAG and the population in general, and horizontally towards other governance or business support actors and upwards towards the MA/PA. The analysis of these different types of links contributes to assessing whether LAGs have become genuine local development actors, both bringing actors together and reaching out for collaboration with actors external to the LAG area/territory to better promote local rural development.
- The extent to which the establishment of networks and links internally in LAGs has influenced the creation of networks and links externally and between LAGs, both regionally, nationally and transnationally. This is important to investigate, as a wide range of theories of positive rural development emphasize that local areas should reach out and draw opportunities down to their area[85].

[85] Dax, T. (2021). Enhancing local development through trans-regional cooperation: Lessons from long-term practice of the LEADER concept. *TERRA: Revista de Desarrollo Local*, (8), 310-331.

Dax, T., & Kah, S. (2017). Transnational cooperation, an opportunity for social innovation of rural regions. *European Structural and Investment Funds Journal*, *5*(3), 211-222.

Pisani, E., & Burighel, L. (2014). Structures and dynamics of transnational cooperation networks: evidence based on Local Action Groups in the Veneto Region, Italy. *Bio-based and Applied Economics Journal*, *3*(1050-2016-85765), 249-269.

Pisani, E., Laidin, C., Masiero, M., Secco, L., & Pettenella, D. (2020, October). Project networks funded by LEADER across Europe–a proposed evaluating approach based on social network analysis. In *Green metamorphoses: agriculture, food, ecology: Proceedings of the LV Conference of SIDEA Studies* (p. 857). Wageningen Academic Publishers.

Amin, A., & Thrift, NJ. (1994). Holding Down the Global. In A. Amin, T., & J. N (Eds.), Globalization, Institutions and Regional Development In Europe (pp. 257 - 260). Oxford University Press.

Gkartzios, Menelaos og Phillip Lowe (2019), "Revisiting neo-endogenous rural development", in Marc Scott, Nick Gallent and Menelaos Gkartzios, red., The Routledge Companion to Rural Planning, London og New York: Routledge Companion, pp. 159-69.

- The extent to which the implementation of LEADER has improved the shared management and coordination between the stakeholders involved in LEADER/CLLD, affecting governance processes at the LAG and RDP level and enhancing the shared management of LEADER/CLLD between MA, LAGs, and PA.

The analysis to answer EQ2 assesses if and to what extent the application of the LEADER approach, through the creation of networks, links, and trust between the involved actors, generates non-economic benefits such as improved social capital and improved governance that can be translated into enhanced local development. Working definitions of social capital and governance can be found in the Glossary.

Table 23 - Adding value features of LEADER related to improved governance and social capital (see also Table 12)

Non-tangible benefits of LDS in terms of improved governance	Improved coordination between different levels of governance
	Improved quality of interactions between relevant institutions
	More involvement/participation of the local population in the design and implementation of LDS
	More involvement/participation of women and young people in the design and implementation of LDS
	Promote involvement of new actors in LEADER, who would not normally apply for EU funding
	LEADER brings the EU closer to citizens
Non-tangible benefits of LDS in terms of improved social capital	Improved relations and social trust within the LAGs
	Improved relations among local actors in the LEADER areas
	Improved relations through inter-territorial and transnational cooperation (sub-measure 19.3)

Source: Own elaboration

4.2.2 Analysis

4.2.2.1 Judgement criterion 2.1: The implementation of LEADER led to the establishment of an effective multi-level governance system between the MA, PA, and LAG to facilitate the smooth implementation of LEADER

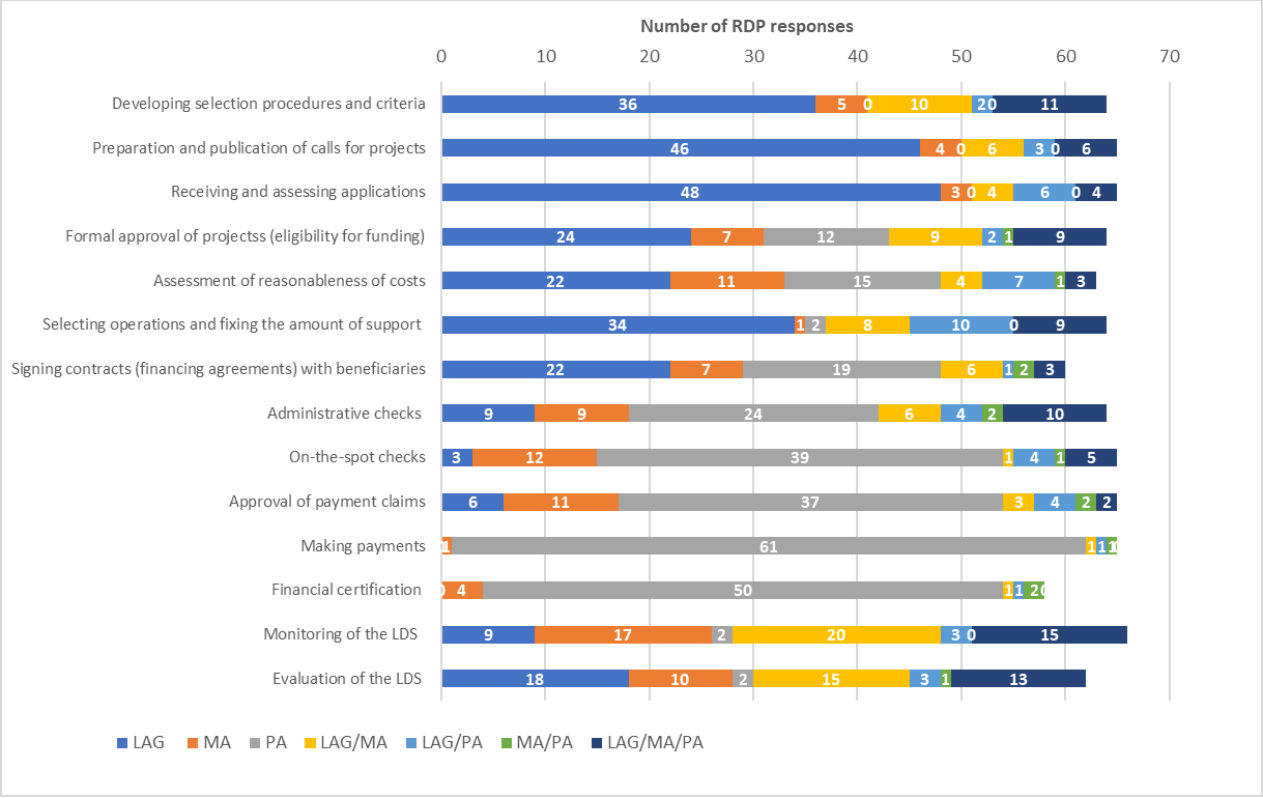
This criterion is related to assessing added value in the form of improved governance and more specifically in relation to multi-level governance. The indicators used in the analysis concern the degree to which an effective coordination between different levels of governance (LAG, MA, PA) has been achieved and the degree to which the quality of interactions between relevant institutions (e.g., municipality, province, county, region) at the territorial level of the multi-level governance has improved. A recent evaluation study concluded that there are strong links between the quality of governance relations between LAGs and MA-PA and quality of local governance relations.[86] Implementing the LEADER method at the LAG level can contribute to rural development in the form of leverage, democratisation and bottom-up decision making that it is difficult for the other actors in the multilevel governance LEADER setup to provide. Other studies indicate that administrative conditions stemming from the national/regional level related to reporting

[86] European Commission (2021). Evaluation Support Study on the Impact of Leader on Balanced Territorial Development. Final Report, CCRI, ADE S.A. and OIR.

and claiming payments, and general bureaucracy can delimit the effectiveness of the multi-level governance framework established.[87]

Results from the RDP survey (EU 27) provide an overview of which entity (LAG, MA, PA) is responsible or co-responsible for different tasks, as shown in the figure below.

Figure 13 - Overview of most mentioned institutions responsible for specific LEADER related tasks



Source: own elaboration based on EU RDP survey

Overall, the results indicate that a multi-level governance system is in place, with a wide number of tasks being the sole responsibility of LAGs, followed by PAs for tasks related to controls and payments.

The LAG is most often mentioned as responsible for the following eight tasks, which points towards the central role of the LAG in the LEADER approach: 'Developing selection procedures and criteria', 'Preparation and publication of calls for projects', 'Receiving and assessing applications', 'Formal approval of projects (eligible for funding)', 'Assessment of reasonableness of costs', 'Selecting operations and fixing the amount of support', 'Signing contracts (financing agreements) with beneficiaries' and 'Evaluation of the LDS'. Also, the PA stands out as being most often mentioned as responsible for many tasks, which are

[87] Thuesen, A. A. and Nielsen, N. C. (2014). A territorial perspective on EU's LEADER approach in Denmark: The added value of community-led local development of rural and coastal areas in a multi-level governance settings. European Countryside, 6(4), 307-326. https://doi.org/10.2478/euco-2014-0017.

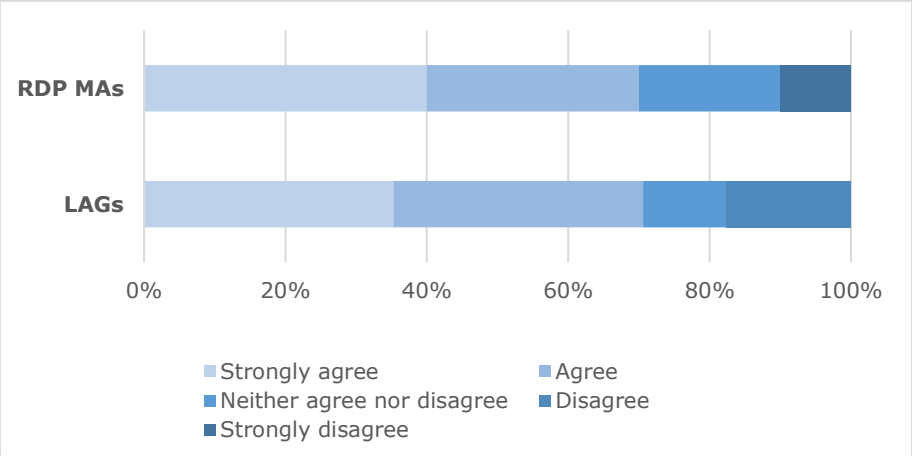
Berriet-Solliec et al. (2016). Innover en territorialisant quel est le prix a payer. Analyse des couts de transaction du programme LEADER 2007-2013 en Auvergne et Bourgogne. https://journals.openedition.org/norois/5981.

Thuesen, A. A. (2013). Experiencing Multi-Level Meta-Governance. Local Government Studies, 39(4), 600-623. https://doi.org/10.1080/03003930.2012.755463.

'Administrative checks', 'On-the-spot checks', 'Approval of payment claims', 'Making payments', and 'Financial certification'. The PA in addition holds a responsibility for 'Signing contracts (financing agreements) with beneficiaries'. The MAs have a lower share of responsibility, as only for four tasks the number of answers is above 10. These tasks are: 'Administrative checks', 'Approval of payment claims', 'Monitoring of the LDS', and 'Evaluation of the LDS'. Also, some have responded that LAG/MA/PA hold shared responsibility for the following tasks (for which the number of answers is above 10): 'Developing selection procedures and criteria', 'Administrative checks', 'Monitoring of the LDS', and 'Evaluation of the LDS'. 'Monitoring of the LDS', 'Evaluation of the LDS', and 'Developing selection procedures and criteria' also have a number of answers above 10 saying that this is a shared responsibility between LAG and MA.

According to LAG case study interviews, in which respondents were asked if 'the implementation of LEADER has allowed to establish an effective multi-level governance system between the MA, PA, and the LAG', most interviewees indeed respond that an effective coordination between different levels of governance (LAG, MA, PA) has been obtained with a mean score of 3.9 (1=Strongly disagree and 5=Strongly agree). Triangulation with MA answers of selected RDPs, who were asked the same question, confirms this score as among MAs, most answers are in agreement with the statement, with a mean score of 3.9. The figure below shows the distribution of LAG and RDP responses, suggesting that the judgement criterion is confirmed.

Figure 14 - Collected opinions on whether: "The implementation of LEADER has allowed to establish an effective multi-level governance system between the MA, PA, and the LAG"



Source: own elaboration based on selected RDP survey and LAG interviews

The detailed qualitative responses from case study LAG interviews give indications that a well-functioning multi-level governance system entails good continuous and fluid communication between MA, PA, and LAGs, where everyone works together, and where training sessions are organized. It also indicates the importance that a network exists to bring together all national/regional LAGs for them to act strongly together also in political matters. Only one interviewee responded that it is debatable how well the multi-level governance works, mainly due to long processing times at the ministerial level which hampers the effectiveness of the multi-governance system (i.e., case study LAG in Denmark).

According to the selected RDP survey MA responses, organised cooperation and learning activities between the MA/PA and LAGs have been established and have helped to improve the design of LDS (e.g., logic of intervention) as the mean score of these responses is 4.1 on a scale with 1 meaning low and 5 high.

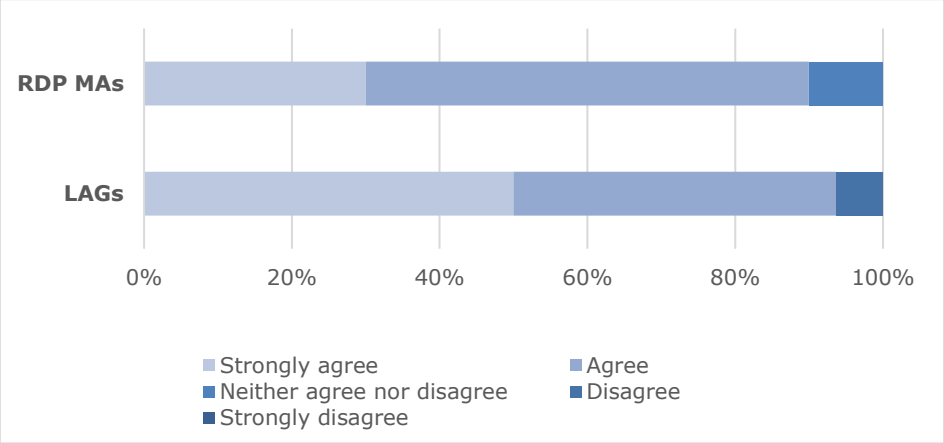
Table 24 - Collected opinions on whether: "Organised cooperation and learning activities between the MA/PA and LAGs have improved the design of LDS"

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Avg score (selected RDPs)
Organised cooperation and learning activities between the MA/PA and LAGs have improved the design of LDS (e.g., logic of intervention)	4	4	1	1	0	**4.1**

Source: own elaboration based on selected RDP survey

The degree to which 'the implementation of LEADER has led to improved quality of interactions between relevant institutions at different territorial levels (e.g., municipality, province, county, region)' is also to a large extent evaluated positively. The answers from case study LAG interviews show a mean score of 4.4 (1=Strongly disagree and 5=Strongly agree). Also, for the MA of selected RDPs, the answers fall exclusively in the positive categories or in the medium category with a mean score of 4.2.

Figure 15 – Collected opinions on whether: "The implementation of LEADER has led to improved quality of interactions between relevant institutions at different territorial levels"



Source: own elaboration based on selected RDP survey and LAG interviews

Detailed qualitative responses from LAG case study interviews, which emphasize positive aspects to the question of the quality of interactions between relevant institutions at different territorial levels (e.g. municipality, province, county, region) show what the positive content of this kind of relationships built through LEADER is: Through LAG activities, municipalities and districts meet in new circumstances (both inside and outside of the LAG partnership), which facilitates new discussion. One LAG has established a system of governance by themes through public-private/supra-regional working groups creating strong networks. It is mentioned that long continuity in staff facilitates good connections to regions, mayors/municipalities, and associations. Some interviewees mention that actors and organisations constantly refer to each other at this territorial level and that everyone knows each other's competences, and that LAGs are active in networks for rural and regional development. Another mentions metaphorically that the LAG serves as a loudspeaker for other public policies and projects and that thanks to LEADER, policies "end on the ground". Close contact with the population and quick access to the administration are also emphasized as important assets of these interactions.

However, there are also negative comments on the above analysed aspects of governance (effective multi-level governance and improved territorial governance), but such comments

are few: "Administrative accounting issues are too heavy"; "Processing times are too long in the MA, so the system is not effective, and the project holders' liquidity is compromised"; "You must have a high school diploma to fill out the application form".

These aspects, which are in opposition to the main part of the results presented above, hinder a smooth implementation of LEADER. But they correspond rather well with the answers to the question about how the focus group participants value the capacity of the adopted procedures to reduce administrative burden for project owners. Here, the mean score is 3.5 (1=Strongly disagree to 5=Strongly agree) (see EQ1). The qualitative comments to this score circle around aspects of multilevel governance and the main part of the comments emphasize that administrative burdens stem from the national/regional and sometimes EU-level and that most of the administrative procedures are not within the LAGs control. A focus group under the Veneto RDP answer that: "The participants agreed on '5' for the LAG procedure and '2' for the formal procedures in the scope of the PA". There are therefore many administrative burdens to work on. It is mentioned that these burdens have high costs for project applicants. The costs also restrict the potential of LEADER, since projects are cut to fit the administrative system, and it consequently becomes more difficult to show the full value of LEADER. One focus group under the Mecklenburg-Vorpommern RDP mention a potential in changing the focus from top down to co-created governance when it comes to implementation of a smooth multi-level governance system. This focus group LAG thus writes that "to simplify the process, the PA is advisory member in the LAG".

Overall, the judgement criterion on the establishment of an effective multi-level governance system between the MA, PA, and LAG to facilitate the smooth implementation of LEADER is to some extent confirmed. It is clear from the data that improvements towards a smoother implementation of LEADER are in demand among actors at the LAG level. This is not a new finding but rather a confirmation of earlier recommendations to Member States for example from the ECA Report (2022) to keep their administrative burden to a minimum. Improved quality of interactions between relevant institutions at different territorial levels is evaluated positively by both LAG case study interviews and MAs, however LAG case study interviews evaluate this aspect higher than MAs do.[88]

4.2.2.2 Judgement criterion JC 2.2: The partnership composition of the LAGs affected governance processes created

This judgement criterion relates to the LAG's partnership organisational form. The indicators concern whether or the degree to which the LAGs are organised in a legal/organisational form that contributes to inclusive governance, whether the LAGs uphold an inclusive partnership composition, whether the general population can take part in governance (appointed or elected partners), and whether there is mobility in the LAG decision-making group. Former studies have shown that the so called new local governance, of which LEADER is an example, is not necessarily better at addressing skewed participation patterns in the decision-making boards even though openings for marginalised groups can be seen.[89] Results from 14 expert interviews do however confirm

[88] European Court of Auditors (2022). Special report – LEADER and community-led local development facilitates local engagement, but additional benefits still not sufficiently demonstrated. No. 10/2022.

[89] Pini, B. (2006) A critique of 'new' rural local governance: The case of gender in a rural Australian setting. *Journal of Rural Studies,* 22 pp. 396-408.

that 'the implementation of LEADER led to improved local governance' as the mean score among the interviewed experts was 4.4 (1=Strongly disagree to 5=Strongly agree). In relation to the first mentioned indicator, according to the LAG case study interviews[90], the largest part of the 13 case study LAGs (10) has the legal/organisational form of an association with a board and a membership basis. One LAG answers that the LAGs legal form is a partnership with a nominated accountable body acting on behalf of the partnership, where the accountable body is responsible for the administrative and compliance aspects of programme delivery, whilst the LAG is responsible for strategic delivery. In the category "Other", the responses (2) are Association-public-private partnership and Consortium. Triangulation with answers from selected RDPs shows similar answers since 7 MA's have answered that the most common legal form of LAGs in their countries is that of an association with a board and a membership base, 2 have answered a partnership with a nominated accountable body acting on behalf of the partnerships, 1 has answered NGO, 2 have answered private limited company and one has answered other (Cooperatives). **These answers indicate overall that in the case study LAGs and in the selected RDP Member States and Regions where these LAGs are located, the chosen legal/organisational form provides the possibility for inclusive governance**, as the LAG legal form leads to access procedures being open with elections for a large part of the examined groups.

As to the indicator about the possibility of the general population to take part in governance the results also show that the largest part of the case study LAGs has witnessed a positive development as to their total number of members of the LAG partnership or assembly [91], which could be an indication of inclusive social capital and governance processes.

Of the 15 answers to whether the total number of partners (members of LAG Partnership or Assembly) has increased, decreased, or remained stable, 8 have answered "Increase", 3 have answered "Decrease" and 4 have answered "Stable". Broken down by private/public/private not-for profit sector categories, only 18 % of the case study LAGs mention that a sector group has decreased during the programming period.

Reasons for changes towards an increase or for stability in the number of LAG members for example relate to the need to bring in new expertise/stakeholders and more focus on communication. Reasons for a decrease in the number concern mergers of municipalities or municipalities changing LAG territory; compliance with GDPR; LEADER's reputation as an administratively cumbersome programme to work with (but this perception has now improved) and the COVID-19 pandemic made the attracting of members difficult.

Thuesen, A. A. (2010). Is LEADER Elitist or Inclusive? Composition of Danish LAG Boards in the 2007-2013 Rural Development and Fisheries Programmes. Sociologia Ruralis, 50(1), 31-45. https://doi.org/10.1111/j.1467-9523.2009.00500.x.

Thuesen, A. A. (2016). Gender and rural governance. I M. Shucksmith, & D. L. Brown (red.), Routledge International Handbook of Rural Studies (s. 379-388). Taylor & Francis. Routledge International Handbooks https://doi.org/10.4324/9781315753041-47.

Bock, B. B. (2010) Personal and social development of women in rural areas of Europe. Directorate-General for internal policies, Policy department B Structural and cohesion policies.

Pini, B. (2006) A critique of 'new' rural local governance: The case of gender in a rural Australian setting. *Journal of Rural Studies* 22 pp. 396-408.

Thuesen, A. A., & Derkzen, P. (2015). Questioning the Gender Distribution in Danish LEADER LAGs. I L. Granberg, K. Andersson, & I. Kovách (red.), Evaluating the European Approach to Rural Development: Grass-roots Experiences of the LEADER Programme (s. 127-147). Ashgate. Perspectives on Rural Policy and Planning.

[90] Q15 (LAG interviews): « Legal form that contributes to inclusive governance ».

[91] Q18 - Q18.1 (LAG interviews): « Has the composition of the partnership changed during the period. Increase or decrease in members? ».

As to the indicator about inclusive partnership composition, we see that on average 15 people make up the LAG Board of Directors[92]. The highest number of board members is 56 and the lowest 5, and 11 out of 13 case study LAGs have board of directors with less than 20 people.

Concerning the degree to which the LAG decision-making board composition shows inclusiveness, LAG interviews show that some employment categories are more included than others. The two categories to which most board members belong are private sector wage earners (37 %) and public sector wage earners (36 %), followed by self-employed persons (16 %) and retired people (11 %). There are no board members belonging to the categories Unemployed.

As far as the proportion of women is concerned, it is estimated that the number of women on the decision-making boards in the case study LAGs is around 36 %. For four case study LAG decision-making boards, half or more than half of the board members are women. There are 3 female chairpersons and 8 male chairpersons. **So, some LAGs are inclusive to women while others are not.**

As regards the age distribution of the case study LAG boards, the boards are mostly composed of people in the age category 41-60 years old (67 %), followed by the age category >60 years old (23 %) and the age category 26-40 years old (9.5 %). No responses were recorded for the 18-25 age group. **Therefore, young people appear to be overall under-represented in the case study LAGs.**

Expert interviews provide both positive and critical answers in their qualitative comments to the capacity of the LAG organisation to activate the participation of different groups in board meetings and decision-making boards.

On the positive side, one expert mentions that interested persons are always welcome, and that quotas for maximum 49 % public representatives and the involvement of civil society organisations (including representatives of women's, youth and disability groups) ensures the participation of various groups. One expert emphasizes that if LEADER and the LAGs had not existed, some of the engaged people would not have been involved in local development to such an extent. Another mentions compulsory tripartite board meetings, and different types of groups set down by the LAGs (youth council, entrepreneurship group, senior citizen council) to practice inclusive governance. Another says that this is the objective and the will of each LAG.

Especially for the LEADER expert interviewed in Romania, the importance of the capacity of the LAG organisation to activate the participation of different groups in governance is accentuated: "*The organisation of LAGs and the LEADER approach according to 2014-2020 NRDP have definitely contributed to strengthening the participation in the adoption of decisions of the representatives of local development actor groups. The 237 existing LAGs in Romania have Project Selection Committees that reach an average of 10 representatives of economic entities, civil society, and public authorities. We estimate that approximately 2 000 such representatives of the sectors were directly involved in decisions related to the development of strategies, the establishment of intervention measures and the effective selection of projects in accordance with the needs of the territory. This number, which indicates the participation of stakeholders interested in the development of LAG micro-regions, represents an exceptional achievement that is not equalled by any other program with national or European funding in Romania*". Another expert from the Polish RDP underlines the capacity of LAGs to activate participation in decision-making too, by saying: "*LEADER enforces this, it is likely that if it was not for LEADER, such increases in*

[92] Q19 (LAG interviews) - How many people does the Board of Directors consist of? Women, age, occupation etc.

participation would happen much more slowly. This exemplifies the positive but forced change that sound social practice stimulates".

On the critical side, interviewed LEADER experts mention that the presence of environmental and social associations is low, that there can be problems relating to the representativeness of the LAGs and that some LAGs consist of a reduced number of people (3-5 people) and are dominated by the agricultural sector. A second Polish expert is even less positive and emphasizes that the capacity of the LAG to activate participation of different groups is low as LAGs are dominated by representatives of local government units. Moreover, it was pointed out that an important reason for not always wanting to change the composition of the LAG board is that LEADER needs continuity.

Triangulated with focus group responses from selected RDPs on the "capacity of the organisation to activate the participation of different groups in board meetings and other decision-making bodies", where the answers were given on a scale ranging between 1=Very poor to 5=Very good, the lowest mean score is found for the Veneto RDP case study LAG with 3.9 and the highest for the Romanian RDP case study LAG with 5. The overall mean value is 4.7, therefore high. However, it is clear from the qualitative comments provided that different cultures around participation and organisation of LAGs exist. **In some places, LAGs are partnerships with appointed members - and board members who mainly represent the interests of their mother organisations - and here there are not as many individuals participating or inclusion of other groups in decision-making**. This means that it is the cultures of the participating organisations that somehow dominate the LAG's ability to activate participation, and sometimes the number of participating people is low, while in other cases it is high. **In other places, the LAGs are more openly organised and visibly inclusive organisations where people can stand for election or participate in decision making through establishment of youth groups, alumni groups,** etc. Examples of both types from Italy and Denmark are reported below.

Box 6 – Examples of good practices employed by LAGs to ensure wide participation and inclusiveness

"…the LAG is a set of bodies that represent the interests of different social groups, not of the individuals", "the assembly is made up of subjects that generally represent interests, not the individual", "the LAG is a body that facilitates territorial development but through representations of actors and local bodies, not individuals". A way to increase the participation of citizens has been identified in the creation of working groups on specific themes that would also involve the individual beneficiary or potential beneficiary, who in this way could feel more involved (…)" (LAG case study from the IT-Veneto RDP).

"There are many different groups on the board. As a board member, it is enriching to meet so many other people. The LAG is an association with elections to the board and where anyone can join and help decide who should be part of the board. With this form of organisation, there is a good opportunity to involve different groups. Everyone is free to stand for election. If there are more people who want to be part of the board than there are seats on the board, then there are competitive elections, and there is no guarantee that those who are already on the board will be elected. With 7-year program period the bag may not be shaken so much board wise, although of course board members are not elected for a 7-year term in the first place. But they can of course be re-elected" (LAG case study from the Danish RDP).

Source: Focus groups in case study LAGs

According to interviews[93], for 5 out of 13 examined case study LAGs, the board of directors was elected at a general meeting. 5 out of 13 have answered "Other", where 2 responses however fit the former 'elected at a general meeting' category, making election as method

[93] Q20 (LAG interviews) - How were the members of the Board of Directors of the LAG appointed.

count for 7 out of 13 LAGs. Two LAGs responded that the decision-making group was selected by underlying parent organisations according to decisions by a committee on what organisation/partners/persons to involve. One LAG responded that it was a mix of appointments and elections.

When discussing in further detail these answers (which has been done in 6 case study interviews) one case study LAG mention that on the one hand, public representatives were actively asked, on the other hand, private representatives come from participatory future workshops. Another emphasised that to avoid certain organisations mobilising a great number of members to dominate an election process, it was decided that the directly elected mayors (honorary and fulltime) should elect the LAG members, which means that in this case the LEADER participatory democratic approach leaned heavily on the local representative democracies ability to provide inclusion.

The following quote shows how an appointment process has taken place: *"Initially, the invitation to form part of the decision-making bodies was sent to different entities representing different interests, the aim being that its composition should be as plural as possible and that all sectors should be represented. Some entities declined the invitation because they did not have sufficient technical capacity to monitor the activity of our entity. Partners have also been incorporated into the decision-making bodies of our entity by means of an external request."*

As to the indicator about the mobility in the decision-making group, twelve case study LAGs have answered to the question of whether the composition of the board of directors has changed over the 2014-2020 period[94], and two of these have answered "no" to changes in the composition of the board of directors, while the others have described different reasons for changes. Some say that changes are planned for the new period 2023-2027, and others that an equal number of women and men has been achieved or made obligatory now. The two Danish case studies mention that the average age has dropped by 20 years and that a new female chair has meant changes.

It is, however, also mentioned that it is good to have people with longer experience who know what "it is all about". Replacements have naturally happened due to that publicly appointed board members have been replaced after municipal elections. Some mention that personal reasons have led to changes. There are also changes when people's 6-7-year term comes to an end. When these changes happen, the composition of the LAG board of directors remains stable concerning participants from different sectors and interest groups. When more municipalities are included, geographical balance is often respected as well.

Having a high number of board members can increase the visibility of the LAG in the territory but could also make it more difficult to create cohesion on the board. As mentioned earlier, the average number of LAG board members is around 15, with the lowest figure being 5 and the highest being 56. Excluding this latter high number, the average number of board members is about 12. The average number of meetings per year is 7 and the average attendance rate for LAG board members is just under 80 %, with the lowest figure being 60 % and the highest 95 %. The average length of a LAG Board meeting is 2.4 hours, with the lowest being 1 hour and the highest being 5 hours. The total number of hours spent per year by board members in addition to the meeting time varies greatly from less than 10 hours to more than 1 100 hours[95]. The very low figures may indicate that only one person's time is reported, but it would not be valid to draw this conclusion based on this

[94] Q21 (LAG interviews).

[95] Q22 (LAG interviews) - Could you please provide the following information related to the engagement of the members of the Board of Directors (or analogous decision-making body).

information alone. It should also be added that for the LAG where the answer is 1, it was commented that the LAG's president spends 450 hours per year on the LAG. A person working full time works around 1 720 hours per year, so as the work of the LAG Board is voluntary work for some of the Board members, this represents a significant amount of time. Workload could be a factor excluding young people, women etc., so more flexible ways of contributing to LAG decision-making boards could perhaps be considered.

Overall, judgement criterion 2.2. relating to the partnership composition has shown that **the governance processes created are to a wide extent formally open for people to take part in due to the LAGs legal/organisational forms, but that like in many other forms of local governance only around 1/3 are women, unemployed people and young people do not participate, and almost 70 % of board members belong to the age group 41-60 years old**. There are, however, indications in some case study LAGs that the age and gender aspects will be more equal in the 2023-2027 period. As to drivers of inclusiveness, it is clear from the collected information that some case study LAG boards are consisting of appointed organisation representatives and others are consisting of elected individuals even though legally they are all organised as open partnerships. This means that the social capital and governance processes that can develop exist under rather different frameworks. There are comments of possible domination by single groups in both organisational forms, for example dominance from agricultural organisations in the "appointment model" and dominance of citizens' groups coming together on election day in the "election model". Dominance of different types of groups could be driven by the organisational model chosen by the LAG (e.g., having in place rules for certain participant categories to be represented in the LAG partnership or in the BoD) and probably translates into lower inclusiveness The data indicate that LAG boards are active with many meetings each year and that board members have high attendance rates to the meetings, which can be seen as an indication that the work is valued as important.

4.2.2.3 Judgement Criterion 2.3 - The implementation of LEADER improved the social capital of the LAGs

This Judgement Criterion relates to the added value of the LAGs in the form of improved social capital of the LAG both in its structural and normative forms. This Judgement Criterion has been operationalised through different indices and specifically:

- Indices of structural social capital of the LAGs, (2.3.1).
- Indices of improvement of normative social capital of the LAGs, (2.3.2).
- General indices of change of social capital of the LAGs, (2.3.3).

Box 7 - Social capital in LAGs as organisations

In LEADER, social capital matters because it is a type of capital held by individuals or groups based on social networks, social norms, trust, shared values, and local identities, which constitute the immaterial factors enabling the implementation of the seven LEADER principles. In LAGs, social capital can be of a structural and a normative-cognitive type. On one side, structural social capital represents the tangible side of social capital. Specifically in a LAG, it associates with relations across the network of private-public actors, supported by rules and procedures, which facilitate collective action of the organisation. On the other side, normative-cognitive social capital represents the intangible side of social capital and refers to norms and values that circulate within the organisation and its networks and intended to strengthen coordination and cooperation to reach common aims.

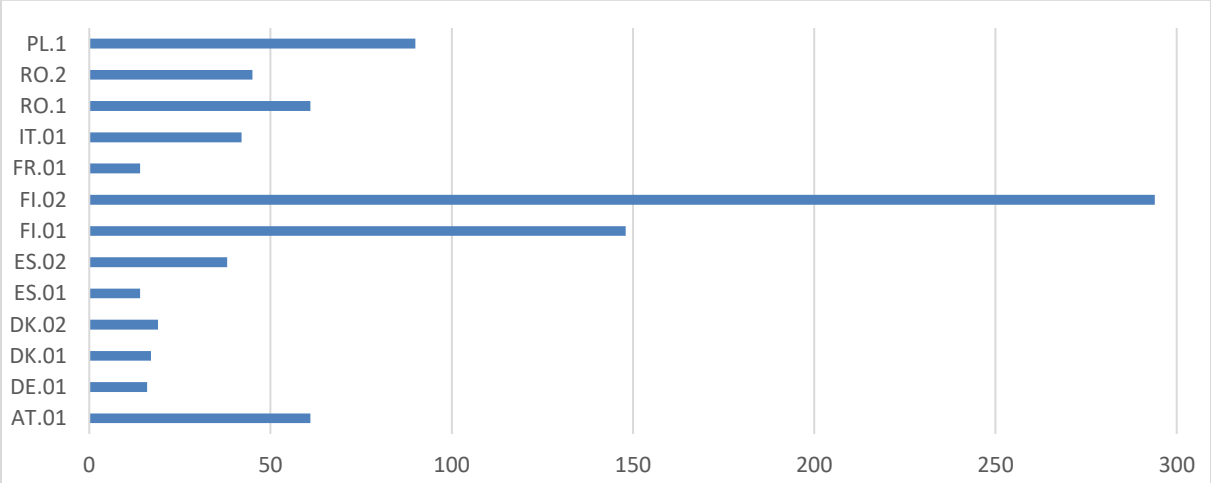
(Chevalier et al. 2017[96]; Pisani et al. 2017[97]; Marquardt et al. 2012[98]; Grieve et al. 2011[99]).

2.3.1. Indices of structural social capital of the LAGs

Our working hypothesis concerning structural social capital is that the more diverse is the composition of Board of Directors and the General Assembly of the LAGs, the higher is the structural social capital of the organisations.

The Board of Directors and the General Assembly represent the network of the LAG intended as an organisation and the size of the LAG networks is presented in the figure below.

Figure 16 - Size of the network of case study LAGs (number of partners)



Source: own elaboration based on case study interviews

The average number of partners is 66, with a minimum value of 14 (France) and a maximum value of 294 (Finland), and a median value of 42.

In this regard, social capital theory establishes that different actors, representing heterogenous interests, contribute to the flow of information, collaboration, and

[96] Chevalier, P., Mačiulytė, J., Razafimahefa, L., & Dedeire, M. (2017). The LEADER programme as a model of institutional transfer: Learning from its local implementation in France and Lithuania. European Countryside, 9(2), 317-341.

[97] Pisani, E. (2017). Evaluation of Social Capital in LEADER: From Theory to Practice. Social Capital and Local Development: From Theory to Empirics, 135-173.

[98] Marquardt, D., Möllers, J., & Buchenrieder, G. (2012). Social networks and rural development: LEADER in Romania. Sociologia Ruralis, 52(4), 398-431.

[99] Grieve, J., Lukesch, R., Weinspach, U., Fernandes, P. A., Brakalova, M., Cristiano, S., ... & Slee, W. (2011). Capturing impacts of Leader and of measures to improve Quality of Life in rural areas (No. 705-2016-48296).

cooperation in a much more effective way (and with much richer contents) if compared to actors belonging to a unique category. Moreover, these diverse actors work as brokers of information within the organisation and the local actors in the LEADER area.[100]

To capture these elements of the so-called structural social capital, Nardone *et al.* (2011)[101] developed the Network Diversity Index (NTd). In this evaluation support study, the NTd is computed for both the Board of Directors and the General Assembly of the LAGs. Based on these values for each LAG, it is possible to compute the **structural social capital of the LAGs** as the average value of the two NTd values.[102]

Box 8 - Understanding structural social capital through the Network Diversity Index (NTd)

Structural social capital represents the tangible side of social capital and is associated with defined roles and networks, supported by rules and procedures, which facilitate mutually beneficial collective action (Uphoff, 2000[103] ; Krishna & Shrader, 2002[104]).

The NTd captures the level of diversity inside each Board of Directors and General Assembly of the LAGs, or the heterogeneity of the categories the actors belong to (i.e., *farm enterprises, SMEs, large enterprise, public enterprise, professional organisations, trade-unions, associations, parks and reserve-authorities, environmental NGOs, social NGOs, local authorities, others to be specified*). According to the social capital theory, a wider variety within the group and among the groups could provide access to useful resources which are not otherwise available to the group. This aspect of LAGs also refers to the partnership principles, the equilibrium in the representation, the opening to diversity of categories, and the democratic functioning of the group. The NTd, which is computed as a Gini index, varies on a range from 0 to 1 and it assumes the value 0 (no diversity) when there is only one category in the group and the value 1 (maximum diversity) when all the categories are represented in the same proportion m

Source: Own elaboration based on Nardone et al. (2011)

In order to compute the NTd, we need to start from the relative composition of each LAG in terms of number of categories (N value) (i.e., *farm enterprises, SMEs, large enterprise, public enterprise, professional organisations, trade-unions, associations, parks and reserve-authorities, environmental NGOs, social NGOs, local authorities, others*) and number of members in each category, as represented in the figure on next page.

[100] Pisani, E., Franceschetti, G., Secco, L., & Christoforou, A. (Eds.). (2017). Social capital and local development: from theory to empirics. Springer. Palgrave Macmillan.

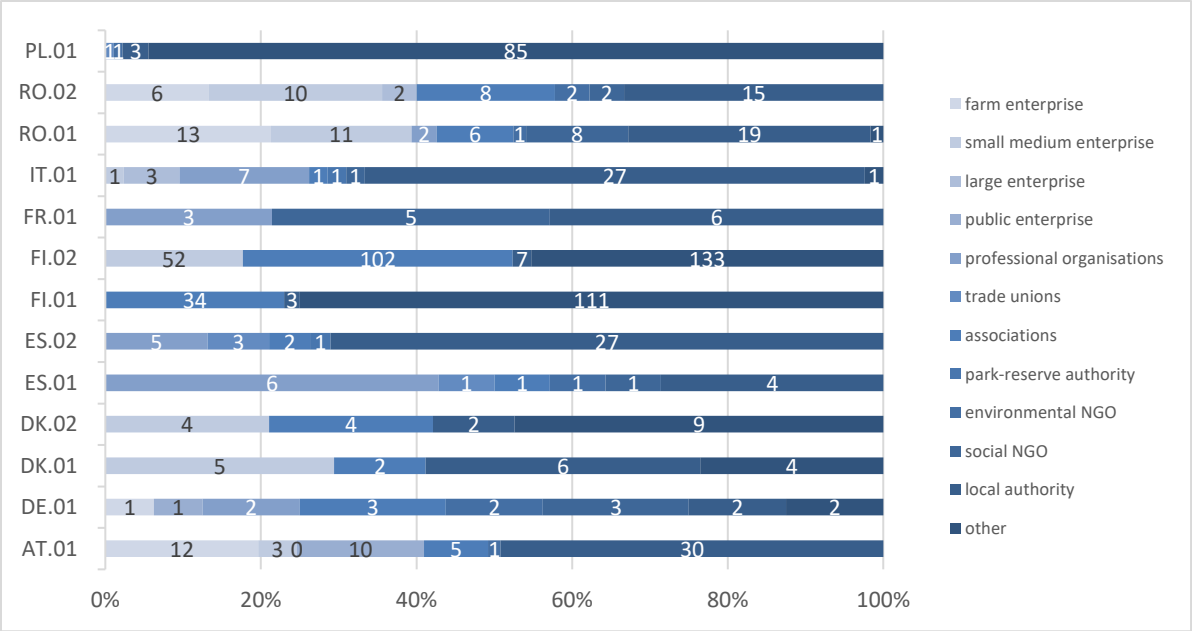
[101] Nardone, G., Sisto, R., & Lopolito, A. (2010). Social Capital in the LEADER Initiative: a methodological approach. Journal of Rural Studies, 26(1), 63-72.

[102] For the two LAGs in Denmark data were not provided. Nevertheless, based on documentary research, we were able to have information for all the LAGs.

[103] Uphoff, N. (2000). Understanding social capital: learning from the analysis and experience of participation. In P. Dasgupta & I. Serageldin (Eds.), Social Capital. A Multifaceted Perspective (pp. 215–249). Washington, DC: The World Bank.

[104] Krishna, A., & Shrader, E. (2002). The social capital assessment tool: design and implementation. In C. Grootaert & T. van Bastelaer (Eds.), Understanding and Measuring Social Capital. A Multidisciplinary Tool for Practitioners (pp. 17–40). Washington, DC: The World Bank.

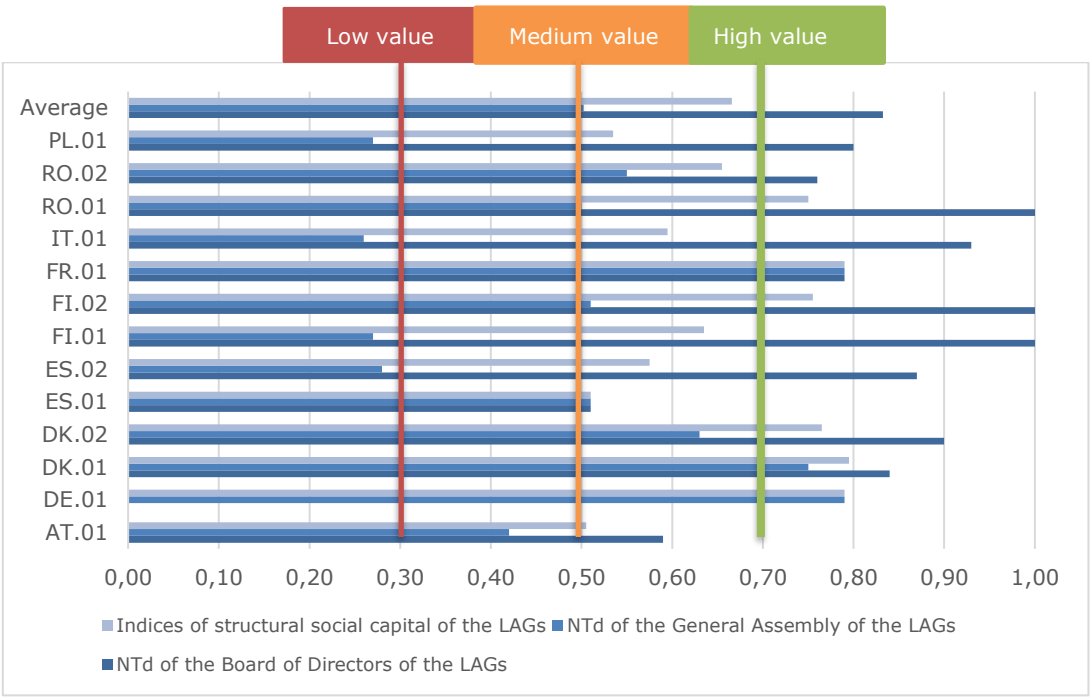
Figure 17 – Composition of the partnerships of case study LAGs (number of partners by typology)



Source: own elaboration based on case study interviews

Based on these initial values, it is possible to compute the pi = i/N as the proportion of all the first i categories and qi as the number of members belonging to the first i categories. The two elements allow to compute the NTd, based on the formula provided in the methodological section (Chapter 3). The figure below presents the NTd computed for the Board of Directors and the General Assembly and the average values for each of the selected LAGs, which is the **index of structural social capital of the LAGs**. The average value is **0.67** (**SD +/- 0.11**) for the 13 case studies analysed corresponding to a medium-high position.

Figure 18 - Index of Structural social capital of the LAGs



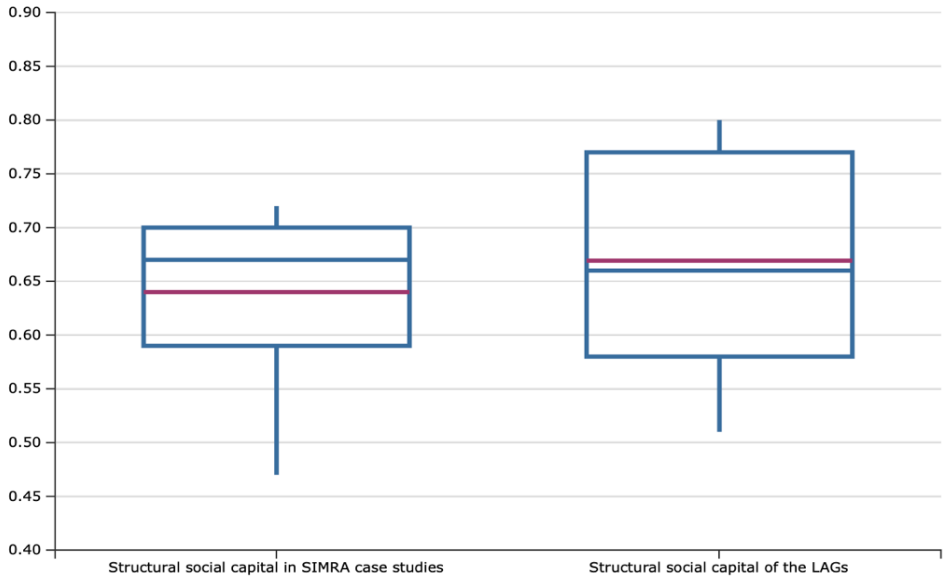
Source: own elaboration based on case study interviews

In all the cases analysed, the NTd is higher in the Board of Directors compared to the General Assembly. This indicates an equilibrium in the representation among diverse categories, which is much higher in the decisional body of the LAGs compared to the General Assembly.

None of the selected LAG shows on average a low value of structural social capital. **Six LAGs attest a high value (above 0.70)** of structural social capital, while **seven LAGs are above the medium value (0.50)**, while no LAG attests a low performance. Nevertheless, it must be pointed out that four LAGs attest a NTd *for the General Assembly* that is below low values **(below 0.30).**

To compare structural social capital with a possible counterfactual scenario, we opted to use the analysis performed in the SIMRA project funded by the European Programme Horizon 2020. The figure below compares the different performance in structural social capital of the selected 13 LAGs with nine cases of social innovation projects for which pieces of information on structural social capital were available (SIMRA Horizon 2020 project, Deliverables 5.3 and 5.4).

Figure 19 – Structural social capital in LAGs compared to Social Innovation projects of the SIMRA project (Horizon 2020)

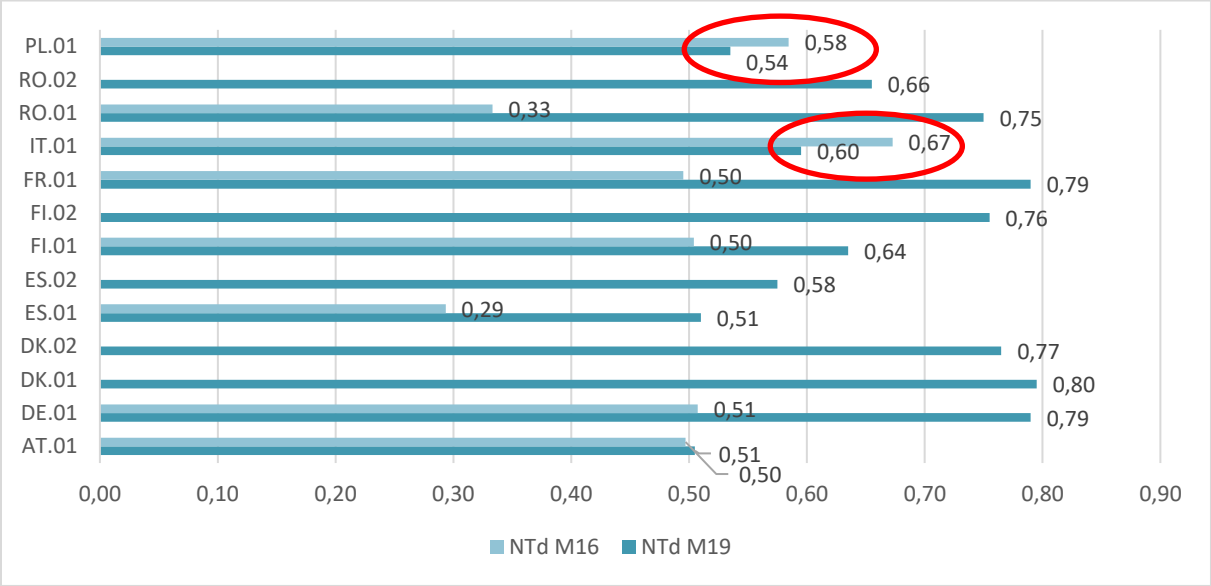


Source: own elaboration based on case study interviews and SIMRA Deliverables 5.3 and 5.4.

The box plot makes how structural social capital performs only slightly better in LAGs with an average value of 0.66 compared to 0.64 in SIMRA case studies. The median values are 0.67 for LAGs and 0.66 in SIMRA case studies and the min-max distance equals 0.25 in SIMRA case studies and 0.29 in the selected LAGs, meaning that the variability of structural social capital in social innovation projects and in case study LAGs is more or less equal.

The structural social capital of the LAGs (i.e., we recall here that it is computed as the average value of NTd for the General assembly and Board of Directors) is also compared here with NTd of the EIP-AGRI OG (M16) as a possible juxtaposition, as shown in the following figure.

Figure 20 - Comparing the Index of structural social capital of the LAGs with NTd of the EIP -OG (M16)



Source: own elaboration based on case study interviews and on AIR data 2021

It is possible to observe that in only two case studies (Italy and Poland highlighted in red in the figure above) the NTd M16 is higher than NTd M19, while in all the other cases the NTd M19 is higher than NTd M16. For Italy and Poland, the explanation of the NTd difference is due to a lower equal distribution of members in the General Assembly of the LAG compared to EIP-AGRI Operative Group. In the case of Italy, a relevant number of local municipalities entered the organisation at the end of the programming period, unbalancing the initial equal distribution of actors. This highlights the importance to collect data on partnership composition both at the beginning and at the end of the programming period to observe the change in structural social capital.

The results allow to affirm that the structural social capital of the LAGs is, in most of the selected cases, higher if compared to the structural social capital of the OGs of the EIP-AGRI used as a term of reference.

2.3.2. Indices of improvement of normative social capital of the LAGs

Elements of structural social capital need to be complemented with information on normative social capital, allowing to depict intangible elements presence in LAG networks.

Box 9 – Understanding normative social capital

A normative view of social capital draws from informal norms such as trust, reciprocity, and solidarity. Specifically, trust supports building economic relationships and improving economic performance. Trust reduces transaction costs[105] and facilitate contract agreements, because it facilitate the planning of the transaction and it reduces the costs related to resolving disputes. But what is trust? Mutti defines trust as *"an expectation born from experiences deemed positive by the individual, developed under conditions of uncertainty, whereby intense cognitive and emotional involvement may overcome the threshold of a mere hope"* (Mutti, 1998, p. 42).[106] It follows that trust strengthens expectations towards an almost certain response from others.

Source: Own elaboration from Mutti, 1998

Consequently, our working hypothesis concerning normative social capital is: the higher the local actors' perceptions of an improvement in the normative social capital of the LAG, the higher the probability that the organisational capacity facilitated this improvement.

To capture these elements, we propose an **index of improvement of normative social capital of the LAGs**, which is based on three indicators of trust:

- "Generalised trust" here intended as a baseline value of normative social capital.
- "Level of trust in the LAG" as a final value of the normative social capital of the LAG.
- "Change in the trust toward the LAG" as a measure of change determined by the activities performed by the organisation and its network.

The values of the different indicators and their normalised values (on a scale from 0 to 1) are presented in the table below.

Table 25 – Generalised trust, Level of trust in the LAG, Change in trust towards the LAG and Index of normative social capital of the LAGs

Case studies		Generalised trust (A)		Level of trust in the LAG (B)		Change in the trust toward the LAG (C)		Index of Normative social capital of the LAGs
		Most people can be trusted (%)	Normalised value (0-1)	Scale 1 to 10	Normalised value (0-1)	My trust has improved (%)	Normalised value (0-1)	Average of A, B, C (0-1)
1	AT.01	100	1	7.2	0.72	44.4	0.44	**0.72**
2	DE.01	100	1	9.3	0.93	**22.2**	0.22	**0.72**
3	DK.01	100	1	9.5	0.95	50	0.5	**0.82**
4	DK.02	100	1	**9.7**	0.97	81.8	0.82	**0.93**
5	ES.01	46.2	0.46	9.3	0.93	84.6	0.85	**0.75**
6	ES.02	83.3	0.83	8.8	0.88	66.7	0.67	**0.79**
7	FI.01	10	1	9.1	0.91	57.1	0.57	**0.83**
9	FR.01	66.7	0.67	8.5	0.85	50	0.5	**0.67**
10	IT.01	63.6	0.64	9.1	0.91	81.8	0.82	**0.79**
11	RO.01	**16.7**	0.17	9.4	0.94	**100**	1	**0.70**
13	PL.01	87.5	0.87	**6.9**	0.69	50	0.5	**0.69**
Average		***78.55***	***0.79***	***8.80***	***0.88***	***62.60***	***0.63***	***0.76***
SD +/-		*27.64*	*0.28*	*0.93*	*0.09*	*22.60*	*0.23*	*0.08*

Source: own elaboration based on case study interviews

[105] Williamson (2008) defines transaction costs as the costs of running an economic system of companies, and unlike production costs, decision-makers determine strategies of companies by measuring transaction costs and production costs. Transaction costs are the total costs of making a transaction, including the cost of planning, deciding, changing plans, resolving disputes, and after-sales. Williamson, O. E., (2008). Outsourcing, Transaction Cost Economics and Supply Chain Management, *Journal of Supply Chain Management*, Volume 44,2: 2-82.

[106] Mutti, A. (1998). Capitale sociale e sviluppo. Bologna, Il Mulino.

Based on the results, we can observe that the **Generalised trust**[107] allows to depict two patterns across case studies: (i) a first group of case studies (5 LAGs) where 100 % of respondents answer that most people can be trusted. This first group of case studies locates in the north of Europe; (ii) a second group of case studies (6 LAGs) where the percentage of respondents answering "most people can be trusted" ranges from a minimum of 16.7 % (Romania) to a maximum value of 83.3 % (Poland). This second group of case studies locates in the south and east of Europe. The **average value is 78.5 %**. We observe that these figures of generalised trust are much higher if compared to measures of generalised trust in Europe (average value is 27.7 %), but they are consistent with the pattern of northern European countries attesting a better performance compared to south and east Europe, characterised by lower performances.[108]

The second indicator **Level of trust in the LAG** shows a medium-high evaluation by respondents with a minimum value of 6.9 (Poland) and a maximum value of 9.7 (Denmark).[109] This evaluation represents the respondents' personal experience with the LAG, so it is very similar to interpersonal trust. The **average value is 8.8 over 10.**

The third indicator **Change of trust in the LAG**[110] evidence different patterns. The respondents declare that their trust has improved with a minimum value of 22.2 % (Germany) and maximum values of 100 % (Romania). The complementary values to the ones included in the table in the column "My trust has improved" represent in all the other cases (excluded Poland) the percentage of respondents who have declared that their trust towards the LAG kept equal during the programming period. In the case of Poland 12.5 % of respondents declared that their trust towards the LAG decreased, while 37.5 % maintained the same level of trust, and 50.0 % improved their level of trust towards the LAG. The average value for improved trust towards the LAG is **62.6 %.**

By averaging the normalised values of the three indicators it is possible to compute a synthetic index of **improvement of normative social capital for LAGs.** Its value ranges from 0.67 (France) to 0.93 (Denmark) over 1. The average value of normative social capital in the selected case studies equals **0.76** with a SD of **+/- 0.07.** The figure below shows the figures for all LAGs.

None of the selected LAGs attests on average a low value of the normative social capital index. **Nine LAGs attest a high value (above 0.70)** of normative social capital, while **two LAGs are above the medium value (0.50)** and no LAG attests a low performance. So, if we compare the performances of the LAGs in terms of Indices of structural social capital and normative social capital, in our selected case studies the values of the latter are higher.

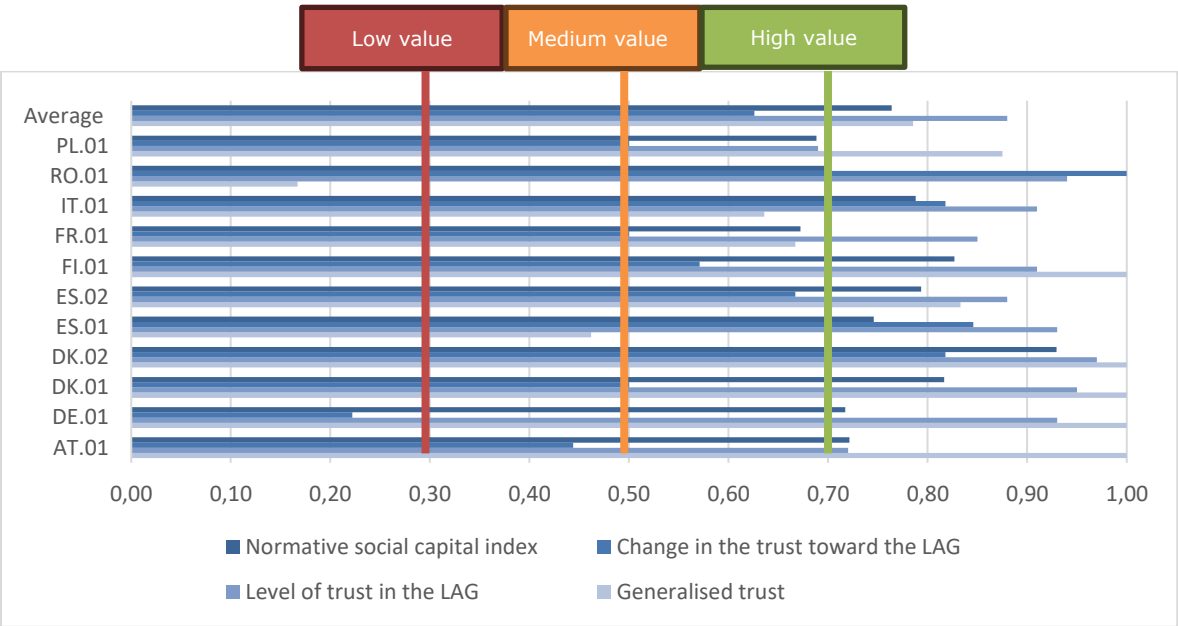
[107] Generalised trust refers to trust in people who are not known to the respondent or to trust in situations where the person being trusted is not specified. This is a concept of trust measured by the so-called Rosenberg question, first introduced in 1957, which asks, "Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?". The percentage of respondents who claims that most people can be trusted is a proxy of the level of generalised trust for that group of respondents. OECD (2017), OECD Guidelines on Measuring Trust, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264278219-en.

[108] https://ourworldindata.org/trust.

[109] Q.3 – Focus Groups: « How do you grade on a scale from 1 to 10 (where 1 is the minimum and 10 is the maximum) your level of trust in the LAG thanks to the activities performed by the organisation and its network? ».

[110] Q.4 – Focus Groups: « To what extent has your trust in the LAG changed thanks to the activities performed by the organization and its networks during the 2014-2022 programming period? ».

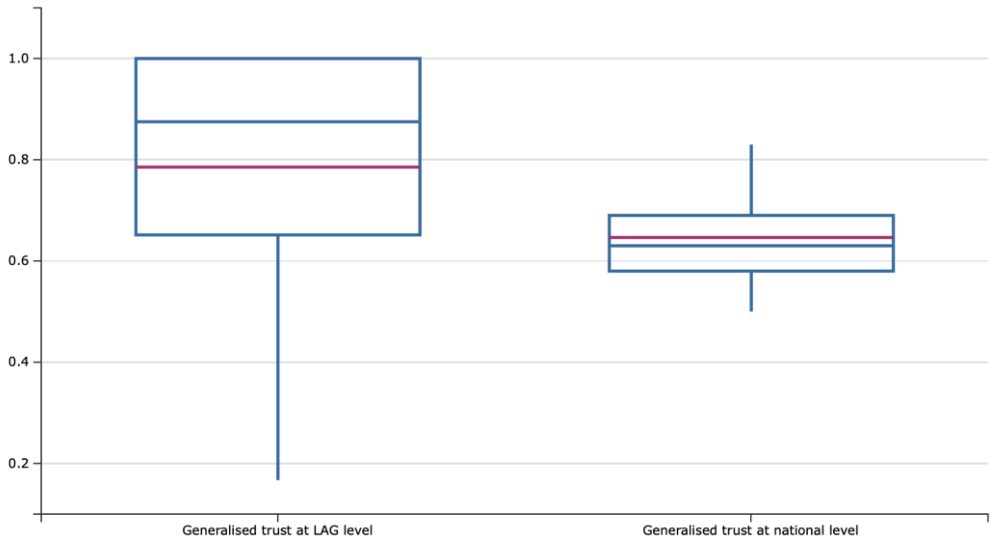
Figure 21 - Comparing the Index of normative social capital of the LAGs



Source: own elaboration based on case study interviews

To compare these values with reference values of trust in other European countries, the data proposed by Eurostat (2021) are used as a possible counterfactual scenario, based on the share of people agreeing with the statement "most people can be trusted"[111]. The figure below compares the results.

Figure 22 - Comparing the Index of normative social capital of the LAGs with national values



Source: own elaboration based on case study interviews and Eurostat data (2022) Online data code: ILC_PW03

The box plots show a better performance of LAGs in terms of generalised trust compared to the average value the national level. The average equals 0.78 for LAGs and 0.64 for the

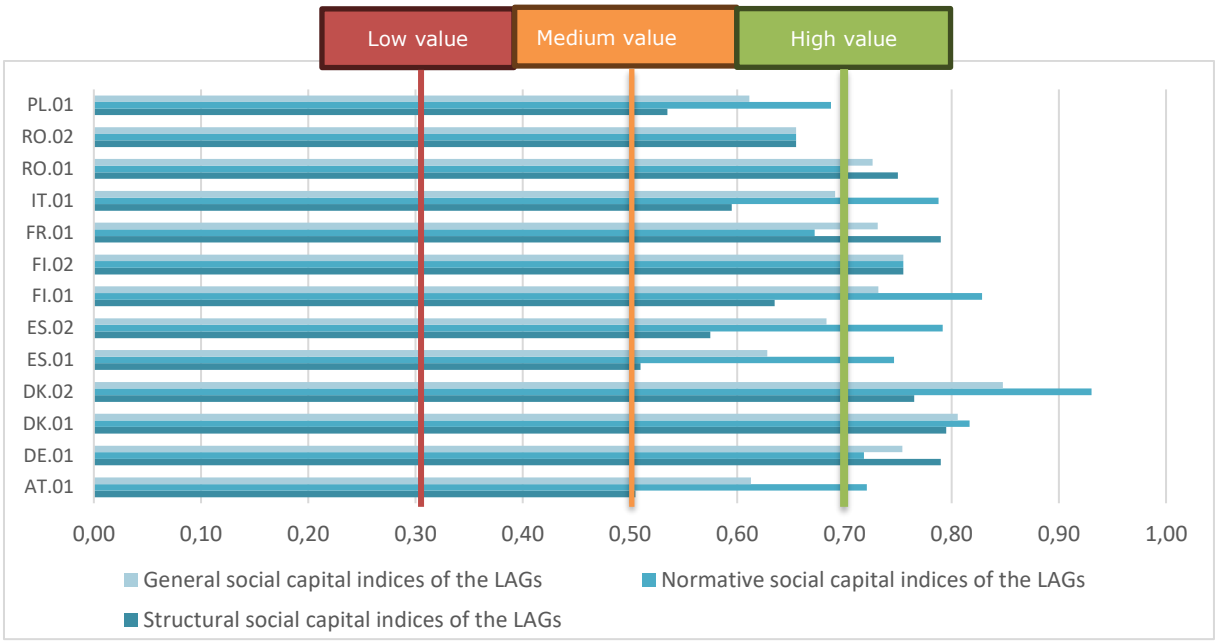
[111] Data available at https://ec.europa.eu/eurostat/databrowser/view/ilc_pw03/default/table?lang=en.

national level. The median values are 0.87 and 0.63 respectively and the distance between the minimum and maximum values equal 0.83 for LAGs and 0.33 for the national values. Therefore, variability in LAGs is much more pronounced compared to national values.

2.3.3. General indices of change of social capital of the LAGs

The previous analysis can be synthetised considering both its structural and normative components. The value of the **social capital index** is computed by averaging the LAG values of structural social capital indices with normative social capital indices. The values of the two indicators are normalised on a scale from 0 to 1. The average value of the social capital index of the LAG equals **0.71 (SD +/- 0.07).**

Figure 23 – Social capital index of the selected LAGs (M19)



Source: own elaboration based on LAG interviews and AIR data 2021 for NTd M16.

None of the selected LAG attests on average a low value of the General social capital index of the LAGs. **Seven LAGs attest a high value (above 0.70)** of normative social capital, while **six LAGs are above the medium value (0.50)**, while no LAG attests a low performance.

Qualitative information collected through interviews provide insights for the interpretation of these results as to the reasons explaining why LAGs perform differently in relation to social capital. Based on qualitative analysis, the following **drivers** characterising the **best performing LAGs in terms of social capital** are identified:

- Ensuring a homogeneous territorial distribution of LAG members enhances territorial equity in terms of representation of the different socio-economic and territorial interests.
- Open dialogue, transparency of the decisional processes, acceptance of new visions and a continuous monitoring of the LAG activities facilitate the emergence of social trust between LAG partners.
- LAG activities represent opportunities for young people who decide to candidate themselves for becoming new members of the LAG, providing new perspectives and visions inside the LAG.
- Skilled LAG members help design a more focalised and effective LDS and empower other LAG members.

- The capacity to link historical partners with new partners (e.g., newcomers and young people) facilitate the emergence of new collaborations and the sharing of new visions and perspectives.
- Promoting ideas and information exchange based on the co-creation approach makes the LAG dynamic, favouring mutual trust and the emergence of new shared visions about territorial development.
- An equal cross-sectoral composition of the LAG partnership and its geographical balance enhances the structural social capital of the organization, promoting social and territorial equity.

We can also specify the **drivers** that characterise the **least performing LAGs in terms of social capital** based on the qualitative analysis:

- The composition of LAGs does not change over the years, reducing dynamicity and, thus, the emergence of new visions and perspectives.
- The reduced openness and dialogue with all actors in the territory limits the sharing of ideas and, thus, provokes possible conflicts between partners and "outsiders".
- Self-governance of the LAG, without establishing a continuous dialogue and collaboration with the managing authority and the paying agency limits the social capital and reduces LAG effectiveness.

4.2.2.4 Judgement criterion 2.4: The implementation of LEADER improved the social capital of the LEADER areas

This criterion relates to the added value of LEADER in the form of improved social capital of the LEADER areas. JC 2.4 has been operationalised through different indicators and positive and negative elements emerging from the qualitative answers of different respondents.

Improved social capital is necessarily operationalised through the LAG activities here intended as those actions carried out by LAGs as part of their task of running and animating the strategy (i.e., under sub-measure 19.4) which include events, promotions, meetings, support to community and beneficiaries, and publicity materials. Those include also possible projects carried out by the LAGs on behalf of the community (e.g., LAGs own projects, umbrella projects or global grants, and cooperation projects) as part of the strategy implementation (funded under sub-measures 19.2 and 19.3).[112]

Among these different activities related to the tasks of running and animation of the strategy, we have focused on specific indicators measuring the extent to which social capital has been created thanks to LEADER.

This Judgement Criterion has been operationalised through different indices:

- Indices of structural social capital in LEADER areas (2.4.1).
- Indices of improvement of social capital in LEADER areas (2.4.2).
- General indices of change of social capital in LEADER areas (2.4.3).

[112] European Commission (2021). Evaluation Support Study on the Impact of Leader on Balanced Territorial Development. Final Report, CCRI, ADE S.A. and OIR. https://data.europa.eu/doi/10.2762/01039.

Box 10 – Social capital in the LEADER areas activated by the LAGs

By developing a local development strategy, LAGs promote horizontal and vertical relations or, in other words, networks of structural social capital and thanks to the bottom-up approach. Moreover, the development of the local development strategy is based on common meanings and understandings that are related to social norms, values and attitudes shared by members and beneficiaries. Additionally, the day-to-day activity of the LAG is based on participatory approaches and consultation processes that requires sharing values and common visions, enabling the participation of local actors in the implementation of the Local Development Strategy. The investment in social capital promotes innovation, cooperation, which are building blocks of the LEADER approach (Chevalier et al. 2017[113]; Pisani et al. 2017[114]; Marquardt et al. 2012[115]; Grieve et al. 2011[116]).

2.4.1 Index of structural social capital in LEADER areas

In this first part, the analysis focuses on the capacity of the LAGs to contribute to the creation of social capital with potential beneficiaries in the LEADER areas through horizontal relations and during the programming period. Of course, these values represent the change, assuming that at the beginning of the programming period the values were set at 0. In LEADER, this aspect is operationalised thanks to the LAG's capacity to create **new links** with potential applicants using individual and collective training but also via desk office activity to create relations and possible networks among potential beneficiaries.[117] These relations do not represent the entire set of connections activated by the LAGs, they are only representative of a specific type of relations. There could be other training activities and events implemented for different purposes (e.g., to enhance the knowledge and skills of people, in order to set the premises for an expected behavioural change).

The table on the next page summarizes the results concerning two selected RDP measures activated by the LAGs and selected by interviewed LAG managers as a focus of analysis.[118] Moreover, the table proposes the computation done on the Network Diversity Index of

[113] Chevalier, P., Mačiulytė, J., Razafimahefa, L., & Dedeire, M. (2017). The LEADER programme as a model of institutional transfer: Learning from its local implementation in France and Lithuania. European Countryside, 9(2), 317-341.

[114] Pisani, E. (2017). Evaluation of Social Capital in LEADER: From Theory to Practice. Social Capital and Local Development: From Theory to Empirics, 135-173.

[115] Marquardt, D., Möllers, J., & Buchenrieder, G. (2012). Social networks and rural development: LEADER in Romania. Sociologia Ruralis, 52(4), 398-431.

[116] Grieve, J., Lukesch, R., Weinspach, U., Fernandes, P. A., Brakalova, M., Cristiano, S., ... & Slee, W. (2011). Capturing impacts of Leader and of measures to improve Quality of Life in rural areas (No. 705-2016-48296).

[117] In terms of social capital theory, these events are instrumental to build the reciprocal relations between the LAG and potential beneficiaries, but also to promote novel or reinforced relations among potential beneficiaries who thanks to these networking events could decide to propose common projects. In these events, the LAG acts, through the so-called structural holes, as a broker of information, which for the local actors, especially those leaving in marginal rural areas, would be quite difficult to obtain. Again, in terms of social capital theory, these events are the necessary premises for the flow of information to happen, allowing the social capital of the LEADER area to emerge and, consequently, to contribute to economic investments by local actors in the area, but also to enhance a common territorial identity. In social network theory, the closure argument is that social capital is created by a network of strongly interconnected elements. The structural hole argument is that social capital is created by a network in which people can broker connections between otherwise disconnected segments. Structural holes separate nonredundant sources of information, sources that are more additive than overlapping. Burt, R. S. (2017). Structural holes versus network closure as social capital. Social capital, 31-56.

[118] Q5 – For the same types of interventions you selected (previous question), if you have activated specific training and/or animation activities to assist (potential) beneficiaries to improve their capacity to access funding, could you please provide the following information? For individual and collective trainings, we refer to training activities performed by the LAG internal staff or external experts specifically contracted by the LAG (i.e., outside M1 and M2).

project promoters of M19, based on AIR 2021 data and related to CMEF indicator O.22 - Number and type of project promoters, specifically referred to M19.

Table 26 - Index of structural social capital in LEADER areas

ID	Case studies	New horizontal links activated by the LAG with potential beneficiaries (LAG interviews)	Size of the enlarged network	Attributed score to horizontal links with potential beneficiaries	NTd of project promoters in relation to M19 (O.22) (AIR 2021)	Index of Structural social capital in LEADER areas
1	AT.01	61 650	61 711	1.00	0.44	**0.72**
2	DE.01	734	750	0.67	0.90	**0.78**
3	DK.01	NA	NA		0.34	**0.34**
4	DK.02	260	279	0.56	0.34	**0.45**
5	ES.01	NA	NA		0.11	**0.11**
6	ES.02	53	91	0.22	0.39	**0.30**
7	FI.01	NA	NA		0.43	**0.43**
8	FI.02	NA	NA		0.43	**0.43**
9	FR.01	23	37	0.11	0.40	**0.25**
10	IT.01	1 386	1 428	0.89	0.14	**0.51**
11	RO.01	58	119	0.33	0.30	**0.31**
12	RO.02	80	125	0.44	0.30	**0.37**
13	PL.01	867	957	0.78	0.49	**0.64**
Average values				0.56	0.38	**0.43**

NA = Not Available

Source: own elaboration based on LAG interviews and AIR data 2021

In relation to the first indicator **New horizontal links activated by the LAG with potential beneficiaries**, results evidence different patterns implemented by the LAGs across Europe on how to promote new horizontal links. Considering the final values and attributed scores,[119] case study LAGs in Austria, Italy, Poland and Denmark appear to be very active in building relations with potential beneficiaries. These values have been further elaborated on a scale from 0 to 1 for the following computations. The average value for this indicator is **0.56 over 1 (medium value)** and its **SD is +/- 0.30**.

In relation to the second indicator **network diversity index of project promoters,** we decided to include this indicator because we wanted to enlarge the structural analysis by considering not only contacts activated, but also if those contacts have been converted into "real project promoters" (O.22). Indicator O.22 of the CAP captures this information for the entire M19 at RDP level and disaggregates the numbers for different types of promoters (i.e., LAGs, NGOs, Public bodies, SMEs and others). Unfortunately, AIR data does not disaggregate this information at the level of the LAGs, so we must use this indicator as a proxy. The average value of the indicator is **0.38 over 1** (therefore, quite low) and its **SD is +/- 0.19.**

Consequently, we can compute the **Index of structural social capital for the LEADER areas** in the selected LAGs as the average of the previous indicators. The values attest a medium high performance in Austria, Germany, Italy and Poland and the average value of the indicator equals **0.43 over 1** and its **SD is +/- 0.19.**

[119] The capacity of the LAGs to activate horizontal relations with potential beneficiaries is expressed on a range from 1 to 9, where the highest value (9) has been attributed to the LAG that has activated the highest number of relations (i.e, Austria with more than 61.000 relations), and 1 to the opposite case (i.e., France with 23 relations). The huge divergence among case studies suggests us to use an ordinal scale where the specific score attributed to the LAG equals its position on the ordinal descending scale.

2.4.2. Index of improvement of social capital in LEADER areas

Focusing on how the LAG has produced positive changes in the socio-economic dynamics observed in the LAG areas in terms of **improved social capital**, RDP managing authorities, LAG managers and LEADER experts expressed their evaluation as presented in the following table.

Table 27 – Index of improved social capital in LEADER areas

ID	LAG code	Improved social capital in local areas (RDPs)	Improved social capital in local area (LAGs)	Improved social capital in local areas (experts)	Average (1-5)	Index of improvement of social capital in LEADER areas (0-1)
1	AT.01	NA	4	5	**4.5**	**0.9**
2	DE.01	4	5	5	**5**	**1**
3	DK.01	4	5	5	**5**	**1**
4	DK.02	4	5	5	**5**	**1**
5	ES.01	5	5	5	**5**	**1**
6	ES.02	5	4	4	**4**	**0.8**
7	FI.01	5	5	5	**5**	**1**
8	FI.02	5	5	5	**5**	**1**
9	FR.01	5	4	3	**3.5**	**0.7**
10	IT.01	3	3.5	5	**4.25**	**0.85**
11	RO.01	4	4	4.5	**4.25**	**0.85**
12	RO.02	4	4	4.5	**4.25**	**0.85**
13	PL.01	5	4	5	**4.5**	**0.9**
	Average	**4.42**	**4.42**	**4.69**	**4.56**	**0.91**

NA = Not Available

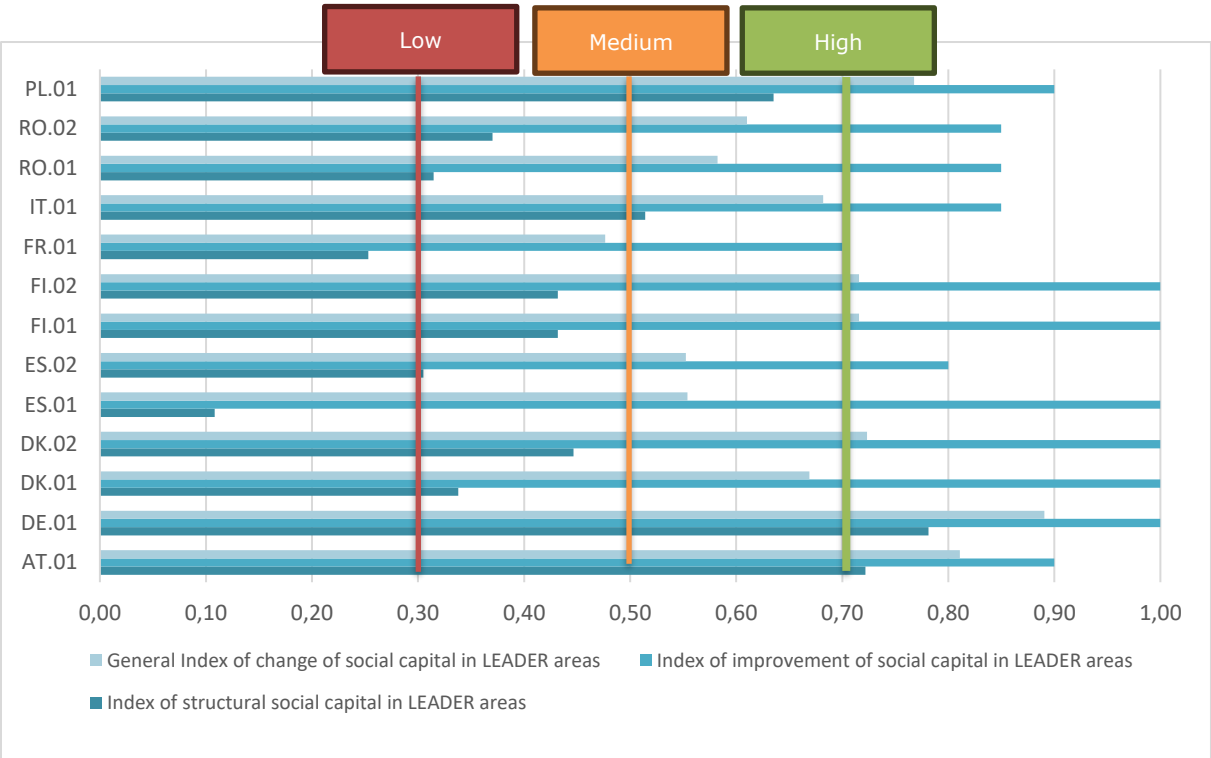
Source: own elaboration based on LAG interviews, RDP survey and LEADER expert interviews.

The perceptions of respondents are in general very positive and shared among the different respondents, with most positive judgements given by LEADER experts. The average value equals **4.56 over 5**.

2.4.3. General index of change of social capital in LEADER areas

Based on the previous analysis, the different indices can be combined as shown on the next page.

Figure 24– General Index of change of social capital in LEADER areas



Source: own elaboration based on LAG interviews, RDPs survey and expert interviews.

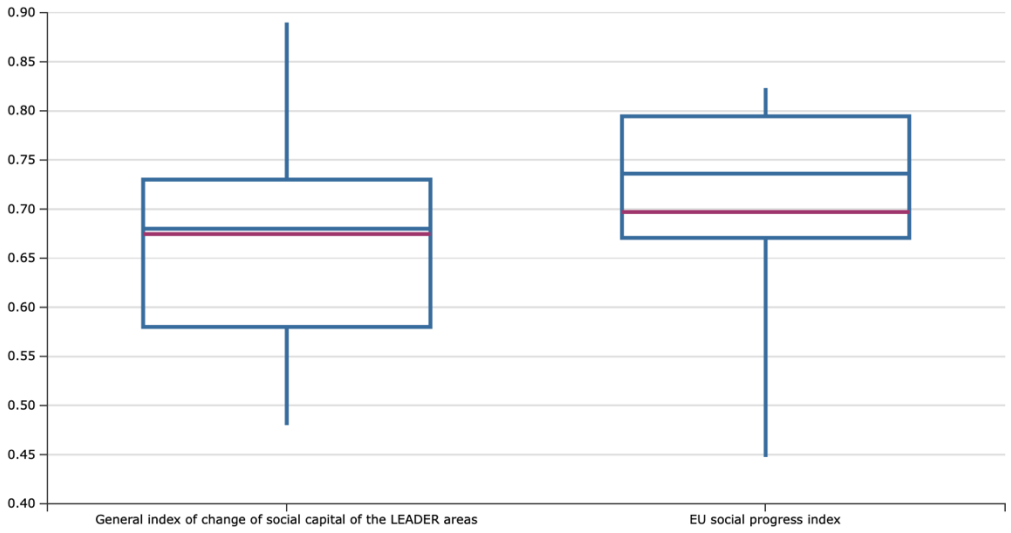
None of the selected LAGs shows on average a low value of the General index of change of social capital in LEADER areas. **Six LAGs attest a high value (above 0.70)** of normative social capital, while **six LAGs are above the medium value (0.50)** and one LAG attest a value below 0.50 but above 0.30.

If we focus on the structural index, we observe that values are on average lower than the values on perceived improvement. Thus, when judging the extent to which LEADER has improved the social capital in the LEADER areas, respondents probably tend to over-estimate.

To compare the general index of change of social capital of the LEADER areas with a possible counterfactual scenario, we opted to use the EU Social Progress Index (EU-SPI, 2020)[120], which measures the social progress in European regions based on 55 social and environmental indicators. The figure on the next page compares the two indices which refer to the same NUTS 2 region.

[120] The Social Progress Index (SPI) measures the extent to which countries provide for the social and environmental needs of their citizens. https://ec.europa.eu/regional_policy/information-sources/maps/social-progress_en#:~:text=The%20EU%20regional%20Social%20Progress,Gross%20Domestic%20Product%20(GDP). The EU Social Progress Index (EU-SPI) measures social progress in European regions, at the NUTS2 level, using twelve components described by a total number of fifty-five comparable social and environmental indicators, purposefully excluding economic aspects. European Commission (2020) The Regional Dimension of social progress in Europe. Presenting the new EU Social Progress Index. Regional and Urban Policy. Working Paper 06/2020.

Figure 25 - Comparison of general index of change of social capital of the LEADER areas with the EU Social Progress Index at NUTS2 regional level



Source: own elaboration based on LAG interviews and data of the EU social progress index (2020) [121].

The box plots evidence an average value of the EU SPI equals to 0.69 which is very close to the value of 0.67 of general index of change of social capital in the LEADER areas selected as case studies (i.e., 0.67). The median values are 0.68 for the LEADER areas and 0.73 for EU-SPI computed for the same region, and the min-max distance equals 0.41 in LAGs and 0.37 in EU-SPI.

Again, these results are interpreted through collected qualitative information to understand **why LAGs perform differently in relation to social capital in LEADER areas**.

Based on the qualitative analysis, the following **drivers** characterising the **best performing LAGs** in terms of social capital improvement in LEADER areas are identified:

- The LAG is a mediator between public authorities (e.g., paying agencies and managing authorities) and local stakeholders proposing projects, helping them in funding procedures and resolving problems if they emerge, promoting the proactivity of the community in territorial development.
- Local actors perceive the LAG as the only bridge able to connect multiple realities and catalyse cross-cutting collaborations to stimulate a shared strategical vision for the future of the local territory.
- LAG activities promote the emergence of synergies between different types of interventions, translating and connecting actions existing in the rural territory through the integration of single activities in a whole and coherent strategy (e.g., tourism and agriculture).
- The LAG is perceived as an essential networker as it is politically neutral, and it promotes the good of the entire area, including all types of actors, ensuring inclusiveness and social equity, stimulating people to collaborate and share ideas to improve their territory, and creating social trust.
- The LAG acts as a motor for cooperation, encouraging people and beneficiaries to coordinate, thus, fostering the integration of different activities and stimulating community unity.

[121] Data of the EU Social Progress Index (2020) available at https://ec.europa.eu/regional_policy/information-sources/maps/social-progress/2020_en.

- The LAG plays a fundamental awareness-raising role through animation activities, stimulating the empowerment of rural actors.
- The promotion by the LAG of a bottom-up approach offers the possibility for the residents to influence local decision-making and development, stimulating their proactivity and sense of ownership.
- LAG activities that stimulate networking and collaborations create social trust and faith for the future, showing that "it is possible to change things and mentalities" in rural development.
- The variety of beneficiaries involved in LAG activities (also minorities that live in the country) demonstrates the capacity of LAGs to involve different types of subjects and to create networks at the territorial level.

If focusing on the *negative drivers*, the following elements emerge:

- Ordinary people do not know about the existence of the LAG, limiting social inclusiveness in its activities.
- Most of the projects supported by the LAG are individual, meaning they do not foster cooperation across different territorial actors.
- Bureaucratic procedures limit the inclusion of local actors in funding their activities because they are frightened by the administrative burden.
- The LAG budget is very low compared to other funding sources, and the LAG only has small funds to market its activities compared to the large philanthropic players in Denmark.
- The culture of collaboration and cooperation promoted by LEADER needs to be improved in the future because, at present, it is limited by too restrictive rules given to the LAG by the managing authority.
- Networking and collaborations between different actors in the territory started in this programming period thanks to LEADER. However, it needs to be consolidated and reinforced in the future, primarily through the change of mentality of stakeholders.
- Administrative procedures are inefficient and too complex, with payments arriving too late which limits social trust and the proactive involvement of the community.
- There are few cross-cutting collaborations that emerged through multi-sectorial projects, reducing the possibility of stimulating a shared integrated vision of territorial development.
- The LAG only supports a few networking activities because its first objective is to program/validate and pay for the projects, and Covid did not help to organize events.

4.2.2.5 Judgement criterion 2.5: The implementation of LEADER improved the social capital among LEADER areas within a Member State (inter-territorial cooperation) and among Member States (transnational cooperation).

Judgement Criterion 2.5 has been operationalised through the following indicators:

- Incidence of cooperation projects operationalised via M19.3 in the selected LAGs (2.5.1).
- Network diversity index of inter-territorial and transnational cooperation projects in the selected LAGs (2.5.2).
- Capacity of inter-territorial and transnational cooperation projects to create added value for the LEADER area (2.5.3).
- General indices of change of social capital among LEADER areas (2.5.4).

This criterion relates to the added value of LEADER in the form of improved social capital among LEADER areas within a Member State through inter-territorial cooperation and among Member States through transnational cooperation. The improved social capital is necessarily operationalised through the LAG activities, which in this specific case refer to actions or projects undertaken through Measure 19.3.

Regulation (EU) No 1305/2013 clarifies the rules in relation to these typologies of projects, which are supported both in their implementation and in terms of preparatory technical support finalised to a concrete project. The cooperation of a LAG can take place with a group of local public and private partners in a rural and non-rural territory implementing a local development strategy and only in case of a rural territory the cooperation can be done within and outside the EU.

A bird-eye view on how the cooperation has been implemented in the selected RDPs is presented in the table below.[122] Data are sourced from AIR 2021.

Table 28 - Inter-territorial and transnational cooperation expenditure for selected RDPs

MS	RDP	Preparatory technical support (19.3) % of TPE*	Inter-territorial cooperation (19.3) % of TPE	Trans-national cooperation (19.3) % of TPE	Total public expenditure 19.3 TPE	Expenditure 19.3 over M.19 (%)
AT	Austria	2.9	87.2	9.9	13 988 999	8.4
DE	Mecklenburg-Vorpommern	0.0	98.4	1.6	290 435	0.4
DK	Denmark	0.0	54.7	45.3	218 077	0.3
ES	Cataluña	0.0	100.0	0.0	6 724 885	13.4
ES	Navarra	0.0	100.0	0.0	156 595	1.0
FI	Mainland Finland	5.8	65.9	28.3	16 492 381	6.8
FR	Auvergne	0.0	100.0	0.0	404 565	0.6
IT	Veneto	63.6	36.4	0.0	104 168	0.2
RO	Romania	15.4	53.0	31.6	953 871	0.2
PL	Poland	2.0	63.6	34.3	8 224 826	1.5

*TPE = Total Public Expenditure

Source: AIR 2021

MAs of the selected RDPs present a divergent commitment to inter-territorial and transnational cooperation. Results evidence the strong emphasis on inter-territorial cooperation where three MAs have focused the entire expenditure. It must be observed that the weight of the expenditure on cooperation over the total expenditure of M19 is quite limited in all the selected RDPs ranging from 0.2 % to 13.4 %. These figures set the scene for understanding the investment and consequently the efforts that the LAGs pose on this typology of projects and their energies in promoting the social capital among LEADER areas within the country and across Europe. It should be noted, considering the complexities of these projects also from an administrative point of view, that probably the strategy selected is to focus on few initiatives, probably with already known national and international partners in order to develop further their collaborations and to sustain, in this way, the initial stock of social capital created in previous programming period, instead of focusing on new adventures with a possible risk of failure. This element has been observed by different LAG respondents in the case study interviews.

2.5.1. Incidence of cooperation projects operationalised via M19.3 in the selected LAGs

In the **selected RDPs**, the average expenditure for an inter-territorial cooperation project equals 32 769 EUR and their total number is 933, while the average expenditure for a transnational cooperation project equals 18 580 EUR and their total number is 395.

[122] The analysis is based on the answers to the question: "Q3 – How many LAGs are implementing the following types of projects?". This question has been proposed to all RDPs in the questionnaire-based survey.

Consequently, a total number of 1 328 cooperation projects with an average expenditure (including the costs for the preparatory technical support) of 39 393 EUR per project have been realised by 31.12.2021. The table below presents the results.

Table 29 - Inter-territorial and transnational cooperation - key information from selected RDPs

MS	RDP	Number of projects inter-territorial cooperation 19.3 (O21)	Average expenditure on an inter-territorial cooperation project (EUR)	Number of projects transnational cooperation 19.3 (O21)	Average expenditure on a transnational cooperation project (EUR)	Total number of projects 19.3	Average expenditure including preparatory technical support (EUR)
AT	Austria	215	56 706	37	37 554	252	55 512
DE	Mecklenburg-Vorpommern	20	14 288	3	1 559	23	12 628
DK	Denmark	33	3 613	16	6 177	49	4 451
ES	Cataluña	136	49 448	0		136	49 448
ES	Navarra	3	52 198			3	52 198
FI	Mainland Finland	209	52 018	138	33 798	347	47 528
FR	Auvergne					0	
IT	Veneto	1	37 937			1	104 168
RO	Romania	88	5 749	49	6 149	137	6 963
PL	Poland	228	22 960	152	18 580	380	21 644
Total number of projects and average expenditure		**933**	**32 769**	**395**	**17 303**	**1 328**	**39 393**

Source: own elaboration based on selected RDP survey/interviews

In the selected LAGs, the number of inter-territorial cooperation projects is quite limited:19 projects over a total number of 933 for the RDPs related to the selected case studies. While the number of transnational cooperation projects equal 12 over a total number of 1 328 for the RDPs related to the selected case studies.

Table 30 - Inter-territorial and transnational cooperation projects implemented by selected LAGs.

iD	LAG code	Inter-territorial cooperation projects	Transnational cooperation projects	Total number of cooperation projects under M19.3	Incidence of the cooperation projects (0-1)
1	AT.01	10	2	12	**0.39**
2	DE.01	0	0	0	**-**
3	DK.01	0	0	0	**-**
4	DK.02	0	0	0	**-**
5	ES.01	0	1	1	**0.03**
6	ES.02	0	0	0	**-**
7	FI.01	3	2	5	**0.16**
8	FI.02	1	5	6	**0.19**

iD	LAG code	Inter-territorial cooperation projects	Transnational cooperation projects	Total number of cooperation projects under M19.3	Incidence of the cooperation projects (0-1)
9	FR.01	0	0	0	**-**
10	IT.01	1	0	1	**0.03**
11	RO.01	0	0	0	**-**
12	RO.02	3	1	4	**0.13**
13	PL.01	1	1	2	**0.06**
TOTAL IN SELECTED LAGs		**19**	**12**	**31**	**1.00**
TOTAL IN RDPs		2.03 % of 933 P	3.04 % of 395 P	2.33 % of 1 328 P	

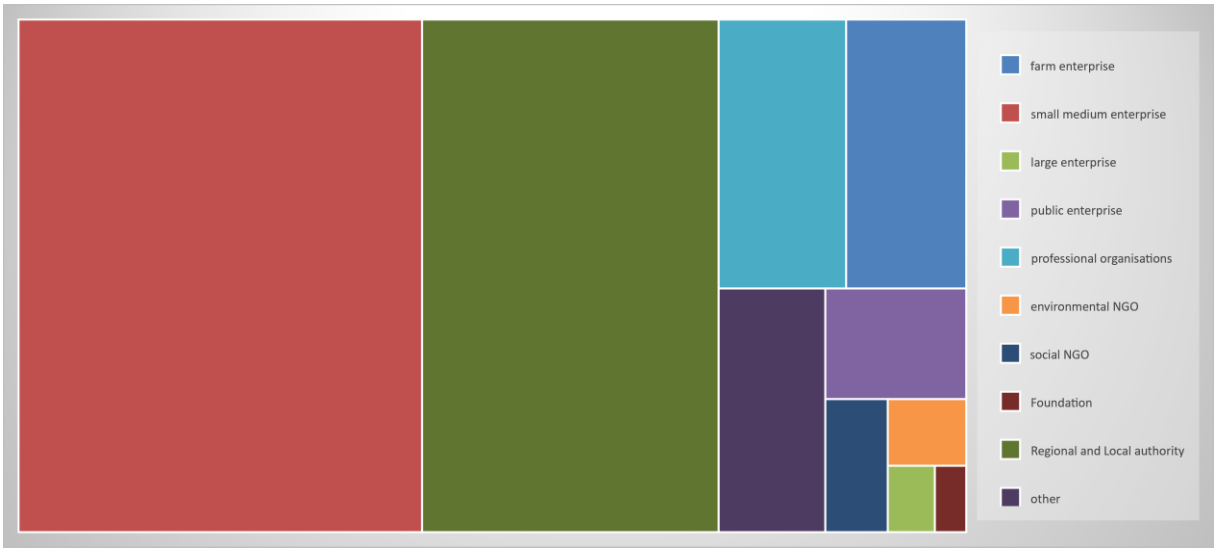
Source: own elaboration based on LAGs interviews

2.5.2. Network Diversity Index of inter-territorial and transnational cooperation in the selected LAGs

In the different countries, the LAGs attest different format of composition of the inter-territorial cooperation projects. In **Austria**, the inter-territorial cooperation strongly involves farmers and small and medium enterprises and a limited number of public enterprises, which a very limited participation of the civil society. In **Spain**, the inter-territorial cooperation involves SMEs and regional and local authorities and other actors (not classified). In **France**, the inter-territorial cooperation involves the civil society actors and regional authorities. In **Italy**, the inter-territorial cooperation involves associations, regional authorities, and other actors (not classified). In **Romania**, inter-territorial cooperation involves many LAGs including actors of the private, public and civil society sectors. Nevertheless, the public component in the form of regional and local authorities appears dominant.

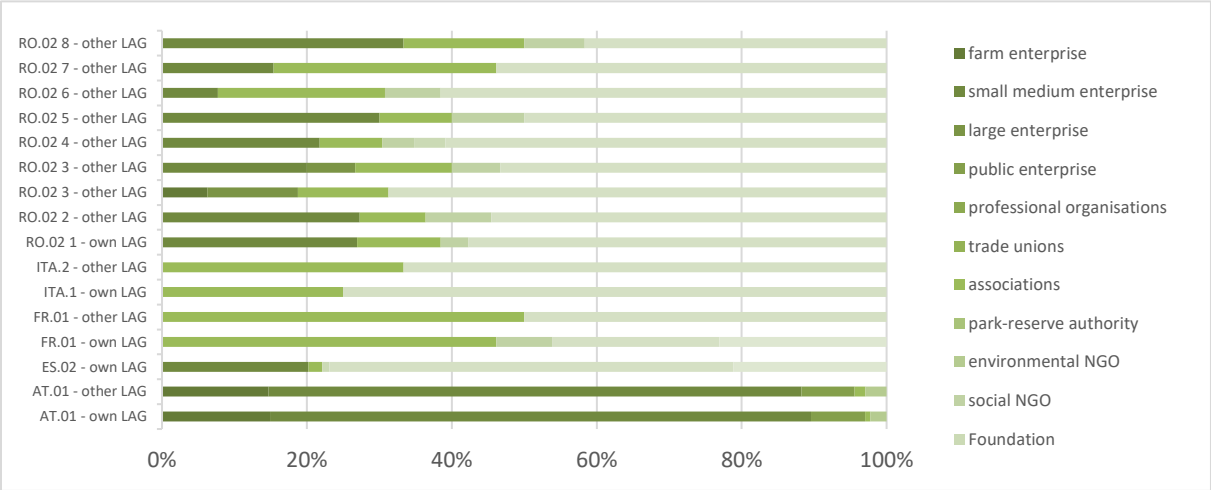
The composition of the partnership in the inter-territorial cooperation projects of the selected LAGs is presented in the figure below. All the projects involve 467 partners, distributed in different categories as in the figure below.

Figure 26 - Partnership composition of inter-territorial projects in the selected LAGs (total values for all the categories)



Source: own elaboration based on LAGs interviews

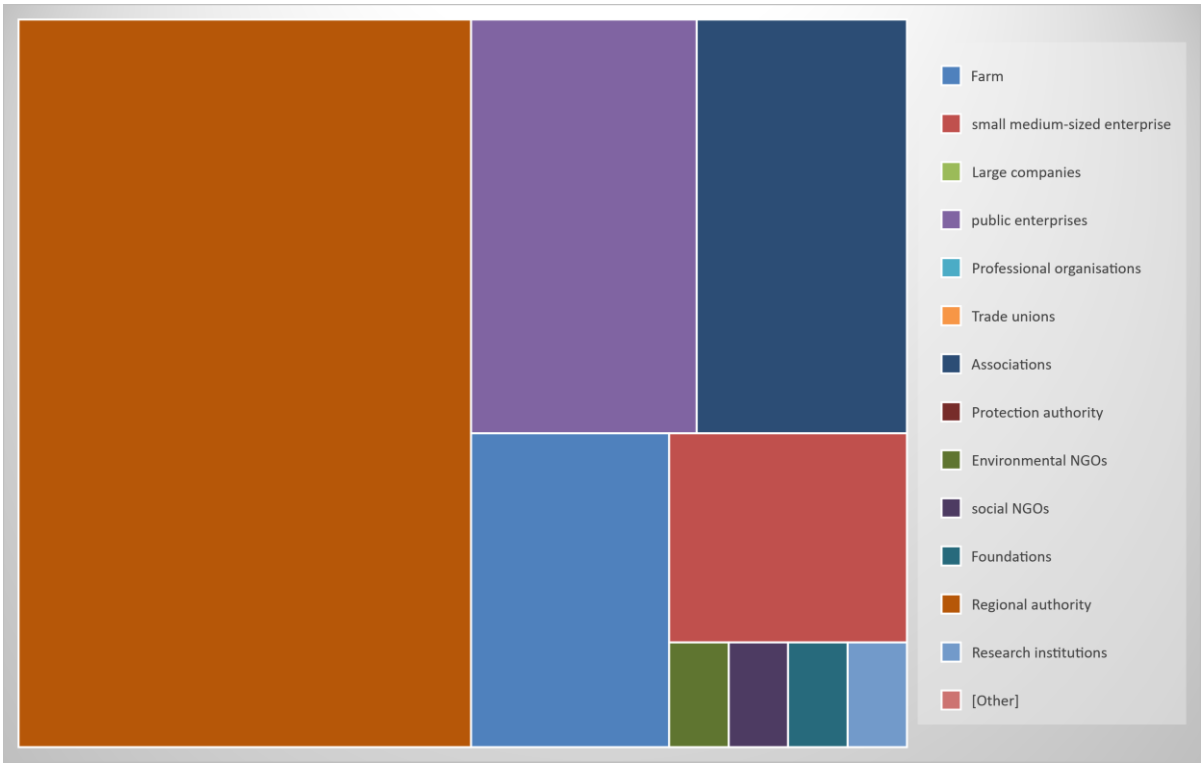
Figure 27 – Partnership composition of inter-territorial projects in the selected LAGs (% share of partners by category)



Source: own elaboration based on LAGs interviews.

In the case of transnational cooperation, we had available very limited responses also because this type of cooperation seems to be problematic from the administrative point of view in the LAG managers' perceptions. Based on the answers received, which are based only on two case studies, the graphical representation of the partnership composition is presented in the following figure.

Figure 28 – Partnership composition of transnational projects in the selected LAGs (total values for all the categories)



Source: own elaboration based on LAGs interviews

These values allow to compute the Network Diversity index for these typologies of cooperation projects, which are presented in the table on next page

Table 31 – Comparison of Netwrok Diversity inidces computed for the LAGs, LEADER areas and among LEADER areas

LEVEL OF ANALYSIS	AMONG LEADER AREAS			LEADER AREA	LAG
NTd	NTd Inter-territorial cooperation projects	NTd transnational cooperation projects	NTd of cooperation projects via M19.3	NTd of project promoters M19 (O.22)	NTd of LAGs
AT.01	**0.21**	0.52	**0.37**	0.44	0.51
ES.02	0.36		**0.36**	0.39	0.58
FR.01	**0.58**		**0.58**	0.40	0.79
IT.01	0.57		**0.57**	0.14	0.60
RO.02	0.27	0.20	**0.24**	0.30	0.66
Average	**0.40**	**0.36**	**0.38**	**0.33**	**0.62**

Source: own elaboration based on LAGs interviews

The results for the 5 LAGs analysed evidence a low performance of NTd of Inter-Territorial cooperation projects ranging from 0.21 (min value in Austria) to 0.58 (max value in France). This allows to affirm that in the selected LAGs only two (France and Italy) have attested average performance in terms of NTd. The structural social capital of inter-territorial projects appears low with an **average value of 0.40** over 1. Only two case studies provide evidence for transnational cooperation, with an average value of **0.36.**

By averaging the values for each specific LAG of NTd of the two types of cooperation, we obtain the **NTd index of cooperation projects operationalised via M19.3**. In the selected LAGs that have provided information, the value of this index ranges among 0.24 (minimum value) to 0.58 (maximum value). These values have been compared to the NTD of project promoters and NTD of LAGs. In all the cases the NTd of LAGs is higher compared to NTD of cooperation projects operationalised via M19.3, and in most of the cases NTd of cooperation projects via M19.3 is higher than NTd of project promoters (M.19).

2.5.3. Capacity of inter-territorial and transnational cooperation projects to create added value for the LEADER area

The capacity of cooperation projects to create added value for the LAG areas is on average high (4.2 over 5). The values are presented in the table below.

Table 32– Capacity of inter-territorial and transnational cooperation projects to create added value for the LEADER area

ID	LAG code	Capacity of the inter-territorial and transnational cooperation projects to create added value for the LEADER area	Normalised values
1	AT.01	5	1
2	DE.01	4	0.8
3	DK.01		
4	DK.02		
5	ES.01	5	1
6	ES.02	5	1
7	FI.01	4	0.8
8	FI.02	4	0.8
9	FR.01	2	0.4
10	IT.01	3	0.6
11	RO.01		
12	RO.02	5	1
13	PL.01	5	1
	Average	**4.2**	**0.84**

Source: own elaboration based on LAGs interviews

2.5.4. General indices of change of social capital among LEADER areas within and among Member States

By averaging the results of the different indicators and indices previously computed, it is now possible to compute the **General indices of change of social capital among LEADER areas within and among Member states**. The table below shows the values.

Table 33 - General indices of change of social capital among LEADER areas within and among Member States

iD	LAG code	General indices of change of social capital in LEADER areas
1	AT.01	**0.81**
2	DE.01	**0.89**
3	DK.01	**0.67**
4	DK.02	**0.73**
5	ES.01	**0.56**
6	ES.02	**0.55**
7	FI.01	**0.72**
8	FI.02	**0.72**
9	FR.01	**0.48**
10	IT.01	**0.68**
11	RO.01	**0.58**
12	RO.02	**0.61**
13	PL.01	**0.77**
	Average	**0.67**

Source: own elaboration based on LAGs interviews

Unfortunately, in this specific case it was not possible to find a suitable counterfactual scenario for comparison. INTERREG and LIFE projects were considered as possibilities, but no previous analysis has been done in these specific programs in relation to social capital improvement.

These results need to be interpreted with the help of qualitative answers to understand why inter-territorial and transnational cooperation projects create added value for LEADER areas. Based on the qualitative analysis, the following main reasons are found:

- Cooperation activities supported by LEADER establish stable and ***robust networks*** between the region, fostering the creation of synergies and the development of innovative activities.
- ***Regular meetings*** involving different **LAGs of the region** help establish good relations and a **culture of collaboration**. So, they need to be complemented with networking events between LAGs and specifically focused on inter-territorial and transnational cooperation, which should help solving technical/strategic aspects together and sharing challenges and solutions.
- Collaborations established across regions and territories through LEADER **allow joint funding and the development of a common European approach** to significant issues, fostering synergies, knowledge exchange, and comparison of different approaches. Of course, this is significant in an historical moment characterised by remarkable European and international environmental and societal challenges.

Nevertheless, there are also relevant difficulties that hinder M19.3 from bringing its expected value added. Respondents summarise the critical elements in the following points:

- **Funding conditions focus primarily on investments**, and they are very **complex to promote** within the frame of cooperation projects. Moreover, **networking activities cannot be funded**.
- The implementation of transnational projects **creates new relations** that **need to be reinforced**, and this calls for additional fundings but also opportunities for sharing knowledges at the EU level.

Inter-territorial and transnational cooperation appears elements of relevance in promoting the added values among LEADER areas, and respondents recognise their importance in terms of synergies, collaborations, knowledge sharing but also visibility. Nevertheless, there are several difficulties in implementing this type of projects. Normally they are considered high demanding from an administrative point of view, requiring a high investment in terms of time. They are diffuse in the tourist sectors, but there are cases of cooperation regarding the agricultural sector *strictu sensu*, but they are minor cases.

4.2.2.6 Judgement criterion 2.6: The implementation of LEADER improved the linkages towards actors external to the LAGs (other LAGs nationally or transnationally, business organisations, MAs etc.)

Judgement criterion 2.6. concerns whether the implementation of LEADER improved linkages towards actors external to the LAGs. This is especially mentioned as important in the neo-endogenous approach to rural development[123]. The analysis is based on two indicators. The first indicator concerns the interactions and animation activities undertaken in cooperation with other regional business, social, cultural, environmental organisations and public authorities. The second indicator focuses on LAG linkages with established national and European networks. The analysis under judgement criterion 2.6 complements the previous analysis under judgement criteria 2.4. and 2.5 focusing on networks and cooperation.

Almost all case study LAGs have responded with qualitative information about different types of animation and networking activities that they have themselves organised and undertaken to improve linkages towards territorial actors external to the LAGs[124]. Examples of this can be divided in animation and networking activities to improve linkages with other LAGs, with the population, with tourism actors, and with business actors and are presented in the table on next page.

[123] Gkartzios, Menelaos and Phillip Lowe (2019), "Revisiting neo-endogenous rural development", in Marc Scott, Nick Gallent and Menelaos Gkartzios, red., The Routledge Companion to Rural Planning, London and New York: Routledge Companion, pp. 159-69.

Ray, Christopher (2006), "Neo-Endogenous Rural Development in the EU", in Paul Cloke, Terry Marsden and Patrick Mooney, red., The Handbook of Rural Studies, London: Sage, pp. 278-91.

[124] Q32 – Can you please briefly describe the animation and networking activities that you have yourself organized and undertaken to improve linkages towards actors external to the LAG.

Table 34 - Animation and networking activities organised by LAGs to improve linkages towards external actors

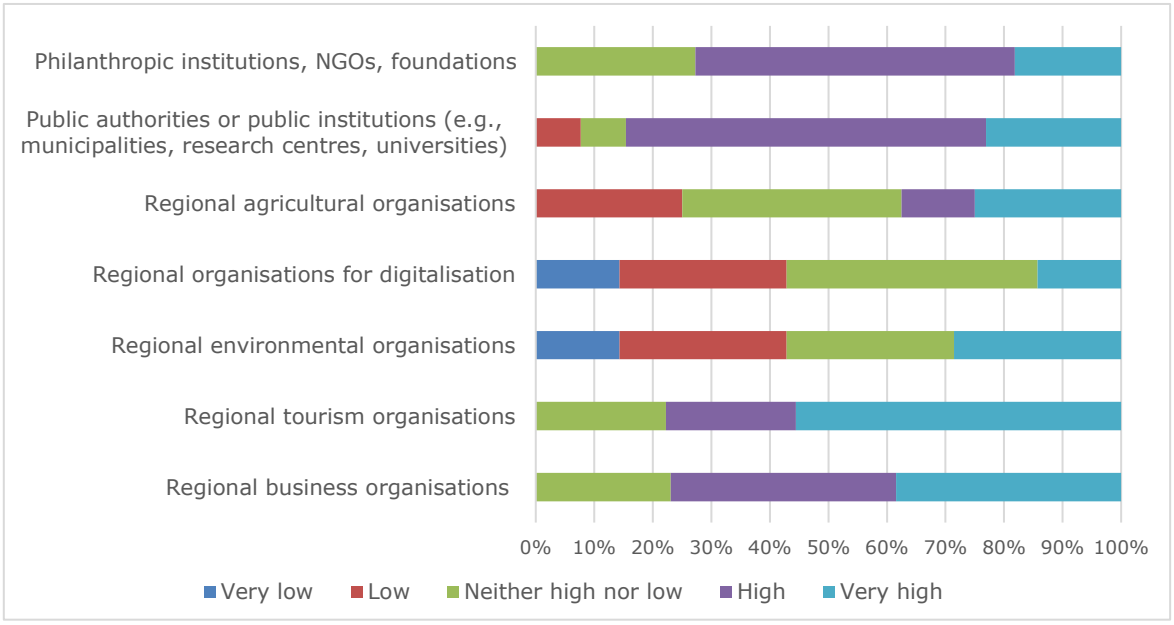
Linkages with other LAG actors	Bilateral exchanges with LAGs; International exchange with European LAGs; Creation of joint brochure on activities together with all LAGs in a region; Initiator of federal working group of LAGs; Arrangement of conferences involving also LEADER responsible persons from national / EU level; Exchange visit to other LAGs with all LAG members; Active in building the urban CLLD; Regular meetings with neighbour LAG (all LAG members) once a year.
Linkages with the population	Regional conference (LAG area) for interested population every two years; Creation of new networking through public presentations to encourage new applicants; Information meetings before each application round and Writing Cafés; regional and local village networks, local culture networks
Linkages with tourism actors	Arrangement of workshops on tourism related network projects; Creation of association bringing together producers, developers, artisans, restaurateurs, rural hotels and local shops, and others passionate about a valley; Small producers and processors joining forces in a project on regional quality products; Microbrewery beer route cooperation; Membership activities in a tourism committee.
Linkages with other business actors	Members of innovation system, trade committee, digitalisation group, and audio-visual cluster; Local business network; Organising thematic commissions on which stakeholders discuss potential projects; Meetings with local authorities to present LEADER; Financing event with municipalities and business councils on alternative financing.
Linkages with social actors	Intense networking / exchange activities with bodies dealing with social issues in the territory; Project launch conference, Working Group on minorities.

Source: own elaboration based on case study LAG interviews

One case study LAG mentions that: *"We frequently bring people together around a topic to foster networking between different kinds of actors."* Another case study LAG, however, also emphasises that Covid-19 made these activities difficult.

The figure below shows the extent to which case study LAGs undertake networking and animation activities in cooperation with different types of organisations, based on LAG interview data (responses are expressed on a 5-point scale, 1=Very low to 5=Very high)[125].

Figure 29 – Extent to which LAGs undertake networking and animation activities with other organisations



Source: own elaboration based on case study LAG interviews

[125] Q33 - With reference to the animation and networking activities described above, to what extent have these activities been undertaken in cooperation with […]?

Networking and animation activities have to the largest extent been undertaken in cooperation with regional tourism organisations (mean score of 4.3 on the 1 to 5 scale) as well as regional business organisations (mean score of 4.2), followed by public authorities/institutions (mean score of 4.0) and philanthropic organisations and NGOs (mean score of 3.9). LAGs participate to a lower extent in networking and animation activities with regional agricultural organisations, regional environmental organisations and regional organisations for digitalisation (respective mean scores of 3.4, 3.0, and 2.7). One LAG highlights that all LAG members are involved in the networking and animation activities with the above-mentioned organisations.

When it comes to regional tourism organisations, the LAG case study interviews provide examples of the most important kinds of animation and networking activities that have taken place It is mentioned that worktables are shared among the LAG and regional tourism organisations, which makes it easy to meet and determine common actions. Also, others emphasise that they participate and collaborate in the implementation of actions of the tourism organisations or participate to thematic commissions. The Veneto case study more specifically explains their relation to the regional tourism organisations in the following way:

"Meetings, seminars, collocations of policies with respect to the interests of the tourism world, aimed at giving them useful information to participate in calls for tenders from the LAG or other community funds of their interest, and also to understand how these policies impact on their activity or can be helpful beyond the announcement…".

Examples of what kind of animation and network activities that take place in cooperation with business organisations concern active involvement of LAG members in networking and animation activities; regional conferences; different kinds of cluster activities; arranging of network meetings or information meetings for companies together with the business councils; meetings with business organisations to determine what actions that can be developed together, and co-operation on business support in general. Some also mention that these organisations are actual partners of the LAG or that they share office space with them.

As to philanthropic organisations and NGOs, voluntary associations are also mentioned as an actor with which animation and networking activities take place, but such network activities take place on a smaller geographical scale. It is mentioned that different animation activities with these organisations can lead to that maybe in the future, new development trends will be easier adopted in the LAG area.

Other activities mentioned in the LAG case study interviews about animation and networking activities taking place with philanthropic organisations and NGOs are co-operation around local culture; co-operation around urban CLLD and youth culture; participation to thematic commissions; dialogue about territorial strategies, tourism, and education; activities related to a specific minority; and animation on the theme of cooperatives and groups of producers.

Specific examples of which public organisations and institutions the LAG animation and networking activities are undertaken with are universities; regions; key municipal staff working in rural development, settlement, or business; town councils / municipalities around local and village development.

Eleven (11) case study LAGs have listed specific networks to which they have participated during the 2014-2022 programming period in order of importance[126]. Considered together

with the results presented above, this provides valuable information on **what links between actions are created for the development of the rural economy through LEADER. These links often consist of networks among LAGs nationally or regionally, tourism-oriented networks, business networks, municipality networks, village networks, National Rural Networks, ENRD and FARNET networks, and climate, energy or nature protection networks**. The networks listed can be seen in the table below.

Table 35 - Examples of networks in which 11 LAGs have participated, in order of priority

1. LEADER Forum 2. Climate network 3. Tourism association
1. Joint monitoring committees for the ESI-Fonds 2. Network with LAGs in neighbouring state 3. Both LAG and FLAG area, so LAG management involved in FARNET 4. Regional advisory committee of the district deciding on ESF-funds
1. LAG manager network 2. Municipality network 3. Business network 4. LAG chairperson group network
1. Tourism networks 2. Regional LAG network 3. Network with business councils about "writing cafes" 4. National Network Unit
1. Arca (*not clear*) 2. Nature protection network 3. National rural network
1. National Rural Network 2. Innovation System 3. Protected natural spaces network 4. Energy transition network 5. Intelligent Tourist Destinations Network
1. Village and 3rd sector networks 2. Networks with local and regional public authorities 3. Local cultural networks
1. Village network. 2. Business network. 3. Networks with local and regional public authorities.
1. Area Planning Agreement Network 2. LEADER Network group of LAGs nationally 3. Regional LAG network
1. National Federation of LAGs 2. Federation of LAGs
1. National Rural Development Network 2. European Network for Rural Development

Source: own elaboration based on case study LAG interviews

To understand how the LAGs establish institutional relations with CAP and LEADER related networks, in case study interviews LAG representatives were asked to indicate the number of events promoted by National Rural Networks, the European Network for Rural Development - ENRD (now CAP Network), the European LEADER Association for Rural Development (ELARD) and other networks to which they have participated over the programming period. Answers collected in case study LAGs are reported in the table on following page.

Table 36 - Number of events organised by national and EU networks in which case study LAGs have participated

Case studies LAG	National Rural Networks (NRNs)	European Network for Rural Development	European LEADER Association for Rural Development (ELARD)	Other networks	TOTAL number of events to which LAGs have participated
AT.01	33	0	0	40	73
DE.01	27	N.A.	N.A.	7	34
DK.01	35	1	0	N.A.	36
DK.02	30	0	0	2	32
ES.01	13	N.A.	N.A.	1	14
ES.02	7	N.A.	N.A.	N.A.	7
FI.01	72	1	1	N.A.	74
FI.02	80	1	N.A.	N.A.	81
FR.01	0	0	N.A.	2	2
IT.01	10	3	N.A.	4	17
RO.01	6	N.A.	N.A.	10	16
RO.02	16	1	N.A.	N.A.	17
PL.01	15	10	3	N.A.	28

N.A. = Not Available

Source: own elaboration based on LAG interviews

As shown in the table above, when it comes to events organised by different organisations/networks outside the LAG (NRN, ENRD, ELARD), case study LAGs appear to be mostly active at national level as they mainly participate in activities organised by NRN. The data also show a rather pronounced variation across the LAGs as to the extent to which they create linkages with external organisations through participation in the various networks' events. To gain further insights, interviews were used to ask LAG managers and other LAG representatives the extent to which they thought that their participation in initiatives organised by the same networks may have contributed to generate added value for the LAG area[127]. Consistently with the previous results, participation in events organised by National Rural Networks is rated as highest across all interview respondents in relation to the creation of added value (on average 3.7 on a scale 1=very low to 5=very high).

Within the rural research community, a neo-endogenous development perspective has developed during the same period as the LEADER approach. LEADER has to some extent been seen as the empirical experimentation of this perspectives' more theoretical content. The neo-endogenous development perspective emphasises that rural development must be locally anchored, but in addition, it must be outward-looking and embrace external actors and conditions, act strategically, and build institutional capacity.[128] Summing up on the extent to which the implementation of LEADER improved the linkages towards actors external to the LAGs (JC 2.6), the data analysed above indicate that this judgement criterion can be confirmed as really many examples of such linkages have been provided

[127] Q.31 (LAG interviews) - In your opinion, to what extent has your participation to these events contributed to create added value for the LAG area?".

[128] Ray, Christopher (2006), "Neo-Endogenous Rural Development in the EU", I Cloke, Paul, Terry Marsden og Patrick Mooney, red., *The Handbook of Rural Studies*, London: Sage, pp. 278-291.

Bosworth, Gary, Ivan Annibal, Terry Carroll, Liz Price, Jessica Sellick og John Shepherd (2016), "Empowering Local Action through Neo-Endogenous Development; The Case of LEADER in England". *Sociologia Ruralis*, 56(3): 427-449.

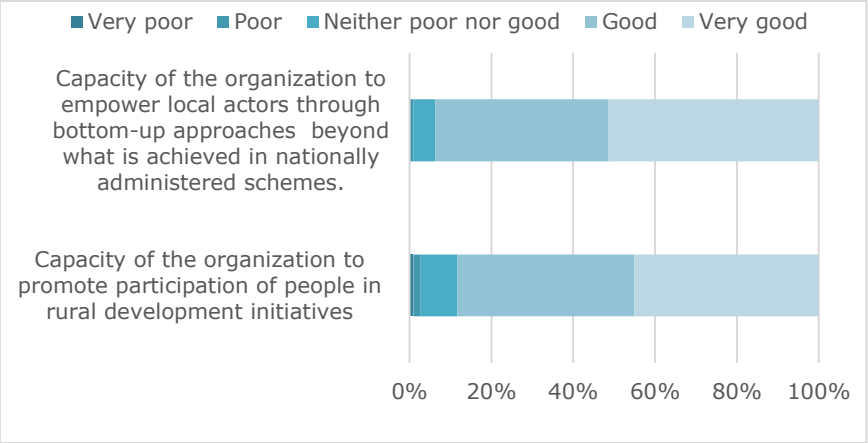
by the LAG case studies. There are, however, limitations as to the extent linkages have been created towards other European actors, and this could become a limitation as to the spread of knowledge and innovation across borders.

LAGs could increase their effort in participating to European networks that provide essential information on their day-to-day activities. To facilitate LAGs' engagement, the CAP Network (formerly ENRD) could move online multiple activities and use also new formats such as YouTube live streaming of different events. Of course, this would require additional effort in recoding all formats, including subtitles in the different European languages to facilitate the dissemination of contents. Moreover, the new CAP Network could provide updated information on each LAG and, through collaboration with National Rural Networks, enhance the visibility of LAGs. This for the dual purpose of enhancing prominence but also keeping the LAGs tuned on the novelties promoted by the CAP Network.

4.2.2.7 Judgement criterion 2.7: The implementation of LEADER gave power to the local population beyond what is achieved in nationally administered schemes and created new platforms for change.

Judgement criterion 2.7. concerns whether the implementation of LEADER gave power to the local population more than what is possible in other nationally/regionally administered schemes. The indicators concern whether applicants are new to LEADER, whether platforms for change have been created and whether LEADER brings EU closer to the citizens. According to focus group results, **the implementation of LEADER reaches the local population beyond what is achieved in nationally administered schemes** as the mean score on the capacity of the organization to promote participation of people in rural development initiatives is 4.3 (1=Very poor and 5=Very good), and the mean score on the capacity of the organization to empower local actors through bottom-up approaches beyond what is achieved in nationally administered schemes is 4.5 on the same scale.

Figure 30 – The capacity of the LAGs to empower people and promote participation in rural development initiatives



Source: Own elaboration of Focus Group data (n=111)

It is mentioned by the focus groups that participation is at the core of LEADER, and that LAGs are easy to approach and ask questions to. LAGs are well-known and visible grassroots level actors with local knowledge, that enables to give a boost to local participating initiatives where people are enthusiastic to make a difference for their village or project. It is mentioned that the wide and bottom-up outreach can been seen from the fact that there are enough and sometimes many applicants. One Danish Case study LAG for example mentions that at a point in time they had 52 applications to judge in one board meeting but that a more average number is 30. Another focus group emphasizes that ordinary inhabitants do not know about the existence of LAGs, even though the LAG is

known among project holders. A focus group also mentions that the "LAG has legs" and is anchored and involved in networks and that this is especially important for first-time applicants and smaller organizations. One focus group says that it is on the one hand the LAG activities and on the other hand the activities in the projects that involve the population. The role of the LAG is also emphasised to be that of translating national/regional and EU requirements directly to the citizen to reach understanding at the citizen level. Here the LAG is important in mediating between people and regulations.

The challenges mentioned are to get young people to participate and the heavy administrative burdens during especially payment processes. Aspects contributing to overcoming challenges and involving the population are working groups, more communication, umbrella projects, and inspiring LAG managers who gets people to be enthusiastic about participating. It is emphasized that the LAG "lowers the barriers to participation". The fact that needs are tailored towards the local people according to the specific development trajectory of the LAG territory can also bring forward a higher local participation.

When **assessing whether applicants are new to LEADER and the extent to which LEADER reaches and give power to new groups**, the LAG case study interviews provide some knowledge about the number of LEADER applicants who had never applied for *any type of funding* before[129]. Unfortunately, it was only possible to calculate a share in four LAGs. These responses are: 8 %, 10 %, 5 %, 19 %.

Concerning the share of LEADER applicants who had never applied for LAG funding before, out of the 8 collected responses, 5 indicate a percentage between 80 % to 95 % and the 3 remaining ones indicate 39 %, 50 % and 56 %. This indicate that, overall, a large part of the applicants in these case studies are new applicants to LEADER funding.

It was also possible to collect information on the proportion of applicants who have applied for LAG funding several times during the 2014-2022 programming period[130]. The highest proportion mentioned is 39 % and around 5 out of 12 responses mention a proportion of 30 % or above.

The 17 LAG case study interview persons were asked about **the importance of outreach work for new actors to apply** and whether they had been successful with such work[131]. Both "Outreach work is needed to encourage new actors to apply for LAG funding" and "The LAG has been successful in reaching out to applicants who have not applied before" show a mean value of 4.6 (1=Strongly disagree and 5=Strongly agree).

Table 37 - The importance and success of outreach work

	Total no. answers	Average score (overall CS)
Outreach work is needed to encourage new actors to apply for LAG funding	17	**4.6**
The LAG has been successful in reaching out to applicants who have not applied before	17	**4.6**

Source: own elaboration based on case study LAG interviews

[129] Q39 (LAG interviews) - How many of your applicants during the 2014-2022 programming period had never applied for any type of funding or for LAG funding before?

[130] Q40 (LAG interviews) - What proportion of your applicants have applied for LAG funding several times during the 2014-2022 programming period?

[131] Q42 (LAG interviews) - To what extent is outreach work needed to encourage new actors (who have not applied in the past) to apply for LAG funding and to what extent do you think you have been successful?

In addition, case study LAG interviewees were asked who was responsible for outreach work[132]. This is to the largest extent the task of the LAG manager (4.7 on a scale ranging from 1=Very low extent to 5=Very high extent) followed by the LAG partnership members (3.9) and to a lower extent the members of the LAG association (3.2).

It is also clear from the collected data, that the LAG manager contributes the most to encouraging new subjects to apply for LAG funds[133]. As shown in the table below, in the LAG case study interviews, 14/17 answer that the LAG manager to a very high extent contributes to encouraging new subjects to apply (mean score 4.6 on a scale from 1=Very low extent to 5=Very high extent). The LAG decision-making body is also contributing to a large extent (mean score is 4.0). When it comes to the extent to which people from across the LAG partnership/LAG association contribute to encouraging new subjects to apply, the spread of responses is wider and the overall score lower (3.3). These results thus seem to be aligned with the division of tasks described above. Finally, nine respondents indicate that "Others" contribute to a considerable extent to encouraging new actors to apply for LAG funding (score 4.4) including: small working group consisting of management and parts of the board; municipalities; project holders/beneficiaries; technical staff. Therefore, besides the LAG manager and the LAG decision making body, locally functioning entities are important actors to encourage new people to apply for LAG funding.

Table 38 - The extent to which different actors contribute to encouraging new actors to apply for LAG funds

	Very low	Low	Neither low nor high	High	Very high	Total no. answers	Average score (overall CS)
LAG manager	0	1	1	1	14	17	**4.6**
LAG decision-making body	0	2	1	9	5	17	**4.0**
People from across the LAG partnership/LAG association	2	2	4	6	3	17	**3.3**
Others	0	0	1	3	5	9	**4.4**

Source: own elaboration based on case study LAG interviews

The types of **tools and activities used to reach out to potential beneficiaries** – also being a part of animation activities - have been rated by the LAG case study interview persons (scale 1= Not important at all to 4=Very important). One-to-one meetings between LAG staff and applicants are generally valued to have a high and larger role (average score 3.9) than other tools such as the LAG webpage and social media presence (average score for both is 3.3). Information and advice meetings held in the context of application rounds for several potential applicants at a time (face to face, online, telephone, e-mail) are also judged as rather important (average score 3.6). The interviews collected information about other outreach tools and activities judged as important: Events, print media, writing cafes (also in relation to developing a business plan, where applicants get help from professionals from the business councils), press publications, newsletters, local television, local information campaigns (caravans), technical seminars explaining

[132] Q43 (LAG interviews) - To what extent is outreach work part of: The LAG manager's tasks? The LAG decision making body's task? The tasks of LAG partnership members / members of the association?

[133] Q41 (LAG interviews) - To what extent do the following actors contribute to encouraging new subjects to apply for LAG funds?.

documentation to be submitted (drafting of descriptive reports, the evaluation and the moderation of costs), and training of local leaders.

In the LAG case study interviews a question was asked as to what extent **new platforms for change** had been established thanks to the LAG effort. A platform for change could be a new tourism/business network, a new association established, a new cooperation between municipalities, etc. The average on the 5-point scale ranging between 1=Very low to 5=Very high is 3.9, confirming that new platforms for change have been established thanks to the LAG effort. Various examples of platforms created include Master Culture Network with approx. 670 businesses; Food cluster with approx. 42 businesses; Technology and craft cluster with approx. 13 companies; Route 66 network with 68 adventure businesses, a tourist association with a very large number of businesses, and a winemaker network with approx. 100 farms.

LAG interview respondents to a large extent confirm that **the LAGs have helped to establish new cooperative relationships and networks that go beyond actual project support**, as shown in the table below. Indeed, the majority answered that LAGs have created new networks between actors in the voluntary sector, new networks between business actors, new networks across the public sector, business sector and voluntary sector. Most confirm that their LAG has become part of already existing networks, and that new networks have been created between public actors.

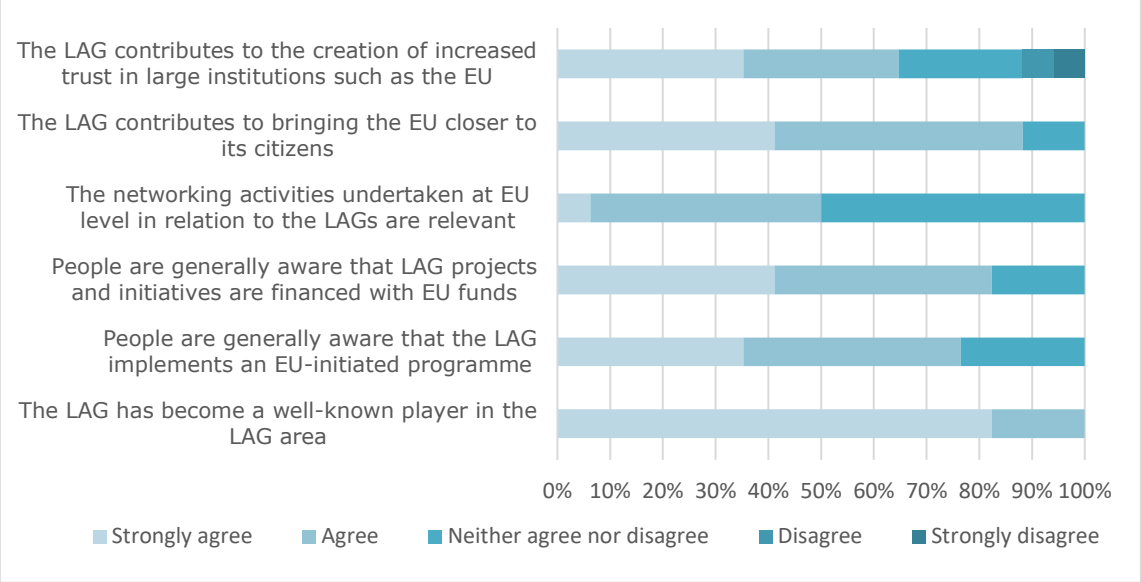
Table 39 - Proportion of LAGs that have helped to establish new cooperative relationships and networks that go beyond the actual project support

	a) we have created new networks between business actors	b) we have created new networks between actors in the voluntary sector	c) we have created new networks between public actors	d) we have created new networks across the public sector, business sector and voluntary sector	e) our LAG has become part of already existing networks
Total responses	**17**	**16**	**16**	**15**	**16**
YES	76 %	69 %	81 %	80 %	81 %
NO	24 %	31 %	19 %	20 %	19 %
Total	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**

Source: own elaboration based on case study LAG interviews

There are quite high indications from the LAG interviews that LAGs have become well-known, that people know that EU funds are involved in LAG activities. On a scale between 1= Strongly disagree and 5=Strongly agree, responses collected with respect to the following statements are: 'The LAG has become a well-known player in the LAG area' (mean score 4.8). 'People are generally aware that LAG projects and initiatives are financed with EU funds' (mean score 4.2). 'The LAG contributes to bringing the EU closer to the citizens' (mean score 4.3). 'People are generally aware that the LAG implements an EU-initiated programme' (mean score 4.1). 'The LAG contributes to the generation of increased trust in large institutions like the EU' (mean score 3.8). 'The networking activities undertaken at EU level in relation to the LAGs are relevant' (mean score 3.6).

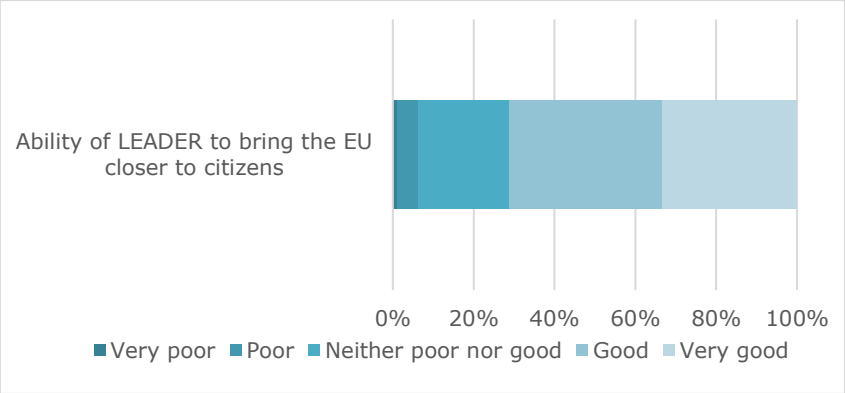
Figure 31 – Knowledge of and views on EU-LAG interconnections and contributions



Source: Own elaboration of LAG interview data

These LAG case study interview answers above have been triangulated with quantitative/qualitative responses from the focus groups, where one of the items touched upon "the ability of LEADER to bring the EU closer to citizens" (with the mean value of 4.0 on a scale ranging between 1=Very poor to 5=Very good).

Figure 32– The ability of LEADER to bring the EU closer to citizens



Source: Own elaboration of Focus Group data (n=111)

Focus group participants emphasized that LEADER's capacity to bring the EU closer to citizens stem from the fact that funds are given to local people to take care of things locally. The value this creates in those who receive the funding make them aware that the EU can be used for something constructive. The LAG is said to somehow translate the EU rules to the locals. The many interesting projects – and project competitions in different RDP's - help to bring sensible and positive stories about the EU into play, and project plaques with EU and LEADER logos make the projects visible. Also, the LEADER aspect of transnational cooperation projects brings the EU closer to the citizens as well as the way successful projects can get recognition at the EU level through ENRD dissemination activities.

A challenging aspect of LEADER's capacity to bring the EU closer to citizens is that the possible positive message about the EU investments does not always spread in a desirable way. This concerns the fact that sometimes the local press wants their texts as simple as possible and naming specific EU-funds is too complicated for them. Sometimes officials like ministers or heads of district forget to mention LEADER/EU-contribution and highlight their

own contribution. It is also mentioned that generally, the EU does not communicate sufficiently its strategic objectives so that the LAG could build on that. Therefore, the feeling that EU makes too many rules around the LAG setup and project application forms gain momentum, and the impression arise that this is somehow a typical EU-thing. Most of the time community people associate the national and local authorities' bureaucracy with the bureaucracy imposed by the EU. However, the fact that the application and implementation process is easier and simpler in some EU countries than in others reveals that not all rules can be attributed to the EU. Based on these comments, it could be recommended to provide further capacity building of local LAG actors and coordinators from the EU level because this could possibly reduce the 'too many rules schism' and help to put the experience exchange and innovation opportunities that can be achieved through the EU in a good light.

Expert interviews mention that public relations work is an obligatory task of the LAG management, but some also emphasize that there is room for improvement. To some extent, newspapers/TV are not always helpful in this regard and an example is given of a film about interesting LEADER funded projects shown in TV that did not mention LEADER and the EU funding aspect at all. The LAGs do a lot of activities locally, e.g., photo competitions, image-films about EU at the local level, drawing competitions to get inhabitants/children to know the region and spread the information that EU-funds are involved. It is mentioned that inhabitants will anyway not necessarily have the impression that the EU is being brought closer to them, but the project holders and, to some extent, visitors can get it and the fact that publicity in projects is compulsory reinforces this. Like in the case study interviews, the focus group interviews also mention that cooperation projects are a good place to recognize oneself as a European citizen and "to share European concerns beyond flags and logos". The LAGs bring the EU closer to the citizens by making LEADER support accessible and promoting participation, however, the complexity and burdens of the procedures do not facilitate this approach. LEADER has great potential in citizen-EU mediation, but it is emphasized that this needs to go beyond the standard ways in which it has worked during this programming period, and it sometimes seems that direct payments with large financial streams have more influence. Consequently, the EU must approach LEADER by going beyond classical methods, and by using a specific vision linked to the peculiarities of the LEADER approach: "Alternatively, it is perhaps more appropriate to say that LAG action brings territories closer to the EU".

Overall, this judgement criteria on whether LEADER gave power to the local population beyond what is achieved in nationally administered schemes is confirmed with the restriction that not all ordinary general citizens are necessarily interested in this kind of participatory democracy and therefore have not gained knowledge and power through the initiative. Also, improvements are possible in relation to dissemination of LEADER examples and in relation to reaching new applicants as a continuous task – and the data indicate that even though physical contact with applicants is the most common, in the future contact will also be created by further use of electronic channels to reach new applicant groups.

4.2.3 Conclusions

Evaluation Question 2 has examined to what extent LEADER implementation brings additional benefits in terms of improved governance and social capital at local level. Overall, **the analysis has confirmed the main part of the judgement criteria and put light on and colour to the coordination, networks and links that contribute to added governance and social capital and the restrains that exist.**

Indeed, the interviewees and respondents themselves highlight in some succinct terms what the added value of LEADER is for governance and social capital. Among other things, they use concepts or expressions such as "**network sluice**", "**the LAG has legs**", and

that "**the LAG serves as a loudspeaker for other public policies and projects and that thanks to LEADER, policies end on the ground**".

As to the different judgement criteria, the following can be concluded.

The implementation of LEADER did lead to the establishment of a vertical multi-level governance system with the highest number of tasks attributed to LAGs. There is, however, still room for improvement to facilitate the smooth implementation of LEADER/CLLD as high burdens are put on project applicants due to difficult application forms, long processing times at the national/regional level, and heavy administrative accounting rules. This leads to inappropriate restraints such as avoidance of LEADER, delimitation of projects to fit the administrative procedures, and a drawing of the projects towards ordinariness, and even de-innovation, as information collected through case study interviews suggests.

As to the improvements of quality of interactions between relevant institutions at different territorial levels more horizontally (e.g., municipality, province, county, region) these are to a large extent valued positively and thus contributes to the overall smoothness of and production of rural development/public purpose in the multi-level governance system. Important for this is continuity in staff and knowledge of each other's competences so that applicants can get help and be adequately directed towards other relevant actors.

The partnership **composition and the local governance processes created** are formally open for people to take part in, but unemployed people and young people do not participate, only around 1/3 are women, and the average age is high. However, in some case study LAGs there are indications that the age and gender aspects will be more equal over the 2023-2027 period along with the general mobility in the decision-making groups. It is clear from the data that some case study LAG boards are composed of appointed organisation representatives and others of elected individuals. In both organizational forms, there are possibilities for group domination, for example, the dominance of agricultural organisations in the appointment model and the dominance of citizen groups meeting on election day in the associational model. The data shows that the boards are active with many meetings each year with high attendance rates indicating that the local governance processes are deemed important by the board members.

In relation to **the improvement of social capital of the LAGs**, results show that all the case studies attest medium to high level of both structural and normative social capital with a minimum value of 0.51 and a maximum value of 0.80 for structural social capital and a minimum value of 0.67 and a maximum value of 0.93 for normative social capital**.** By comparing the performances of the LAGs selected as case studies across Europe, results evidence that in most cases LAGs attest **better performance in normative social capital** (i.e., improved trust) **compared to structural social capital** (i.e., network of relations). This result is highly positive because it highlights that what flows in the network of relations among the partners of the LAG (i.e., trust) is much more relevant than the structure of relations per se. The opposite case occurs when the structure of relations of the LAG is well developed, but the trust flowing within the network is weak. This could represent a possible weakness in the future development of the activities of the LAG, because – at *ceteris paribus* conditions - the social structures of LAGs may not be sustainable in the long run if the normative values progressively erode. Among the 13 selected case studies, only three cases show this tendence (Germany, France, and one case in Romania). In a nutshell, **the normative social capital has improved in most cases,** but for some LAGs critical elements could emerge in the interface between structural and normative social capital. Moreover, by comparing the performance of the LAGs with a **counterfactual scenario** (i.e., structural social capital in social innovation projects analysed within the SIMRA project, and perceptions of generalised trust in the countries where the LAGs operate) for both the structural and normative dimensions, the selected LAGs attest better performances, and this is specifically relevant for the normative

dimension. This means that the LAG is not only recognised by the partnership as a relevant local structure for promoting local development, but the partners acknowledge a high level of generalised trust which facilitates the LAG activities.

In relation to **the improvement of social capital in the LEADER areas**, in all considered cases, respondents (i.e., MAs of selected RDPs, LAG managers and members, LEADER experts) **perceive a very high level of improvement**. However, when the structures of new relations with potential and final beneficiaries and project promoters are measured, a less optimistic picture appears. There are cases where structures of relations have consolidated and structural social capital has effectively increased, but there are also cases (France, two cases in Spain, and one case in Romania) with an opposite tendence. It should be noted that the analysis has focused here **only on specific types of relations** (i.e., training of beneficiaries and potential beneficiaries)**, which are strictly related to the general aim of this evaluation support study**. Therefore, results should be interpreted with some caution.

Indeed, LAGs normally open their web of relations to diverse actors, not only focussing on project financing, but are also active in organising cultural, social, and institutional events. Furthermore, enhancing the relations with local and regional institutions, non-governmental organisations both social and environmental, foundations, schools, cooperatives for developing joint initiatives are normal tasks for LAGs as different evaluation studies and research articles have shown. This appears evident in the comparison with a **counterfactual scenario**. We have selected the EU SPI computed in the NUTS 2 regions where the LAGs implement their activity as a possible benchmark of comparison. The counterfactual scenario attests a slightly better average performance compared to change of social capital in the LEADER areas selected as case studies, but the difference is small. In a nutshell, **LEADER is unanimously perceived by the respondents as a programme able to enhance the social capital of LEADER areas**, but when the focus is on project relations different patterns emerge.

In relation to the **improvement of social capital among LEADER areas within a Member State and among Member States** analysed through data on cooperation projects, not all case studies considered have developed inter-territorial and transnational cooperation (i.e., under measure 19.3). In the case studies where these projects were activated, respondents affirm that **cooperation has created added value in the form of improved social capital**. Nevertheless, respondents overall share the view that especially transnational cooperation has been a difficult task to implement, due to administrative difficulties which have undermined the expected results, although respondents acknowledge the importance of developing cooperation for sharing knowledge, ideas, experiences and best practices as evidenced in the qualitative analysis. In some cases, inter-territorial and transnational cooperation has become a normal path. In a nutshell, **social capital among LEADER areas has increased where cooperation was implemented, but more efforts are needed to disseminate the LEADER cooperation tools within and among Member States to scale-out the positive results already obtained.** In this specific case, it was not possible to identify a counterfactual scenario for comparison.

To summarise the extent to which the implementation of LEADER improved links with actors outside the LAGs, the data analysed shows that **there are limitations with respect to the extent to which links with other European actors have been established** and this may represent a limitation in terms of building added value in the form of knowledge and innovation transfer across borders. However, **as regards the creation of links with actors at the more territorial governance level with tourism actors, business actors etc., and with other LAGs regionally or nationally, there are many examples of such links in the case study LAGs**. This is in line with the

intention expressed in the LEADER acronym to create "links between actions for the development of the rural economy".

Even though the analysis shows that LAGs to some extent are a skewed representation of the population in the LAG territories as to gender and age, **the overall capacity of the LAG to promote participation of people in rural development initiatives and to reach the local population beyond what is achieved in nationally administered schemes is confirmed in the analysis**. It is not only the LAG activities but also activities in the projects that involve the population. The analysis shows that **a governance added value of the LAG is that of being a mediator between people and regulations** by translating national/regional authorities and EU requirements to the citizen level. **Even though challenges with administrative burden exist, aspects contributing to overcoming challenges and involving the population are activated such as working groups and communication.** In this way the LAG lowers the barriers to participation in a successful way. **Outreach work is important and needed to encourage new actors to apply for funding and this work is mainly the task of the LAG manager** followed by the board of directors and other local actors.

4.3 EQ3 - To what extent LEADER funded projects bring additional benefits in terms of better results compared to analogous non-LEADER projects funded by RDPs?

4.3.1 Comprehension of the evaluation question

Evaluation question 3 aims at assessing the added value of LEADER that, according to the evaluation guidelines of LEADER/CLLD[134], can be measured as **enhanced results and impacts** of programme/strategy implementation, as they compare to implementation without the LEADER method.

The question relates to both EQ1 and EQ2 because the dynamics observed in the analysis carried out here are related to the governance processes, the amount and quality of human resources, and the financial resources allocated for the implementation of Measure 19 at the RDP level and for the implementation of individual local development strategies (LDS).

Enhanced results and impacts, as suggested by European Evaluation Helpdesk in the Guidelines, are differently declined in the two levels of implementation: RDP (Measure 19) and at the level of individual LDS.

At the RDP level the results and impacts expected from the application of the LEADER method relate to the capacity building of the stakeholders involved in LEADER/CLLD and the primary and secondary contributions of the strategies on the objectives of the CAP and on EU Goals.

The expected benefits at the level of individual strategies, again based on the Helpdesk Guidelines for evaluation of LEADER/CLLD, are especially attributable to the increased sustainability of projects, innovativeness of supported initiatives, the establishment of new project promoters, and the positive leverage generated by the strategies/projects due to the bottom-up approach and the principle of innovation.

The unique features of LEADER added value in terms of better results generally recognised in the literature and hypothesized also in the analysis are synthesized in the following table.

[134] European Evaluation Helpdesk for Rural Development, Guidelines - Evaluation of LEADER/CLLD, August 2017.

Table 40 - Additional benefits in terms of enhanced results of LEADER projects (see also Table 12)

Promote collaboration among local actors through cooperation projects to reinforce local production and local assets
Promote projects with innovation at the local level
Better performance of funded projects thanks to LAG assistance/training
More sustainable or cheaper projects due to knowledge of local conditions (e.g., diversification)
Valorisation of unique territorial assets to contribute to the socio-economic dynamics thanks to integrated territorial approach

Source: Own elaboration

Based on the above considerations, the evaluation question investigates the following aspects:

- Whether and in what way the support provided to LAGs for the implementation of LEADER and the application of a selection process influence the **typology** and **specificity** of projects implemented under LEADER enhancing their added value and their contribution to the RDP priorities.
- Whether and to what extent the performance (output and results) of the actions activated in the overall strategies supported by LEADER and secondary contributions to the other FAs are relevant compared with the total recorded (monitored and evaluated) by similar operations implemented under RDP measures.
- Whether and to what extent projects implemented with the LEADER approach are more sustainable in terms of I) the creation of sustainable employment opportunities, also for young people and women; II) durability of investment after cessation of support; III) average public expenditure (compared with similar projects under RDP).
- How LAGs operate in their local contexts to activate the capacity of local actors to identify their project ideas and, consequently, to propose more robust project proposals.
- To what extent LAGs are efficient, effective, and capable to use resources necessary for implementing certain types of measures through LEADER.
- Whether and to what extent LAG-supported projects are innovative i.e., capable of developing new/innovative products, of promoting the adoption of innovative management approaches, of fostering a dissemination of good practices/innovative project ideas.
- Whether and to what extent the implementation of the strategy as a whole affects the performance of funded projects, of local enterprises compared to non-LEADER projects and produces structural changes in the area concerned in the dimensions on which the strategy intervenes (the overall economy, environment, culture, social capital, and local governance).

4.3.2 Analysis

4.3.2.1 Judgement Criterion 3.1: The support provided to LAGs for the implementation of LEADER and the application of a selection process influence the complexity and specificity of projects implemented under LEADER and enhance the added value

This criterion is related to assessing whether and in what way the support provided to LAGs for the implementation of LEADER and the application selection process of Local

Development Strategies (LDS) translates into better quality, innovativeness and specificity of the selected strategies.

This judgement criterion aims also to assess to what extent the secondary contributions of projects to the other FAs are relevant compared with the total recorded (monitored and evaluated) by similar operations implemented under RDP measures.

The indicators used in the analysis concern the implementation and degree of support for the design of LDS, the importance in the selection process of local strategies given to criteria promoting strategies with potentially higher added value. The analysis focuses, in particular, on the importance given to the presence of

i) Inter-territorial and transnational cooperation projects under Measure 19.3, and specific cooperation of local actors (e.g., through short value chains or other cooperation projects under measure 16) in LDS.
ii) Multi-measure integrated projects.
iii) Operations specifically designed for the LEADER territory concerned.
iv) Valorisation of unique territorial assets (social, cultural, natural, etc.) in LDS.
v) Promote innovation at local level (e.g., digital, social, or other type of innovation).
vi) Promote projects delivering community benefits and reinforcing community identity.
vii) Promote projects creating new jobs or maintaining existing jobs.
viii) Measurable targets for outputs and results of LDS in relation to proposed themes.

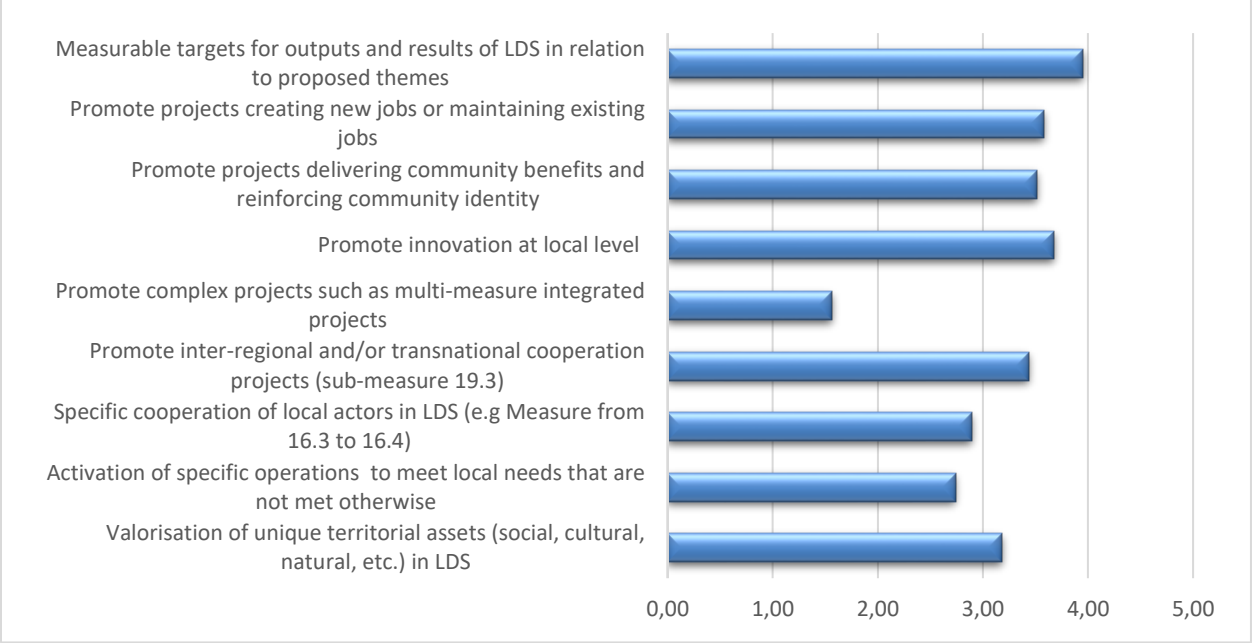
The answer to the criterion is provided through statistical analysis of AIR data (relating to the presence of cooperative projects under measure 19.3), qualitative/quantitative information collected with the survey conducted at RDP level on the importance given to the selection criteria[135], on a scale comprised between the extremes 5 (very important) and 0 (not applicable).

For each survey response, the ratings were compared with data on the implementation of measure 19.1 and its allocated budget, the outputs reported by the MAs themselves regarding the number of LAGs that activated the project types indicated in the criteria (i), ii), (iii) and (vii) and with the technical assistance activities to LAGs activated by the LAGs themselves.

The analysis shows that the selective process tends to reward the key value-added features of the LEADER method: the highest scores are indeed observed for the criteria related to the promotion of innovative projects, projects that create new jobs or succeed in maintaining existing ones, projects which deliver community benefits; it is also noteworthy that the highest score is reached by the criterion related to the identification of measurable output and result targets in relation to the proposed themes, considered quite or very important by 65 % of the responding MAs.

[135] "Could you please indicate in the table below the importance you gave to the following criteria when you initially selected the Local Development Strategies (LDS) of LAGs?".

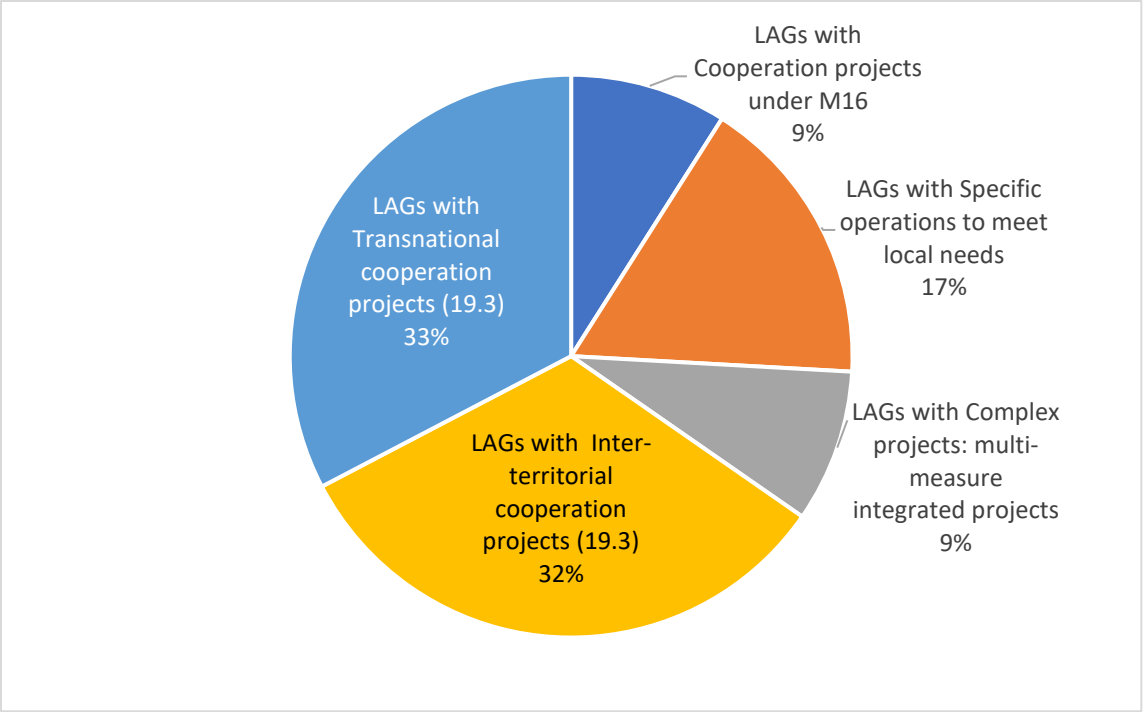
Figure 33 - Average score on importance of added value criteria (overall RDP survey responses on a scale 0=not applicable to 5=very important)



Source: own elaboration based on RDP survey data. Total respondents=65

The importance given to criteria promoting strategies with projects involving cooperation processes and/or the integration of measures and the involvement of a variety of actors and economic sectors (complex projects) is relatively small. Indeed, the average score assigned to the identified criteria is generally rather low and in the case of complex projects such as multi-measure integrated projects, the score is only 1.56 (important only for 19 % of the MA) and for 50 % of the MA respondents it is not applicable. These types of projects imply a strong territorial animation and involvement of local actors in the preparation of strategies and in the implementation phase and are a concrete expression of the LAG's ability to apply the integrated approach, network at local level and mobilise endogenous resources towards common goals. The share of LAGs that activate these projects and the relative incidence is rather limited except for the access to cooperation operations of Measure 19.3, which is in fact a qualifying criterion for 50 % of the MAs responding to the survey (figure on next page).

Figure 34 - Share of LAGs implementing projects with potentially higher added value in terms of enhanced results



Source: own elaboration based on RDP survey data

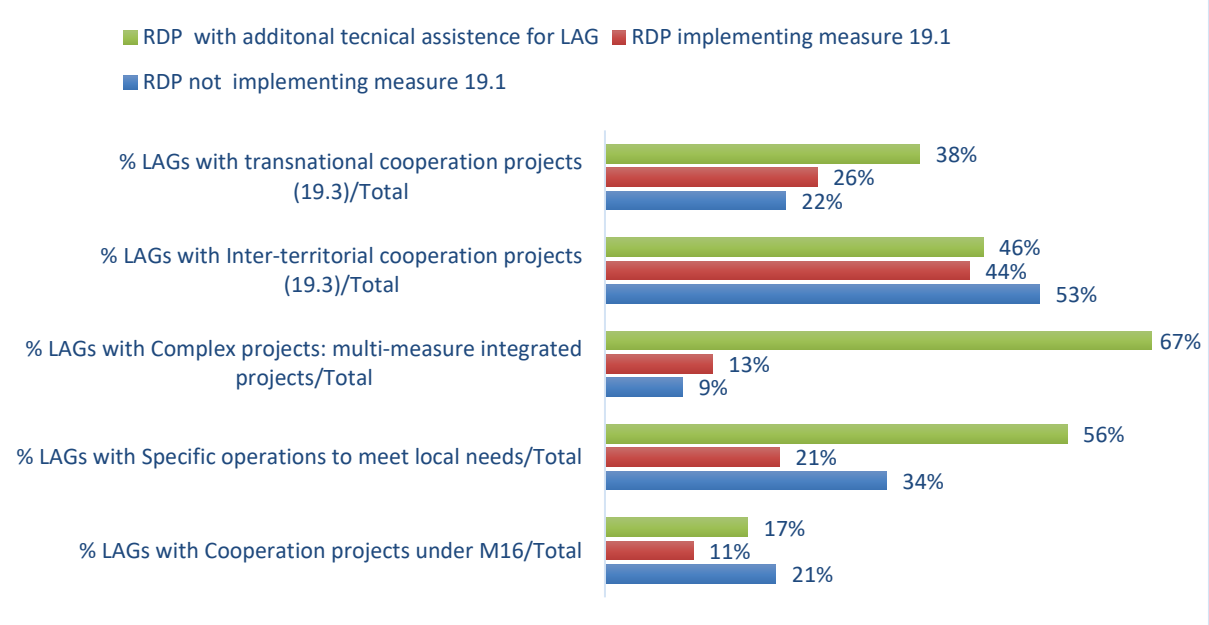
Most of the LAGs activating these types of projects are located in the Regions/Member States implementing Measure 19.1, but it is interesting to note that in the RDPs where measure 19.1 has not been activated, the number of LAGs that have implemented cooperation projects (measures 16 and 19), implementation of specific operations and complex projects is still substantial at least in relation to the total number of LAGs. But it should be noted that in some Member States, sub-measure 19.1 is funded through ESI funds other than EAFRD, therefore the related expenditure is not reported in the AIR.

There is a positive correlation (correlation coefficient 0.42) between the importance attributed to the criteria "presence of specific operations" and number of LAGs implementing these projects; positive correlation (0.43) is observed also between the criterion "*presence of multi-measure integrated projects"* and share of LAGs implementing them.

On the other hand, no correlation is observed with the presence of co-operation projects with Measure 16 and Measure 19. The relatively large number of LAGs that activate these types of interventions, regardless of the orientation of the MA, would therefore indicate a rather important level of LAG project autonomy. Particularly significant, for example, is that 39 % (108) of total LAGs that activate cooperation operations under Measure 16 (no EIP) operate under RDPs where the relevant selection criterion has not been applied.

The analysis also shows that there is a significant presence of LAGs with complex projects and/or specific operations in the surveyed RDPs, triggering further technical assistance activities to the LAGs, thus emphasising the importance of technical support provided to the LAGs by the Managing Authority both in the preparation and implementation phases of strategies. It is interesting to note that the correlation coefficient observed in this sample of RDPs between the importance given in the selection process on relating criteria and number or share of LAGs implementing them, is lower than that observed in the sample of all responding RDPs.

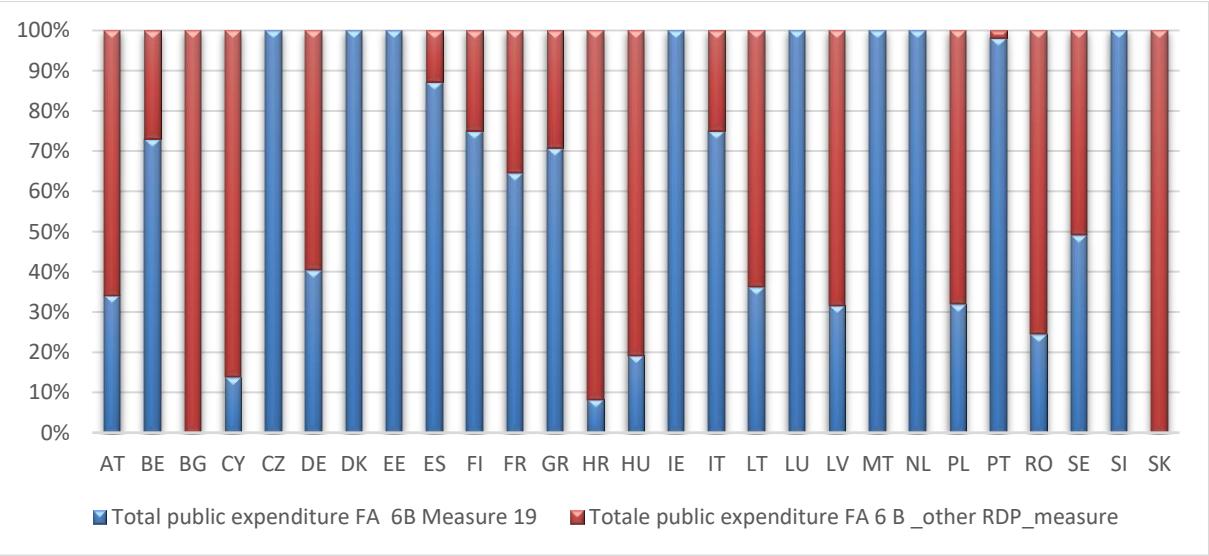
Figure 35 - Share of LAGs implementing projects involving cooperation processes and/or the integration of measures/actors and economic sectors



Source: own elaboration based on RDP survey data. Respondents=65

The LEADER approach is strategically linked with the objective of balanced development of rural areas and in fact in many RDPs, public expenditure on this objective is entirely or predominantly charged to measure 19.

Figure 36 - Distribution of public expenditure on Measures linked with FA 6B in Member States

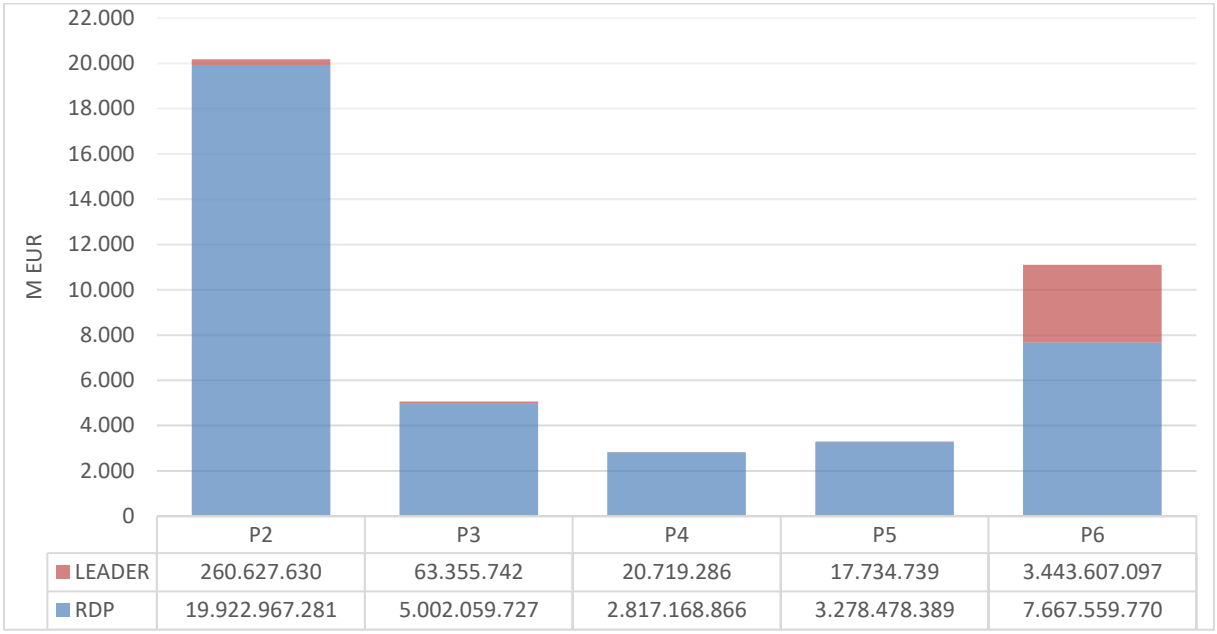


Source: own elaboration based on AIR 2021

Although strategically LEADER can contribute to other focus areas, many Member States and Regions do not report these data in their annual implementation report as in many RDPs Measure 19 is programmed to contribute only to FA 6B.

Therefore, the **contribution of LEADER to Priorities/Focus Areas other than Priority 6** (indicator 3.1.7), assessed through analysis of AIR data relating to all RDPs **is probably underestimated**, and it appears limited.

Figure 37 - Contribution of LEADER to RDP Priorities (total public expenditure in M EUR)

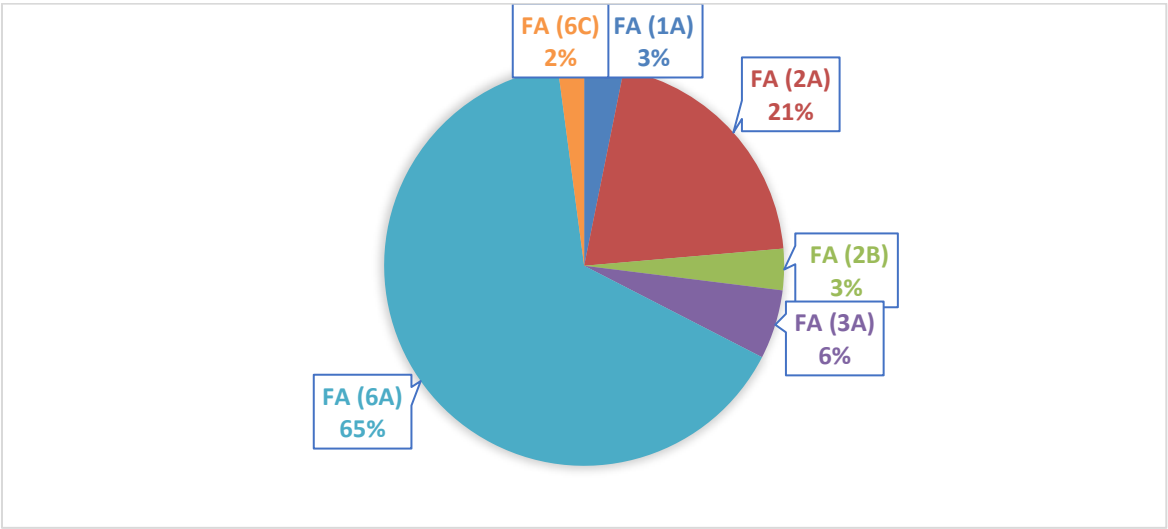


	P2	P3	P4	P5	P6
LEADER	260.627.630	63.355.742	20.719.286	17.734.739	3.443.607.097
RDP	19.922.967.281	5.002.059.727	2.817.168.866	3.278.478.389	7.667.559.770

Source: own elaboration based on AIR 2021

The focus on public expenditure on each FA other than FA 6B shows that LEADER will contribute mainly to diversification of rural economy (FA 6A = 65 %) Farm viability and competitiveness (FA 2A= 21 %) and food chain organisation (FA 3A = 6 %), therefore with strategies mainly orientated towards strengthening the competitiveness of the agricultural sector. The contribution to environmental priorities appears limited, but this is also because governance choices in most of the RDPs do not foresee the implementation of agri-environmental measures by LAGs.

Figure 38 - Distribution of public expenditure (%) with secondary contribution to Focus Areas other than FA 6B



Source: own elaboration based on AIR 2021

The contribution of LEADER projects to FA 6A, calculated on the 52 RDPs that monitor public expenditure of measure 19.2 with secondary contribution to this FA, is on average equal to 41 % of the total public expenditure on the Focus Area.

Table 41 - Total public expenditure for measure 19.2 based on predominant FA 6A to which the project contributes

Number of RDPs	Total public expenditure on FA 6A (EUR)	Total public expenditure Measure 19.2 contributing to FA 6A (EUR)	% public expenditure Measure 19.2 contributing to FA 6A / total RDP public expenditure on FA 6A
32	542 606 162	-	0 %
11	170 379 378	170 379 378	100 %
Total 84	**2 515 421 728**	**806 937 912**	**32 %**

Source: own elaboration based on AIR 2021

Notwithstanding the underestimation of the overall figure due to the many RDPs not reporting these data, it is noted that in 11 RDPs FA 6A is totally pursued with the LEADER approach, and in further 14 RDPs public expenditure with the LEADER approach accounts for 67 % of the total.

Actions for Knowledge Transfer and Innovation under Priority 1 are concentrated in 21 RDPs. In particular, the LAGs of Ireland, Latvia, DE-North Rhine-Westphalia, Slovenia and IT-Veneto activate the actions that in a transversal way contribute to improving the human capital of the LEADER areas concerned.

Among case study LAGs, actions of education/training are implemented by 5 LAGs (38 % of total) in Austria, DE-Mecklenburg, ES-Navarra, FR-Auvergne and Romania. Very important is the participation recorded in Austrian LAGs with 40 000 people involved.

In relation to FA 3A, it should be noted that out of the 44 RDPs reporting LEADER contribution to this FA, 53.4 % of total public expenditure is concentrated in three regions/MS: ES-Castilla y León**,** ES-Castilla-La Mancha, Czech Republic. It is also observed that the average size of financed projects increases as the resources used increase.

Table 42 - Total public expenditure for measure 19.2 based on predominant FA 3A to which the project contributes

Class of expenditure	No. of RDPs with secondary contribute of LEADER to FA 3A	Number of projects supported	Total public expenditure M 19.2 based on Predominant FA 3A to which the project contributes	Average public expenditure/project financed
< 1 M euro	20	813	6 867 764	8 447
1 to 3 M euro	11	1 833	18 915 716	10 320
3 to 10 M euro	10	571	45 796 189	80 203
>10 M euro	3	857	82 309 867	96 044
Total M19	**44**	**4 074**	**153 889 536**	**37 774**

Source: own elaboration based on AIR 2021

Among the selected RDPs, Austria, Denmark, Finland (Mainland) and Mecklenburg (Germany) do not report the data: in **Austria** the LEADER projects are almost exclusively pure LEADER. In DE-**Mecklenburg,** LEADER can activate RDP Measures of FA 6A, but the contribution is totally attributed to FA 6B. In Denmark, LEADER projects are exclusively pure LEADER (classified as 19.2 projects) and contribution is only to FA 6B: based on

results of previous evaluations[136], there are no significant synergies or effects of the LAG scheme that promote or hamper the other Focus Areas of the RDP. The LAG scheme contributes to satisfying some of the same needs (e.g., business development) but in many ways it functions as a broader community-oriented complement to more agricultural and environmental efforts.

To conclude, the results of the analysis show that **the selection process tends to promote the strategies that best demonstrate that they pursue the objectives for which LEADER is primarily responsible, i.e., job creation, deliver community benefits. The promotion of innovative projects is also an important selection criterion. It is also noteworthy that the highest score is reached by the criterion related to the identification of measurable output and result targets in relation to the proposed themes, considered quite or very important by 65 % of the MAs responding to the survey.**

The importance given to criteria promoting "complex" projects is on average relatively small, but analysis shows that there is a positive correlation with the presence of specific and multi-measure integrated projects. Therefore, the selection process is able to promote a more marked characterisation of the strategies in the sense of complexity and the search for integration.

Although no significant correlation was observed between the presence of cooperation projects under measure 16 (from 16.3 to 16.9) and 19.3 and related selection criterion, the relatively large number of LAGs that activate these types of interventions regardless of the orientation of the MAs, would suggest a rather important level of LAGs project autonomy.

We found a good presence of LAGs with complex projects and/or specific operations in the RDPs triggering further technical assistance activities by the LAGs. This shows the importance of the support given by MS to improve the quality of the strategies also in the implementation phase.

4.3.2.2 Judgement Criterion 3.2: LEADER projects include greater "sustainability" of projects and jobs created compared to non-LEADER projects and affect the inclusion of women and young people in the job market

The criterion aims to assess the extent to which projects under the LEADER approach are cheaper in terms average financial size of projects supported in comparison with those supported with other (similar) RDP measures, more sustainable in terms of public expenditure required on average per job created or population served, the sustainability of jobs created and projects themselves, with particular reference to the types of projects related to the enhancement of services and infrastructures for the population.

The criterion analyses also the effectiveness of LEADER in creating new jobs and integrating women and young people into the labour market.

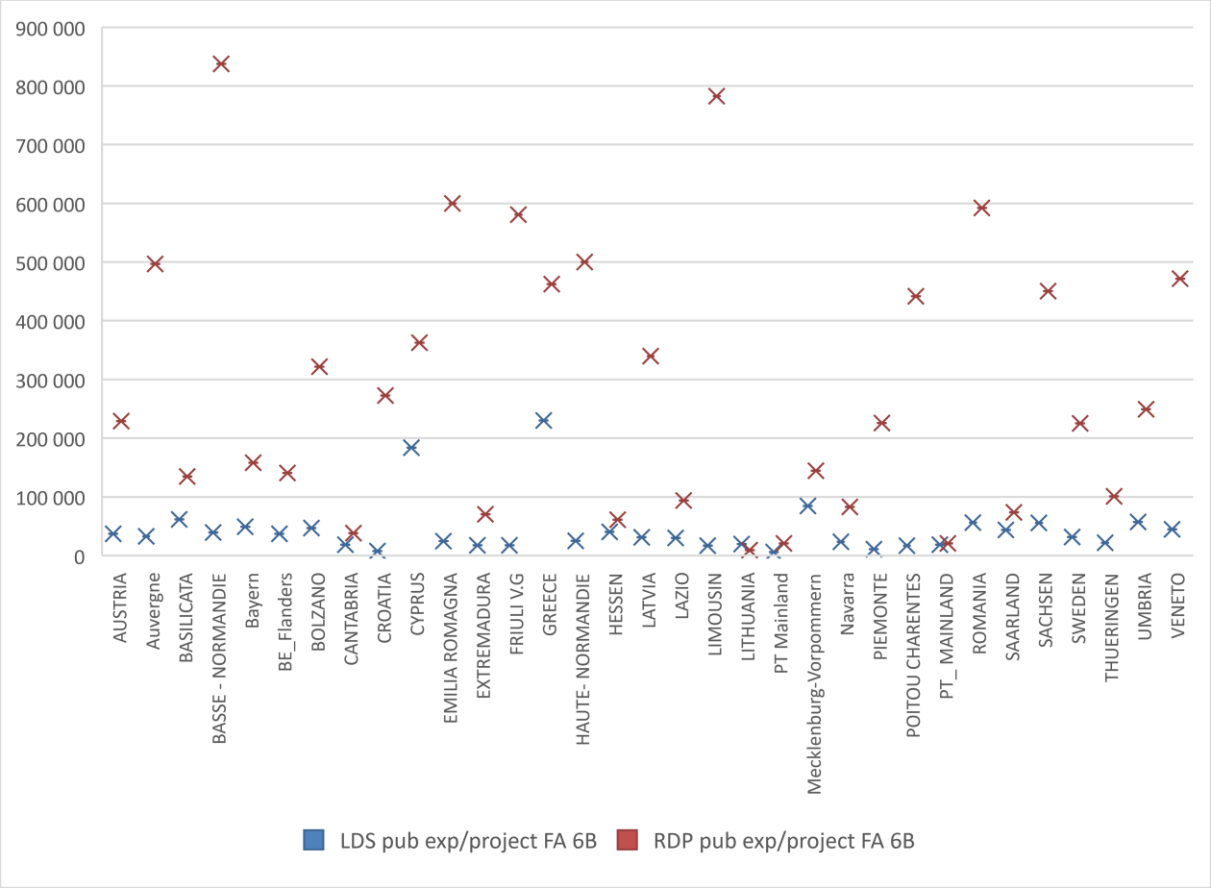
The **comparison of public expenditure of projects under RDP and under LEADER** (indicator 3.2.1) is carried out for All RDPs and for Selected RDPs. At the level of All RDPs the analysis considers operations financed under Measure 7 (Basic services and village renewal in rural areas) contributing to FA 6B.

At the level of selected RDPs, the analysis is based on data collected from MAs and LAG managers through interviews complementing the survey and considers projects

[136] Saaby, M., Thuesen, A. A., Noe, E. B., Olsen, L. S., & Høst, J. (2019). Evaluering af LAG/LEADER 2014-2018.

implemented both under RDP and under LEADER without restrictions. For this reason, the analysis was only possible in some of the selected RDPs for some sub-measures.

Figure 39 - Average public expenditure of projects related to FA 6B in the RDPs and in the LDS (EUR)



Source: own elaboration based on AIR 2021 [137]

The analysis across all RDPs confirms that the projects implemented under LEADER are of considerably smaller financial size, but at the same time, more effective in terms of "population benefitting from new or improved services" with an average public expenditure of 495 EUR/inhabitant for LEADER projects against 755 EUR/inhabitant on average for Measure 7 projects at RDP level.

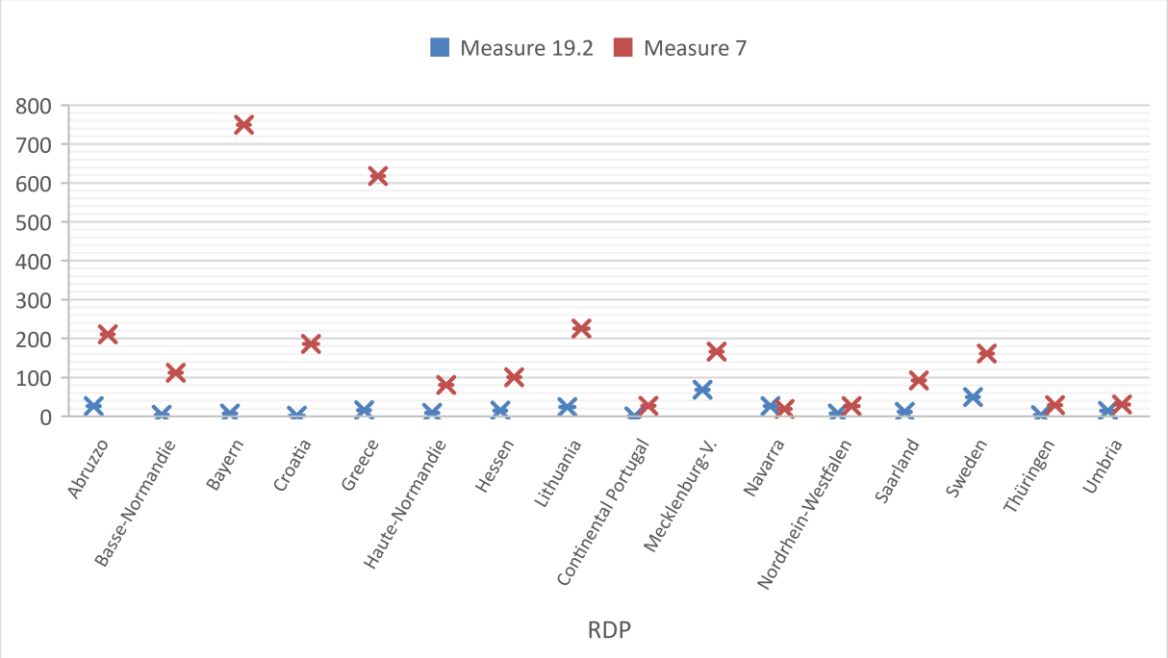
The estimate is rather coarse because, AIR data provide an overall figure for all projects under sub-measure 19.2, but do not provide the detail of which operations the indicator is actually linked to. Furthermore, for Measure 7 at RDP level, the data collected often refers to the entire resident population in the municipality/ies concerned by the intervention and not the specific part of the population benefitting from a new or improved service.

The cost-effectiveness analysis is therefore only indicative although comparability has its own degree of reliability because the indicator "Population served by new or improved services" is specific to projects related to the enhancement of services, which are normally supported through Measure 7 (unlike the indicator No. of jobs created, which must be

[137] With the exclusion of RDP of IT-Abruzzo, DE-Baden-Württemberg, DE-Berlin / Brandenburg, IT-Campania, Denmark, IT-Marche, IT Toscana, IT-Trento, where average public expenditure far exceeds EUR 1 million and the figures need to be verified.

collected for all operations financed by LEADER (T23), while at RDP level it is only collected for measures related to FA 6A (T20).

Figure 40 - Average public expenditure per unit of "Population benefiting from new or improved services": Comparison between RDP Measure 7 and LEADER projects under Measure 19.2 (EUR)



Source: own elaboration based on AIR 2021 [138]

Deepening the analysis on the comparable types of interventions, in the selected RDPs it is confirmed that the average public expenditure of LEADER projects is lower than non-LEADER project expenditure for all project typologies that is possible to compare.

Table 43 - Average public expenditure of LEADER and non-LEADER projects: Business investments (EUR)

RDP	Level	Measure 4.2 Investments agri-food processing and marketing	Measure 6.2 Business start-up aid for non-agricultural activities in rural areas	Measure 6.4 Farm diversification	Measure 16.4 Short supply chains and local markets
Poland	RDP	272 138			
	LDS	17 270			
Fi_ Mainland	RDP	113 974		60 129	119 646
	LDS	12 397		10 970	17 871
Romania	RDP	461 832	50 932	94 521	
	LDS	59 537	38 429	51 114	
Veneto	RDP	151 988		46 827	24 449
	LDS	39 657		21 601	22 582
ES_ Cataluña	RDP	209 238			
	LDS	29 358			

[138] With the exclusion of RDP of IT-Abruzzo, DE-Baden-Württemberg, DE-Berlin / Brandenburg, IT-Campania, Denmark, IT-Marche, IT Toscana, IT-Trento, where average public expenditure far exceeds EUR 1 million and the figures need to be verified.

RDP	Level	Measure 4.2 Investments agri-food processing and marketing	Measure 6.2 Business start-up aid for non-agricultural activities in rural areas	Measure 6.4 Farm diversification	Measure 16.4 Short supply chains and local markets
ES_ Navarra	RDP	142 390	29 747		
	LDS	98 847	29 767		

Source: own elaboration based on interviews in Selected RDPs

Table 44 - Average public expenditure of LEADER and non-LEADER projects: Public investments for rural services (EUR)

RDP	Level	7.2 – Small infrastructure (including renewable energy)	7.4 – Basic services in rural areas	7.5 – Small scale tourist recreational infrastructure	Measure 16.3 Small operators and rural tourism	Measure 16.9 Diversification and social farming
Poland	RDP		143 876			
	LDS		6 648			
FI-Mainland	RDP	121 725	143 876	1 395 886	83 195	105 428
	LDS	17 059	25 164	24 586	24 586	53 200
Romania	RDP	820 189				
	LDS	52 058				
Veneto	RDP			161 352		
	LDS			69 344		

Source: own elaboration based on interviews in Selected RDPs

In order to compare the projects in terms of sustainability (i.e., projects that survive without support in comparison to non-LEADER projects under RDP) RDP Managing Authorities were asked for their opinion about sustainability of projects[139] under Measure 6.2 - Start-ups outside agriculture; 6.4 - Diversification of agricultural activities; 7.4 - Basic services in rural areas; 7.5 - Small tourist recreation infrastructures. The given answer options were "Low", "High", "Data not available".

LAG managers were asked about the number and % share of projects of all measures activated[140] still surviving and continuing after the end of support and after the 5 years required as commitment to maintain the subsidised activity from the date of payment.

The data provided is limited but the analysis shows that at LAG level the share of projects that survive without support is very high[141].

[139] Q10 (RDP survey): Could you please indicate, if available, the sustainability of projects (i.e., the likelihood of projects survival after the end of RDP support) under the following RDP sub-measures (i.e., non-LEADER) realised as of 31/12/2022 (or most recent available data: please indicate the date here_____)?

[140] Q48 (LAG interviews): Could you indicate how many projects continue for at least one year after the end of LDS funding (please take into account projects implemented as of 31/12/2021)?

[141] For all activities related to investments a commitment to maintain the subsidised activity for 5 years from the date of payment is compulsory. Therefore, answers refer to the end of the period.

At RDP level, when the information necessary to substantiate the judgement is available to respondents, the sustainability of projects is considered high.

Projects carried out with a LEADER approach therefore seem to guarantee the same level of sustainability using significantly fewer resources.

The indicator **average public expenditure for a new job created in comparison with analogous non-LEADER measures** (Indicator 3.2.3) is calculated through statistical analysis of AIR data.

The comparison between public expenditure and the occupation created, carried out through the analysis of the T20 target indicator of FA 6A (i.e., number of jobs created) and T23 target indicator of jobs created with Measure 19.2 and public expenditure of Measure related to FA 6A and 6B contributing to the target.

At RDP level the average cost for 1 job created by Measure 19.2 projects is 205 879 EUR.

The analysis considers that although for Measure 19 the indicator (T23) must be calculated across all projects supported under Measure 19.2, in LEADER strategies not all interventions have the objective of creating new jobs. For this reason, the comparison is made here between RDP measures linked with Focus Area 6A whose target result (T20) is jobs created and 19.2 projects with secondary contribution to the same focus area 6A.

The indicator shows that on average (see table below) one job created through LEADER costs in terms of Public Expenditure 21 124 EUR, compared to all the other measures here considered. The indicator has a limited scope: normally the budget allocated to measures within LEADER strategies is limited and therefore as we have already observed, the projects funded are also smaller. The high public expenditure for 1 job created with M16 (335 831 EUR) confirms the scale effect illustrated in EQ1 about implementation costs as M16 projects tend to be of larger financial size compared to LEADER projects.

Table 45 - Average public expenditure for a new job created by LEADER in comparison with analogous non-LEADER measures

Measures contributing to FA 6A	No. JOBS CREATED FA 6A (T20)	Total Public expenditure (EUR)	Public Expenditure/Job Created (EUR)
RDP MEASURE 4	1 465	33 789 496	23 058
RDP MEASURE 6	52 289	3 243 515 283	62 030
RDP MEASURE 7	-	11 023 058	
RDP MEASURE 16	9	3 022 475	335 831
TOTAL RDP	53 764	3 291 350 313	61 219
LEADER MEASURE 19.2 projects contributing to FA 6A	24 817	524 228 873	21 124

Source: own elaboration based on AIR 2021

The results achieved by LAGs in terms of **creation of sustainable employment opportunities** was analysed as follow:

- at LAG case study level through quantitative data on the number and sustainability of jobs created;
- at RDP level with qualitative responses provided at the level of all and selected RDPs in the survey conducted with MAs;
- in-depth interviews with case study LAG managers;
- complementary interviews with LEADER experts.

Qualitative answers were given in terms of level of agreement on the affirmation that the support of the LAG produces positive changes/benefits on the item "more employment". A scale was used to collect answers ranging between 1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, and 5=Strongly agree.

The following table shows the score given by the different typologies of respondents. We can see that at the level of selected RDPs and case study LAGs there is a concordance of positive judgements about the capacity of LAGs to increased employment.

Table 46 - Degree of agreement on capacity of LAGs to increase employment

Degree of agreement on	ALL RDPs	Selected RDPs	Overall CS LAGs	LEADER Experts
Increased employment	3.9	4.4	4.4	4.0
Number of respondents	63		15	14

Source: own elaboration based on collected primary data

In 8 LAGs the jobs created correspond to a total of 156, mainly thanks to projects for diversification of agricultural activities under Measure 6, for a total public expenditure of 7.8 M EUR, resulting on average in 50 000 EUR per job created. Only in FR-Auvergne the LAG staff disagree about the capacity of LAGs to increase employment.

In Austria, the LAG reports 300 jobs created but, according to one estimate, the impulse provided by the LAGs through "The LEADER Innovation Award"[142] generates an additional value added of 285 million EUR per year in the region. This benefits 4 000 regional companies and secures about 4 400 jobs. Many innovation projects are behind jobs created/retained and 90 % of jobs in innovation projects are long-term.

In DE-Mecklenburg-Vorpommern, the RDP MA states that a survey for beneficiaries of finished projects conducted in the final evaluation of the LAGs shows that 16 % of respondents had positive effects on employment. By the end of 2021, 7 jobs have been created but the monitoring tables of AIR in 2021 do not report any jobs created[143].

In Denmark one LAG estimates that around 200/300 new jobs have been created.

The case study in Poland is the only one reporting jobs created (36) through investments (12) in non-commercial infrastructure, serving the population (almost 8 000 people).

The effectiveness of a sample of LEADER measures is further analysed under Judgement Criterion 3.7.

The **sustainability of jobs created** in terms of persistence after the end of support, estimated by 4 LAGs is also very high and close to 100 %.

However, success in job creation is not shared to the same degree when assessing the extent to which **the results achieved by the LAG in terms of creation of sustainable employment opportunities, have contributed to the integration of young people and women in the labour market** (Indicator 3.2.5).

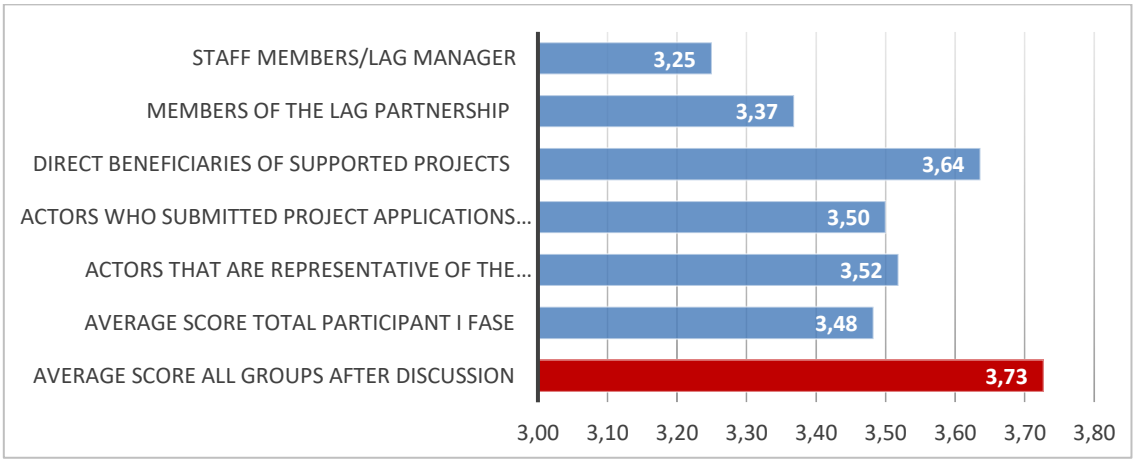
[142] LAG interviews: "*Innovation projects have a connection with the LDS, but the projects do not necessarily have to be funded through the LAGs*".

[143] RDP MA survey: "*The table accompanying the annual report of the LAG listing approved projects contains only planned jobs, not realised jobs*".

The indicator was estimated based on the opinions on a specific item discussed in the focus groups[144] and the scale used for the score ranged from 1=very poor, 2=poor, 3=not poor nor good, 4=good, 5=very good.

The judgement given is on average slightly lower (score 3.88) and by analysing the scores given in the first phase of the focus group by the different types of participants it is noted that the most critical judgement comes from LAG staff (average score expressed is 3.13 "not poor nor good"). The differences that emerge between the case studies in the final judgement given to the item (i.e., shared after a discussion) are area-specific, attributable to the contexts in which they are placed. In the regions of Northern Europe (5 LAGs), the contribution of the LAG is judged as negligible (not poor nor good).

Figure 41 - Extent to which the results achieved by the LAG in terms of creation of sustainable employment opportunities have contributed to the integration of young people and women in the labour market



Source: own elaboration based on Focus Group data

Focus Group discussions on this item (only in two FG, in Finland and Denmark, the item was not even judged) highlight the following:

- There is lack of active impulses given by the region in the area to promote youth and women's employment (Austria).
- Need to increase women occupation is not very important, given the very high percentage of women in the labour force and at the same time the complicated application form and the procedures around LAG support are maybe not very attractive to young people (Denmark) (see also EQ2).
- In France. the beneficiaries recognize that occupation created through LAG projects, especially in the cultural sector, often involves women and young people, even if the number of jobs created is small.
- In the case studies of Southern Europe (Italy and Spain) and Eastern Europe (Romania, Poland), LAGs are recognised as having a positive or a very positive role in creating and maintaining jobs and integrating women and young people.
- LEADER support can allow certain businesses to be revalued, becoming attractive, profitable and sustainable (economically and environmentally), encouraging young people to start their own business or decide to invest in the modernisation of already existing companies (ES-Cataluña).

[144] To what extent the results achieved by the LAG in terms of the creation of sustainable employment opportunities have contributed to the integration of young people and women in the labour market?

Romania's case studies offer the greatest evidence of the LAG's positive role in creating new sustainable jobs for women and young people. In one LAG 41 % of new jobs created involve women and young people. In a second LAG, despite the shrinking of the population by 10 % in 2022 compared to 2011 in the LAG area (Census 2022 data), the jobs created attracted young people from other areas. In addition to that, the main high school in the municipality, which previously had only one class of students, due to LAG projects, it has today two classes of students.

The analysis of the priority criteria adopted by LAGs for job creation, particularly for women and young people, also shows that, except for Finland, it is mainly the LAGs of southern European countries that include these criteria in the selection.

It can therefore be concluded that LAGs play an overall positive role in job creation. LAGs projects are cheaper compared to other similar projects at RDP level, and they are more effective and more sustainable in terms of public expenditure invested per job created. The integration of young women into the labour market is not a uniformly recognised contribution, but judgements and quantified results are better in contexts where needs are higher.

The sustainability of jobs created in terms of persistence after the end of support, estimated by 4 LAGs, is also very high and close to 100 % and this result is also related with the high level of sustainability of supported projects, also considering the commitment for support to investments.

The effectiveness of a sample of selected LEADER measures is further analysed under Judgement Criterion 3.7.

4.3.2.3 Judgement Criterion 3.3: The animation, networking and technical assistance provided by the LAG improve the performance of local enterprises in the area concerned, the projects use better local knowledge and better address specific local needs compared to non-LEADER projects

This evaluation criterion aims to demonstrate how LAGs operate in their local contexts to activate the capacity of local actors to identify their project ideas and, consequently, to propose more robust project proposals.

The analysis makes use of quantitative data and qualitative information provided at the case study level on the use of voluntary work in funded projects, the role of working groups activated by LAGs, and the assistance provided by the LAGs to beneficiaries in the preparation of the support application.

The information provided by the LAGs in interview was triangulated with information collected through focus group discussions on two specific topics: the degree to which animation, networking and technical assistance provided by the LAG have improved the performance of local enterprises in the area concerned and the capacity of the organisation to continue the interaction with applicants of the supported projects. The scale used for the score is 1=very poor, 2=poor, 3=not poor nor good, 4=good, 5=very good.

Based on LAG interviews[145] we observe that the use of voluntary work in projects financed (indicator 3.3.1) is quite common in the LAGs of Northern and Eastern Europe.

[145] We asked the question "Could you please indicate the number of projects which use "goods on own account" / "volunteer work".

Table 47 - Use of voluntary work in funded projects and role of working groups activated by case study LAGs

CASE STUDY	Projects which use "goods on own account" / "volunteer work" (number or estimation)	% projects improved through consulting within the LAG
AT_LAG 1		
DE _LAG 1	46	100 %
DK _LAG 1	All village renewal/development projects	95 %
DK_LAG 2	All village renewal/development projects	80 %
ES_LAG 1	Very few	10 %
ES_LAG 2	NA	100 %
FI_LAG 1	Village renewal/development projects	NA
FI_LAG 2	69	NA
FR_LAG 1	-	YES (no data available)
IT_LAG 1	NA	90 %
RO_LAG 1	-	100 %
RO_LAG 2	16	70 %
PL_LAG1	NA	NA

NA = Not Available

Source: own elaboration based on LAG interviews

Use of voluntary work is common in 54 % of the case study LAGs analysed: in the North and East of Europe (42 % of all CS) the LAG management state that additional voluntary work or prior contributions are behind the concrete object of funding even when the ""own contribution/voluntary work"" is not eligible for funding[146].

The role of LEADER working groups (indicator 3.3.2) is very relevant in 54 % of case studies (7). Here, the LAGs of Southern Europe (Spain and Italy) are the ones who develop this activity. Working groups are relevant to improve cooperation and multi-measure and integrated projects and it is noted that within the projects, new projects are then generated (they start as an action of the initial project and grow to become a new project in itself). This could be a good expression of leverage effect.

Eight (8) LAGs (62 % of total case studies) report project improvements through consulting with the LAG staff (indicator 3.3.4) and in 7 of them, the role of the LAG is very relevant and a minimum of 80 % to 100 % of projects are improved thanks to the advisory activity of the LAG management.

To confirm the information provided by the LAG management, we had focus groups assess the degree to which animation, networking and technical assistance provided by the LAG have improved the performance of local enterprises in the area concerned[147] (indicator 3.3.5) and the capacity of the organisation to continue the interaction with beneficiaries of supported projects[148] (indicator 3.3.6).

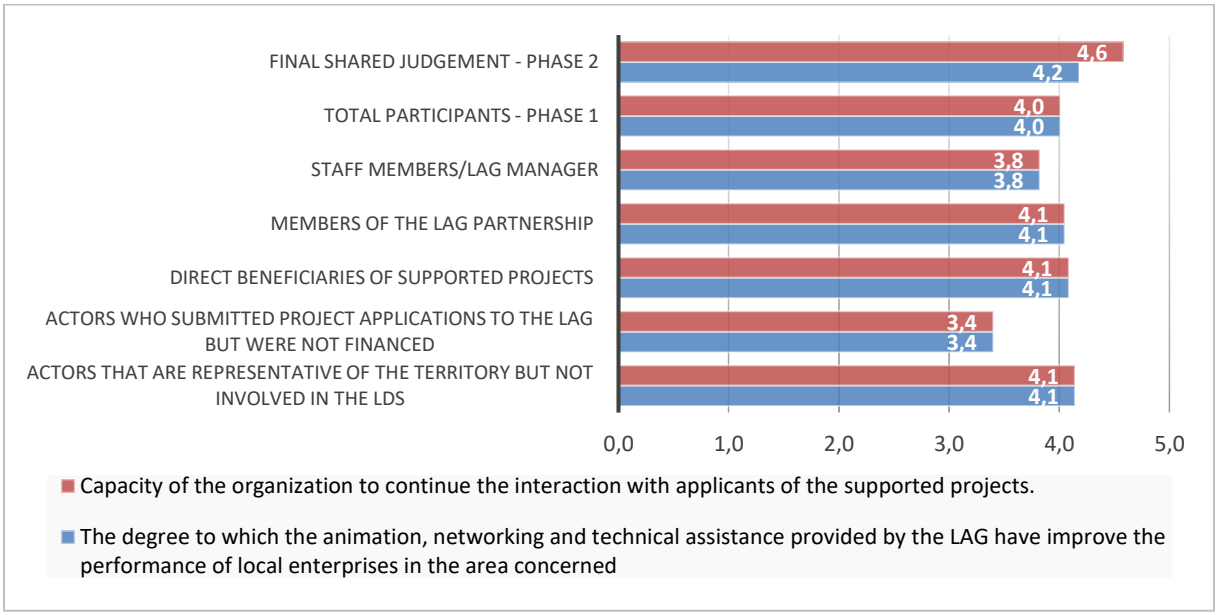
The judgements expressed are quite positive for both indicators (final score is 4.2 for indicator 3.3.5 and 4.7 for indicator 3.3.6, both expressed on a scale ranging from 1=Very poor to 5=Very good).

[146] According to the LEADER Directive of the MA (Germany).

[147] Item 14_FG "To what extent the animation, networking and technical assistance provided by the LAG have improved the performance of local enterprises in the area concerned?".

[148] Item 10_FG "Capacity of the organisation to continue the interaction with applicants of the supported projects".

Figure 42 - Judgements of Focus Group participants on indicators 3.3.5 and 3.3.6[149]



Source: own elaboration based on Focus Groups

Very positive results of networking and technical assistance provided by the LAG on performance of local enterprises are mentioned in the Focus Groups of Austria, Denmark, ES-Cataluña, ES-Navarra and Romania where the accompaniment and advice provided enables efforts to be geared towards achieving objectives and results and to encourage the creation of networks. Thus, the projects supported by the LAG have resulted in increased activity, turnover, and jobs opportunities". Only in two case studies is noted that despite the LAG being active in the network of the regional business support, animation, networking and technical assistance are not really activities to have impact on the performance of local enterprises.

Also the capacity of the organisation to continue the interaction with applicants (indicator 3.3.6) of the supported projects received very positive ratings in the focus groups: the LAG offers applicants a favourable framework for realising their projects and provides support in a wide range of areas; the German LAG does a follow-up of projects, monitoring and evaluation, and beneficiaries recognise that "*with LEADER, projects can be developed further, so we stay in contact with the LAG after the end of funding*".

In one of the Spanish focus groups: "*the relationships of trust that are generated as a result of the process of applying for and granting aid make it possible to establish links, even personal ones, which favours interaction with the project promoters, even after completion*". In the other Spanish LAG, LEADER has made it possible to enlarge the consortium. The current composition of the Group, in terms of human resources, makes it possible to establish monitoring mechanisms.

Some critical aspects have also emerged during the discussions:

- The ability to keep in touch with beneficiaries may be limited by the availability of time, resources of the LAG and also by the governance choices made at the RDP level. In Finland for instance, the LAG does interact with the supported projects, but the administrative chain does not include the LAG, which is not involved in the payment chain, even if the monitoring data need to be validated by the LAG

[149] The scale used for the score ranged from 1=very poor, 2=poor, 3=not poor nor good, 4=good, 5=very good.

annually. So, it requires extra effort from the LAG to monitor the projects. Especially since the LAG has normally only 2 people working.

- The attitude and predisposition of the beneficiaries affect the possibility of action by LAGs: "*There are those who continue to monitor and follow it and those who, once the funding has been obtained, are satisfied and no longer follow it*". It is also necessary to prevent the beneficiary from feeling controlled: "*it is a bit of a balancing act to be in contact with the projects, as it may seem to some as if you come to check*" (Danish LAG); "*it is important to respect the beneficiaries and avoid becoming intrusive*" (IT-Veneto LAG).
- In IT-Veneto a LAG partnership member notes that a tool that would allow to shed light on the tangible results of the funding has been identified in a report of the funded projects that are useful to continue the dialogue with those who have already received funding and to stimulate other adhesions: "*We do not tell what we do with the money spent*". It would therefore be necessary to transform the reports, which are already being drafted, into more communicative products.

To conclude, animation, networking and technical assistance provided by the LAG are very effective in improving the quality of projects supported and, as a consequence, for the performance of local enterprises in the area concerned. This result is quite similar to that of the recent *Evaluation support study of the impact of LEADER in balanced territorial development* where it is highlighted that *"animation was crucial to ensure LAG performance and capacity to achieve good results".*

4.3.2.4 Judgement Criterion 3.4: LEADER projects are more innovative compared to non-LEADER projects

The criterion aims to assess whether and to what extent LAG-supported projects are more innovative compared to non-LEADER project, and capable of developing new/innovative products, of promoting the adoption of innovative management approaches, of fostering a dissemination of good practices/innovative project ideas, which also indicates positive leverage.

The analysis is mainly developed at the level of selected RDPs and LAG case studies: in the interviews we asked for a comparison between LEADER and non-LEADER interventions on the level of innovativeness of the funded interventions.

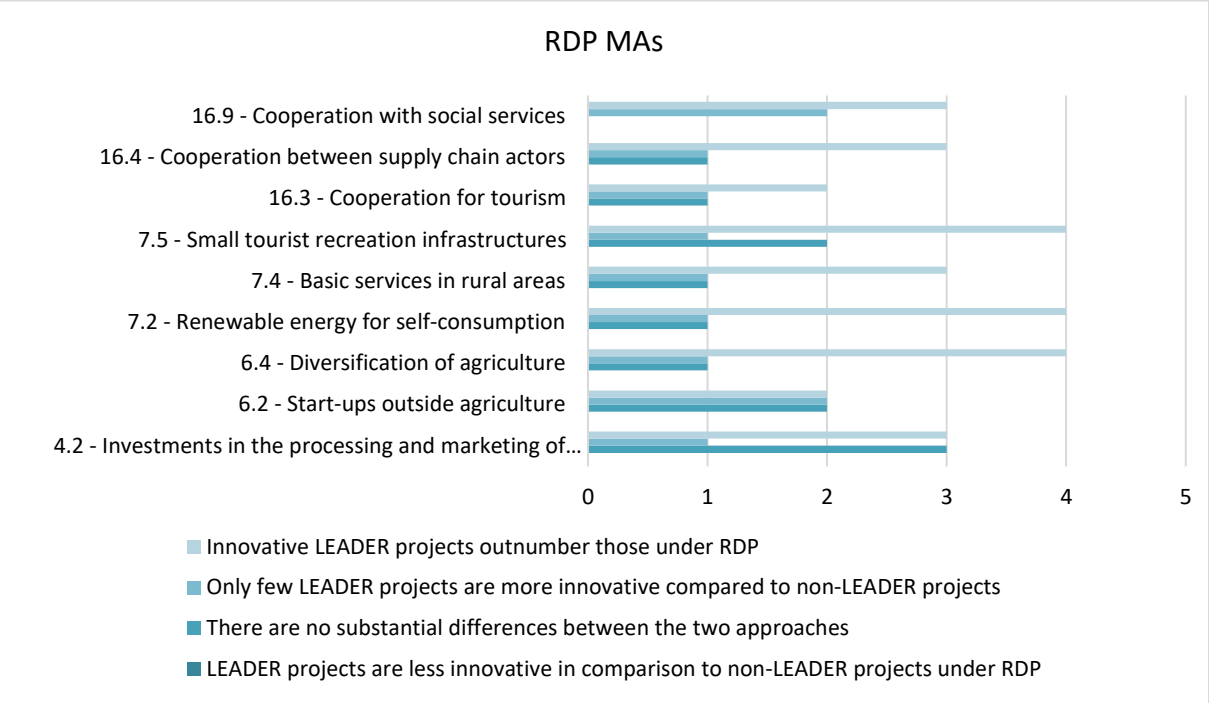
The importance of selection criterion "Promote innovation at local level in the selection process of LDS, and of the projects at LAG level" (indicator 3.4.1) **is assessed**, again based on information given by MAs of all RDPs[150]. In order to obtain a synthetic indicator of the level of importance of the item Promote innovation at local level (e.g., digital, social, or other type of innovation) we have used a scale (Very important=5, Fairly important=4, Important=3, Slightly important=2, Not important at all=1, Not applicable=0) and calculated, for each objective, the score resulting from the weighted average of the various choice values expressed across the number of responses. The level of importance is therefore a value on a scale comprised between 5 (maximum level of importance) and 0 (not applicable).

During the selection of local strategies, the degree of innovation is considered on average quite important (score 3.7) by the managing authorities of the RDPs responding to the survey; the importance assigned by case study LAGs is aligned (slightly higher at 3.8).

[150] 65 survey respondents.

The figure below provides a synthetic representation of value judgements provided by RDP managing authorities participating in the survey, according to the given (comparable) types of projects.

Figure 43 – "Could you please indicate if and to what extent the following projects under LEADER are more innovative in comparison to analogous non-LEADER projects financed by the RDP?" (Answers of RDP MAs)



Source: own elaboration based on RDP survey data

The judgement expressed by respondents about the innovativeness of projects under LEADER in comparison to non-LEADER projects under RDP (indicator 3.4.2) provided by the MA of the selected RDPs and by LAG managers at case study level, concerns the situations in which similar operations have been activated both under LEADER and under RDP (i.e., non-LEADER). In Denmark, given the clear separation between the types of interventions implemented under the two approaches, no answers were provided.

Based on judgements expressed by RDP MAs, innovative LEADER projects outnumber similar non-LEADER projects in most RDPs. Exceptions are the operations to support start-ups and investments in agri-food processing, for which the number of RDPs reporting that there are no substantial differences between the two approaches is equivalent to the number of the other responses in which "LEADER projects outnumber similar non-LEADER projects" or "only few LEADER projects are more innovative".

Under no circumstances, however, is it assessed that LEADER projects are less innovative than those implemented with RDP measures.

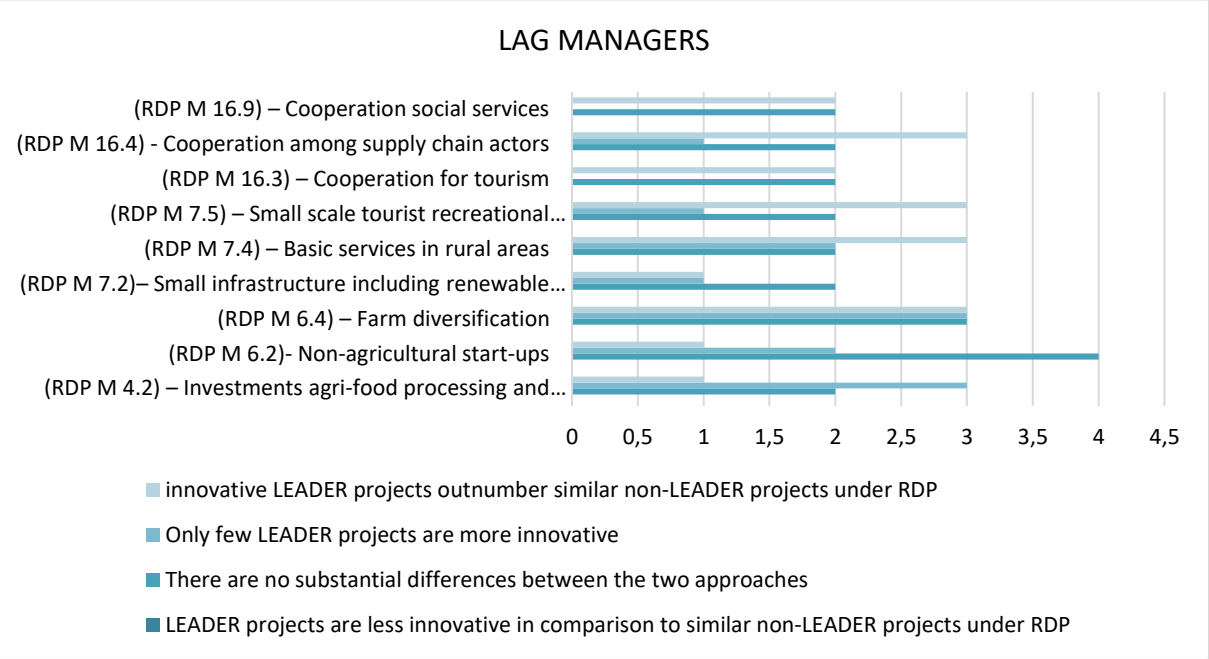
It should also be noted that performance is somewhat differentiated when considering responses within each RDP:

- In Austria and Romania, managing authorities assess that LEADER projects are more innovative than similar non-LEADER projects under RDP for all types of operations considered.
- In Finland, on the contrary, there are no substantial differences between the two approaches in all types of operation and the judgment is the same for LAG managers.

- In Germany, only a few LEADER projects are more innovative for comparable RDP designed projects. The responses in Spain, Italy and France are more diversified and depend on the type of intervention.

At LAG level, all case studies analysed except Poland include this aspect among the project selection criteria[151].

Figure 44 – "Could you please indicate if and to what extent the following projects under LEADER are more innovative in comparison to analogous non-LEADER projects financed by the RDP?" (Answers of LAG Managers)



Source: own elaboration based on case study LAG interviews

The assessment provided by case study LAG managers is overall slightly more critical: for projects financing investments for start-ups, agri-food processing and small infrastructures (Measure 7.2), when implemented, there is no substantial difference between LEADER and non-LEADER approaches.

Interviewed LAG managers were asked about the supported innovative products or innovative arrangements e.g., horizontal approach for services to the population, new uses for local cultural heritage and resources, new cooperation links between farmers and agro-food enterprise.

Innovations introduced (see table below) are relevant for around 16 % (265) of total projects supported by the LAGs, not including the performance recorded in Austria where the implementation of the Innovation Award managed to generate as many as 500 innovative proposals that were submitted during the period.

The variability across LAGs is quite high and it is consistent with the opinions expressed both in the Focus Groups and by the LEADER experts interviewed.

[151] No information was provided for the case study in Poland.

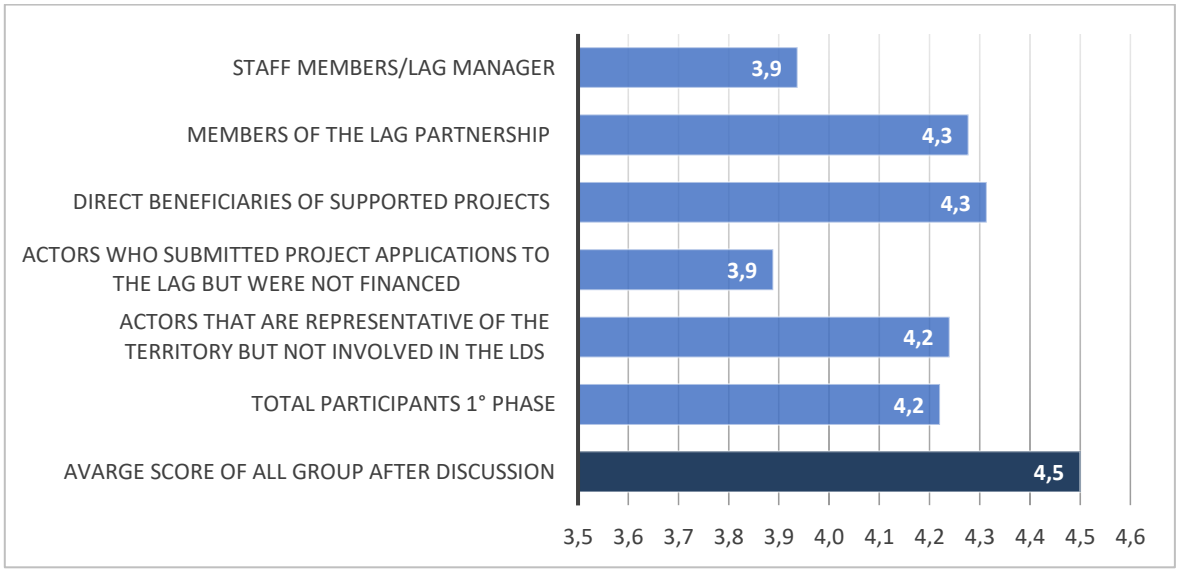
Table 48 - Number of supported innovative products or innovative arrangements through LEADER-funded projects

CASE STUDY	Innovative products	Innovative arrangements	Both Innovative Products/Arrangements	TOTAL per LAG
AT 1	500			
DE_1	5	10	2	17
DK_ 1	3	3		6
DK_2	3	1	1	5
ES_1			2	2
ES_2	13			13
FI_1			6	6
FI_2			24	24
FR_1			3	3
IT_1	34	9		43
RO_1	2	2		4
RO_2			57	57
PL_1			85	85
TOTAL CS	60	24	180	265

Source: own elaboration based on case study LAG interviews

In the Focus Groups, participants were asked about the capacity of the organisation to promote innovation (i.e., new products, processes, systems, and working methods, social innovation). The opinions expressed (indicator 3.4.4) are very positive and oscillating from "good" to "very good" on a scale 1=very poor to 5=very good, even if some critical issues emerge.

Figure 45 - Capacity of the LAG to promote innovation



Source: own elaboration based on Focus Groups in case study LAG areas

Consistently with the assessments expressed in the LAG interviews, it can be seen that the opinions of LAG members participating in the FG are on average slightly "less positive" on the examined aspect.

Many examples were provided of supported innovative products or innovative arrangements through the funded projects that substantiate the positive opinions expressed.

The most positive and critical aspects that emerged from Focus Groups, interviews with LAG managers and LEADER experts are summarised below.

LEADER can fund tasks which are not even mentioned in mainstream (i.e., RDP) measures and consistent with its principle of innovation, the LAG is seeking to encourage projects with an innovative element.

In this sense, the LAG's purpose and ability lies in being able to support project applicants who have an innovative project underway, in favouring the integration of the supported enterprises in a dynamic of continuous improvement, which favours innovation.

Example of relevant innovation mentioned are the implementation of multi-measure and specific LAG projects, which implies a new working method to define a strategic approach and bring together different actors, succeeding in consolidating a "new mode of interaction between public and private subjects" and the generation of new ideas.

On the other hand, the innovativeness of the projects depends also in the propensity to innovate of the project applicants, the extent to which the system permits failure, which is often associated with innovation, the strict funding rules that do not always allow for innovation: there have been very innovative projects that have been limited (due to the deadlines, as well as the results, difficult to fit in the calls for proposals).

For some profiles of companies/promoters outside the mainstream (e.g., micro and small enterprises, craftsmanship, small promoters: "*if you do not encourage them to introduce improvements and innovations, they would not do it*."

As noted in Germany, Italy, Finland and Spain, the degree of innovation of the interventions, especially those carried out by public administrations which enable collaboration and activities at the local level, is yet limited: the priority given to projects with an innovative component faces difficulties in small municipalities to find potential promoters to undertake.

Hence, the importance of enhancing the technical training of the LAG staff on this particular issue, as well as tools to help them promote innovation, which also implies higher costs for management and animation

Positive elements

There is correspondence between the results of our analysis and those found in the Evaluation support study on the impact of LEADER on balanced territorial development[152] where many examples among all case study LAGs demonstrated a wide range of innovations, but for innovation through cooperation only few examples were identified. In particular, in several Member States and regions there were significant administrative and policy challenges to achieving transnational cooperation. In the same study, according to LAG and MA surveys, LAGs' perceived achievements in innovation ranked lower than other socio-economic impacts.

To conclude, there is evidence on the innovativeness of projects implemented by LAGs under LEADER in comparison to non-LEADER projects under RDP, but the variability of results is high across case studies. Examples of supported innovative products or innovative arrangements that substantiate the positive opinions expressed are many, but the degree of innovation of the interventions, especially those carried out by public administrations, is limited. Hence the importance of enhancing the skills of the LAG staff, as well as to give them tools to help them promote innovation, which however also implies higher costs for management and animation.

[152] EU 2022 Evaluation support study on the impact of Leader on balanced territorial development (p. 201).

4.3.2.5 Judgement Criterion 3.5: LEADER projects supporting the improvement of local production and local assets can perform better compared to similar non-LEADER projects in the areas concerned

The criterion aims to assess the extent to which the performance of projects funded under LEADER are better compared to non-LEADER projects and the reasons behind this effect.

The criterion is developed through analysis of quantitative data and information collected at the level of all and selected RDPs and LAG case studies about results achieved by projects implemented by LAGs and qualitative judgement expressed by Mas, experts and LAGs manager in terms of level of agreement on the ability of the support to enhanced results compared to ordinary similar projects implemented with other RDP measures.

At level of MA of selected RDP only three MAs have been able to provide information about results of LAG such as increase in 1) the added value of local products; 2) the number of local products finalised (produced, processed, and packaged); 3) the margin of local product's producers in the final price of local products; 4) sales and new customer; new market (indicator 3.5.1),

The lack of information is clearly attributable to the fact that LAGs are not required to monitor outcome indicators that show potential benefits other than population served and jobs created.

At LAG level, the information is available in 7 out of 13 LAGs. About 93 % of the projects with added value are concentrated in 5 LAGs (Austria, DE-Mecklenburg VP, Finland, Romania and Poland). However, even LAGs that do not provide much data, each mention three to four examples of projects that generated the results analysed.

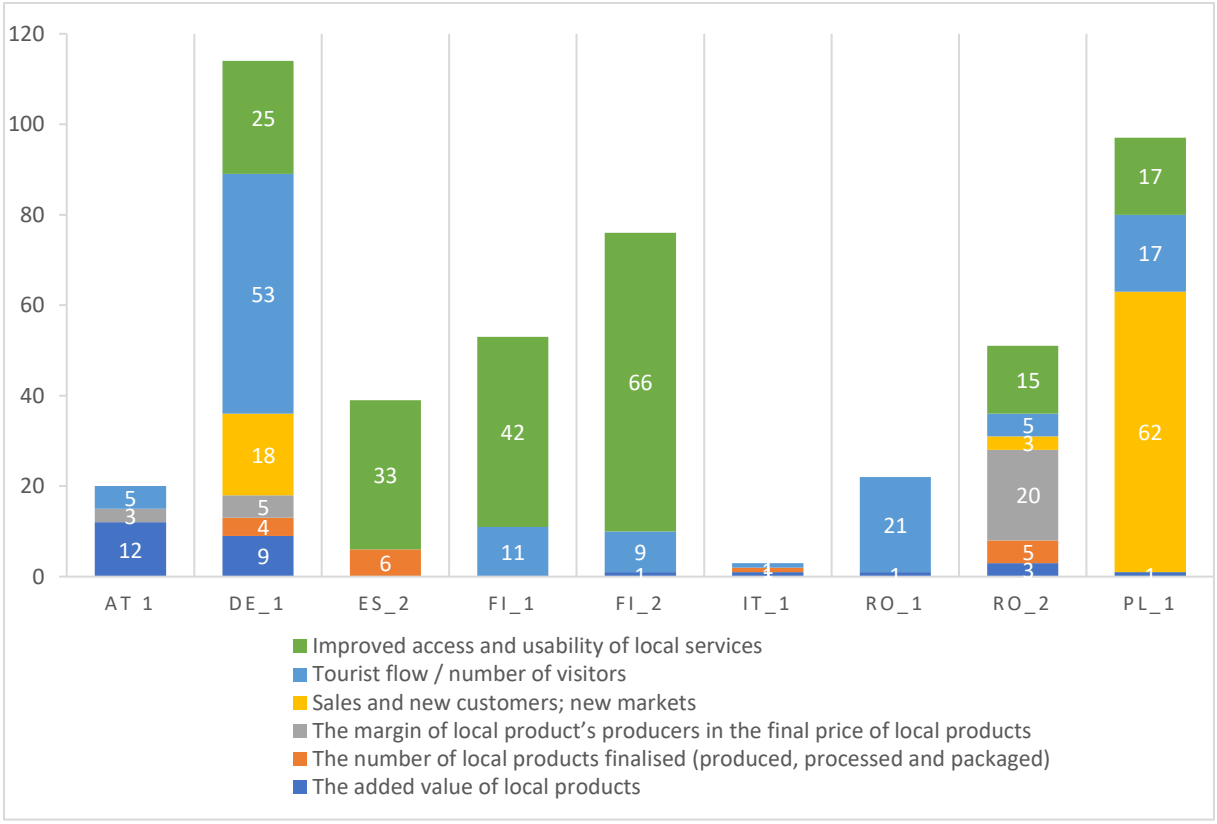
Table 49 - Number of LAGs in which an increase is observed for the following benefits

Benefits	LAGs (No.)	LAGs (%)	Projects (No.)	Public expenditure (EUR)	Average public expenditure/ project (EUR)
The added value of local products	7	54 %	28	3 623 238	129 401
The number of local products finalised (produced, processed and packaged)	4	31 %	16	1 010 897	63 181
The margin of local product's producers in the final price of local products	3	23 %	28	1 561 740	55 776
Sales and new customers; new markets	3	23 %	83	4 058 883	48 902
Tourist flow / number of visitors	8	62 %	122	9 835 482	80 619
Improved access and usability of local services	7	54 %	199	26 712 845	134 235
Total Case studies	**13**	**100 %**	**476**	**46 803 085**	**98 326**

Source: own elaboration based on LAG interviews

In some cases, two or more results are achieved. Positive results are found, in particular, for tourism development projects (51 % of the total number and 47 % of the public expenditure of projects mentioned) and for improved access and usability of local services (57 % of total expenditure is concentrated on the latter with 42 % of total number).

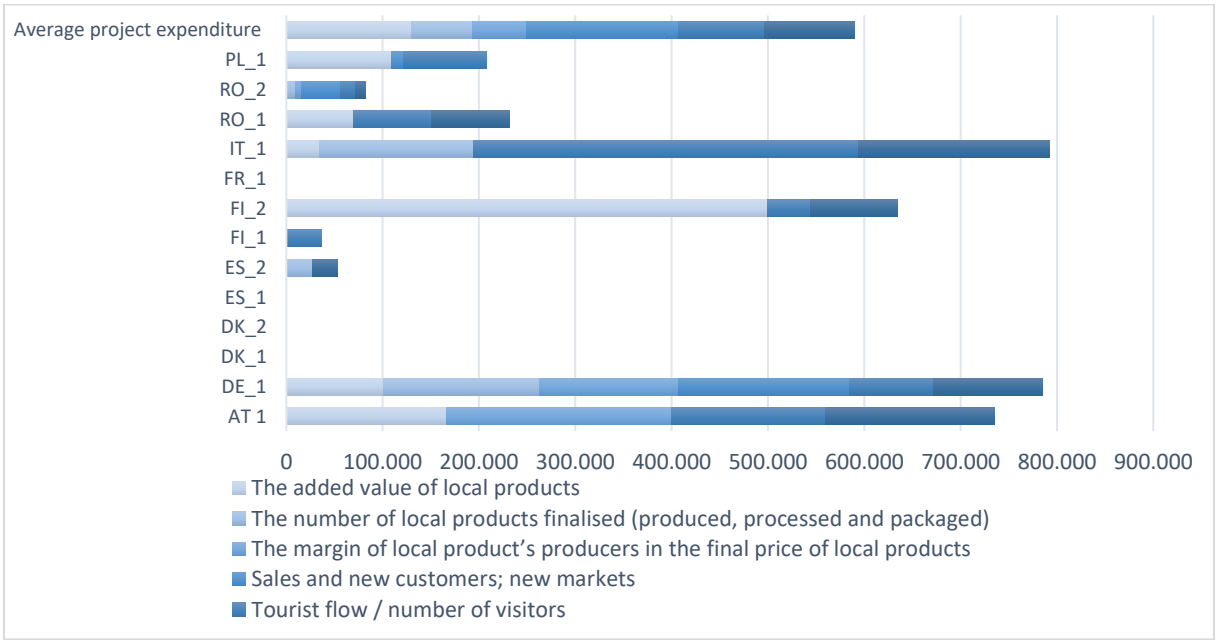
Figure 46 - Number of financed projects in which an increase is observed for the listed benefits



Source: own elaboration based on LAG interviews

The data (outputs) provided by the LAGs, on the number of financed projects in which an increase is observed for the analysed results and relative public expenditure (even if partial as not all LAGs were able to provide quantitative data) indicate that the most relevant outputs relate to projects that can improve quality of life and influence tourist flows.

Figure 47 - Average public expenditure/project by typology of result (EUR)



Source: own elaboration based on LAG interviews

It should also be noted that the benefits found are generated by a rather low average expenditure per project (if compared with average public expenditure of (similar) projects related with FA 6B in the RDPs). Only in two LAGs (IT_1 and FI_2) above-average investments have been implemented.

However, we note the lack of further information on the results achieved by projects except for the mandatory result indicators to be monitored.

In one case study the development of this analysis led to the awareness "*of the importance of being able to implement certain indicators and carry out monitoring, in order to be able to demonstrate in a concrete and quick way all the work done and the results and impacts of the animation and the cooperation projects, which are the ones that have the greatest added value*."

The ELARD expert also acknowledged that, so far, the LAGs have not been active in documenting added value outputs and results, and this has undermined the possibility of better substantiating the extensive work done in the area.

Only two LAGs, both in Finland, were able to provide data on the increase in tourist flow thanks to the projects supported, as shown in the table below.

Table 50 - Enhanced results of LEADER projects: Tourist flow in Finland case study LAGs

LAG	Number of completed projects	Total public expenditure EUR	Average public expenditure/project EUR	Increase in overnight stays	Increase of tourist beds (No.)	Public expenditure/new tourists EUR
FI LAG 1	52	1 593 209	30 639	9 666	268	165
FI LAG 2	60	1 500 000	25 000	4 500	54	333

Source: own elaboration based on LAG interviews

LAG managers' self-assessment of the ability of the support to produce enhanced results compared to similar projects implemented with other RDP measures is quite positive. However, triangulation with the judgments expressed by RDP Managing Authorities (65 survey respondents in total), those expressed by the LEADER experts interviewed (14) and those expressed by the LAGs[153] shows that the judgements of MAs, particularly in the 10 selected RDPs and of the LEADER experts appears less clear-cut, when compared to ratings of other LAG performances (see following JC 3.6).

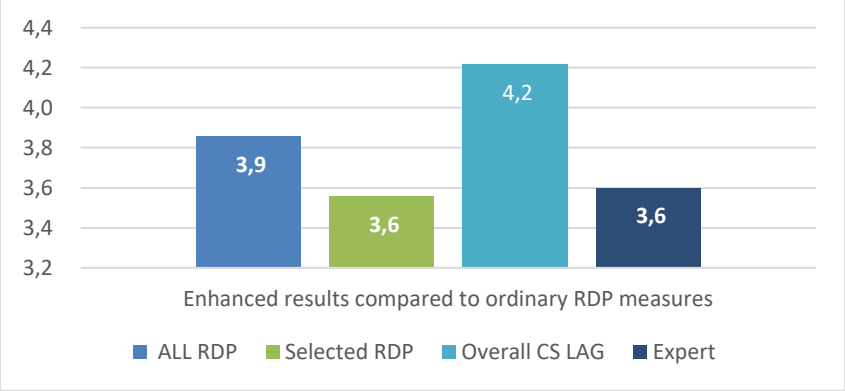
In general, with respect to improving tourist attractiveness, LEADER support is judged more positively by RDP MAs than by case study LAG interviewees.

Additionally, the opinions expressed by LEADER experts are positive but with the understanding that the results can be limited (compared to similar non-LEADER projects supported under RDP) because of the limited scope of LEADER strategies and the small number of projects that can be financed.

As the activity level depends on the LAG and the area, the results of LEADER are observable mainly for a limited number (compared to local needs) of small-scale businesses/enterprises (processors and marketers and tourism) with non-observable effects at regional level.

[153] The comparison is addressed by analysing the qualitative answers provided at the level of All and selected RDPs in the survey conducted with MA/staff and in-depth interviews with experts and the managers of selected LAGs in terms at the level of Level of agreement on the affirmation that the support of the LAG produces positive changes/benefits on the items. A scale was used to collect answers ranging between 1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, and 5=Strongly agree.

Figure 48 – Opinions on whether LAG support produces enhanced results compared to ordinary RDP measures (scale 1=strongly disagree to 5=strongly agree)



Source: own elaboration based on all collected primary data

Although we note an inconsistency between the self-assessment of the LAGs and the ability to produce quantitative data to substantiate the judgement, particularly in the Danish case studies[154], we highlight that **all the LAGs provided examples and qualitative information on the main projects that generated the results analysed**.

Good examples of how the synergies created by LDS can improve the performance of projects are described and are predominantly based on the cooperation processes that the LAG manages to implement in the area and on the integrated approach.

In Austria according to the evaluation of the monitoring data 91 % of the LEADER projects have entered a partnership and 52 % of the projects are cross-sectoral. In 90 % of the projects, cooperation is at least important and networking through LEADER is strongest at district level (49 %), followed by Austria-wide cooperation (23 %). 70 % of the completed projects have used regional resources and 55 % of the projects strengthen regional competitiveness. However, only 37 % of the projects are considered to establish a link between economic sectors According to the results of the AIR 2019 for LEADER, strengthening regional competitiveness was relevant in 55 % of the projects[155].

In one case study LAG, 68 adventure activities have been grouped together into one tourist attraction achieving a repositioning of regional tourism thanks also to innovative training for tourism front desk staff.

In IT-Veneto, the opinion of the MA is that the projects related with diversification of farms activities (e.g., Measure 6.4) and services for rural tourism to increased tourist flow (e.g., measure 7.5), which are examples of measures more closely linked to LAG strategies, obtain better results than those generated by the RDP, because LAGs have been particularly committed to identifying and bringing out interesting projects. The surveys carried out on the LEADER beneficiaries show a positive level of satisfaction with the results of investments. Although the situation was affected by the COVID-19 pandemic, for 48 % of the companies interviewed, investments helped the companies to better cope with the emergency. This perception is especially noticeable in handicraft enterprises, where the vast majority (82 %) declare increases in turnover. Despite the high percentage of companies complaining of negative consequences generated by the pandemic, the surveys

[155] Theresia Oedl-Wieser, Thomas Dax, 2019 Erweiterter Durchführungsbericht 2019 (Annual Implementation Report – AIR – 2019).

have highlighted a percentage of beneficiaries who recognize the supported investments to increase their resilience to the negative consequences generated by the pandemic and even more widespread optimism about future prospects. Good part of the interviewees plan to make further investments to increase their capacity/competitiveness by enhancing behaviours forcibly acquired during the pandemic.

In this Region reward was given to LDS who proposed the "key projects", e.g., integrated and multi-sectoral projects specific for LEADER approach. Although the MA judges that these key projects did not produce better results than the results achieved by standard RDP measures, the evaluation found that the value of key projects led with organisational processes relates to the consolidation of a "new mode of interaction between public and private subjects". This perception is corroborated by what emerged from interviews with public bodies. The key projects, in fact, thanks to exchange between actors, have favoured the creation of new ideas: almost half of the public entities interviewed, belonging to all the key projects investigated, declare that the planning tools of their institution did not foresee the idea behind the intervention, but this idea arose thanks to discussion with the technical structure of the LAG and with other actors or bodies involved in the key project.

In ES-Cataluña the MA considers that LEADER achieves better results compared to other RDP measures, because the LAG's technical team plays an important role in accompanying the beneficiaries. The LAGs try to reduce the administrative burden faced by project promoters, and to accompany them as much as possible in this process.

In addition to this "basic" accompaniment focused on obtaining funding, the promoters enter into the LAG dynamic in many other aspects: encouraging associations, promoting the gender issue. Apart from being beneficiaries of support, they are integrated into the fabric of the community, the LAGs make them collaborate with other entities. This proximity generates trust and allows promoters to feel part of a territorial unit.

In this Region 100 % of the LAGs participated in an inter-territorial cooperation project (multi-measure and multi-sectoral complex project) and for all of them there was an increase in the added value of local products, in the number of local products finalised (produced, processed and packaged), in the margin of the final price of local products, in the sales and new customers and in new markets. In addition, the project uses advisory actions for companies to improve their marketing conditions, and it shows great continuity.

In this Region, the examined LAG results from the fusion of two previous different LAGs, thanks to the one strategic project supported by M19.3 that created a common identity for the territories, which now feel part of and collaborate through partnerships, agreements between municipalities coming together to work for the development of the whole socio-economic fabric.

Through cooperation projects, LAGs open the way to new themes, e.g., promoting energy communities, forestry, and this translates into an added value beyond M19: "*it has been seen that through our cooperation actions, with less money, we reach more people. Agents from different sectors and different categories of action come together at the working tables* [working groups]*. This favours the interconnection between them to create synergies that allow the endogenous development of the territory and the implementation of complementary projects. The companies supported enter and are integrated into the territorial dynamics; they begin a process of continuous improvement and participation in other development actions in the territory.*

Also in the ES-Navarra case study, based on interview with the LAG manager, the strategy generates added value by improving the social capital of the territory; 38 projects (40 %) have involved 106 other agents of the territory in the implementation of their projects, with 103 collaboration agreements. The promoting bodies were town councils or foundations, and the agents involved were mainly citizens' associations, agricultural

associations, and other local bodies. This is a basic form of cooperation, which should evolve towards more active formulas, involving collaboration in the complete project cycle (from the design phase).

Also in Finland, the regional village development project managed by the LAG has been significant in developing the villages and connect them. One transnational cooperation project started by the LAG has brought a lot of connections to the area and has now become genuine cooperation between the two involved areas.

In conclusion, even if the lack of quantitative data on results related to concluded projects supported by Measures 19.2 and 19.3 and similar projects supported by other RDP measures represents a limitation of the analysis, **there is good evidence that LEADER approach can affect the performance of projects funded and produce enhanced results compared to non-LEADER projects in the area concerned thanks to the effectiveness of LAGs in promoting the collaboration between local actors and economic sectors, through networks, cooperation or collective processes to reinforce local production and local assets.**

The extensive examples and qualitative information reported by MAs and LAG managers as well as participants in the focus groups show that the LAG can act as an agent that brings together interests to promote supra-municipal actions and the collaboration of all sectors.

The analysis shows that LAGs help to move from micro-enterprises to established businesses and thanks to capacity to generate trust can promote the transition from individual project planning to a collective development process that generates new products and valorises the territorial assets and turnover increases. There are many examples of links with actors at the more territorial governance level with tourism actors, business actors in the case study LAGs

This added value feature allows to overcome the limited scope of the strategies making the LAG's action more effective in reinforcing local production and local assets and stimulating the endogenous development of the territory and the implementation of complementary projects.

The collected information suggests that projects related with diversification of farms activities and services for rural tourism to increase tourist flow as well as projects for improving the access to services and infrastructure are "the core business of LEADER" and LEADER achieves better results compared to similar RDP measures (e.g., measure 6.4 and measure 7.5), also thanks to effectiveness of the LAG's technical team in accompanying the beneficiaries and making them collaborate with other entities: this is the reason why, considering the limited scope of LEADER strategies and the projects they support, LEADER has a bigger influence (compared with RDP measures) for small-scale processors, marketers and tourism.

4.3.2.6 Judgement Criterion 3.6: The implementation of the strategy produces structural changes in the dimensions on which the strategy intervenes and affects the socio economics dynamics

The criterion aims to assess whether and to what extent the implementation of the strategy as a whole affects the socio-economic dynamics e produces positive changes/benefits improving quality of life for the population, preventing depopulation, increased leverage and reinforcing community identity; generates new enterprises, new local units of companies, new tourist accommodation and increased tourist flow, increase the number of farms with diversified activities; and increase employment.

The criterion is addressed by analysing the qualitative answers provided at the level of All and Selected RDPs in the survey conducted with MA/staff and in-depth interviews with LEADER experts and the managers of case study LAGs in terms of level of agreement on the affirmation that the support of the LAG produces positive changes on the hypothesised LEADER benefits. A scale was used to collect answers ranging between 1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, and 5=Strongly agree, and the average score was computed for each benefit across respondents.

The table below shows the average scores resulted from different respondents. We can note a substantial convergence between all items analysed and a high degree of agreement for some of them: LEADER is quite effective in influencing improved quality of life, increased tourist flow and in reinforcing community identity, as well as influencing improved social capital in local areas and local governance. LEADER appears to be less incisive in the prevention of depopulation and in favouring establishment of new local production units.

Table 51 - Capacity of the LDS to affect socio-economic dynamics[156]

Benefits of LAG action	ALL RDPs	Selected RDP	overall CS LAG	Experts
Improved quality of life for the population	4.4	4.3	4.6	4.3
Preventing depopulation	3.7	3.9	3.9	3.2
New enterprises	4.0	4.6	4.4	3.9
New local units of companies	3.6	3.4	3.6	3.3
New tourist accommodation and increased tourist flow	4.4	4.7	4.2	4.2
More farms with diversified activities	3.6	4.0	4.1	3.8
Increased employment	3.9	4.4	4.2	4.0
Increased revenues / New revenue sources	3.9	4.3	4.3	4.3
Enhanced social inclusion	4.0	3.4	3.9	4.0
Improved social capital in local areas	4.2	4.6	4.4	4.7
Improved local governance	4.1	4.3	4.1	4.4
Enhanced results compared to ordinary RDP measures	3.9	3.6	4.2	3.6
Increased leverage	3.8	3.9	4.5	4.1
Reinforcing community identity	4.5	4.7	4.5	4.4

Source: own elaboration based on collected primary data

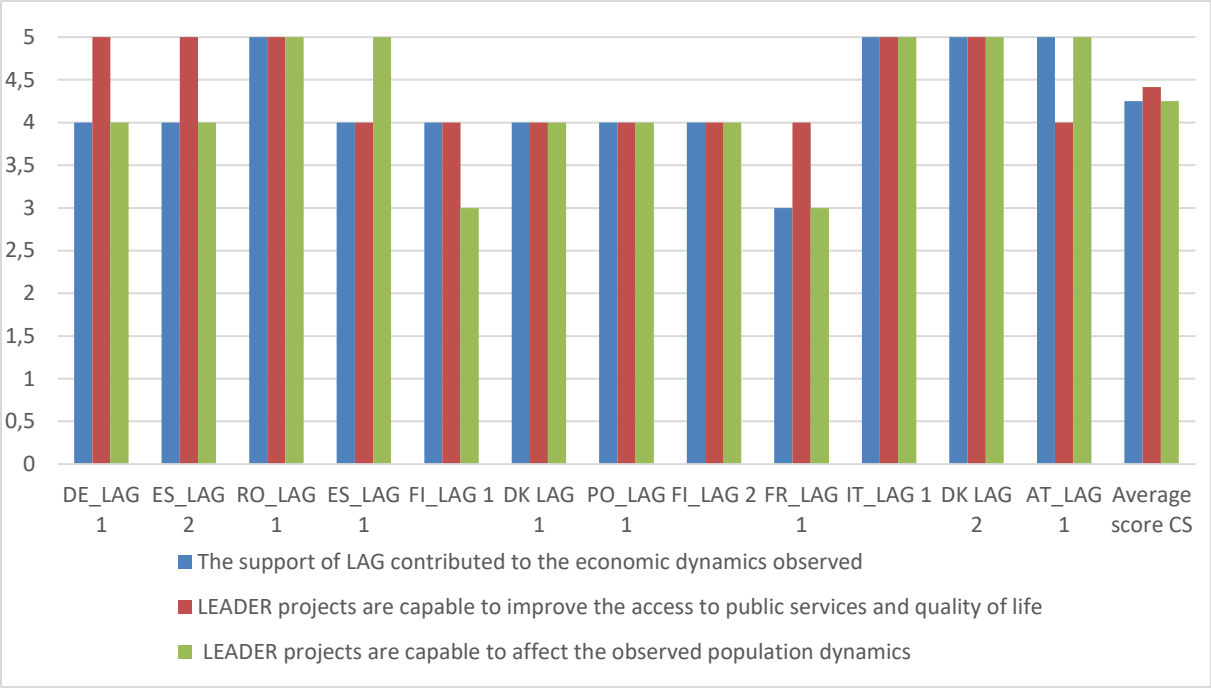
In the focus groups we collected judgements[157] and information on the capacity of LEADER projects to improve the access to public services and quality of life and to affect the observed population dynamics. We also collected judgements on the contribute of LEADER support to the economic dynamics observed in terms of new enterprises, local units, beds for tourism, farms with diversification activities.

As shown in the figure on next page, judgments given in the focus groups are quite positive for all items proposed to discussion.

[156] Enhanced social inclusion, social capital and local governance are discussed in EQ2; Enhanced results compared to ordinary RDP measures are discussed in J.C 3.6.

[157] Scale ranging between Very poor=1; Poor=2; Not poor nor good=3, Good=4, to Very good=5.

Figure 49 – Focus Group judgements on the ability of LEADER projects to affect the observed demographic and economic dynamics



Source: own elaboration based on case study focus groups

Differences between case studies are related with the results that emerged in previous analyses: judgement of participants to focus groups are consistent with those given by RDP MAs, LAG Managers and LEADER experts and also where information about outputs and results was also provided to substantiate these judgements.

LEADER is effective in stimulating the economic sector in the area by creating new enterprises, tourist infrastructures, incrementing farms with diversification activities: when strategy works well, the revenue can "*spread like ripples*" and "*plans will work for years to come*".

LEADER is an opportunity to support projects and actors who would otherwise be much more difficult to get off the ground.

Considering the limited scope of LEADER strategies and the projects they support, LEADER has a big influence for small scale processors, marketers and tourism, local community action, improved services and small infrastructure, development of livelihoods.

As pointed out in JC 3.5, the analysis shows that LAG promote the transition from individual project planning to a collective development process that better valorises the territorial assets.

LEADER projects are generally capable to improve the access to public services and quality of life: in all case studies these items reach high average scores resulted after discussion.

In some cases, the LAG is active in developing interactive community projects based on local needs, where there is voluntary work for common good and community-building: people are enthusiastic to participate for the common good and that increases the experienced quality of life.

In one case the LAG carried out an application phase in which projects related to facilities and services were so unique that they were favoured over business-oriented projects.

In many cases the success is related to the ability of the LAG to increase the cooperation between municipalities within the LAG area, which otherwise might not happen.

The creation of networks between the different agents of the territory allows an appropriate identification of needs and the consequent implementation of actions linked to the areas and the integration and complementarities of resources and efforts allows greater access to public services.

Even when LEADER does not aim to create a comprehensive infrastructure, LAGs act to identify gaps in certain areas and to create innovative and pilot ideas/concepts: Most municipalities go along with innovative ideas from other municipalities, as the transition is often fluid.

There are also cases where the many different projects make the area interesting to live in and to visit and the participating municipalities have really experienced an inflow in inhabitants coming from bigger centres (e.g., Copenhagen).

Moreover, when the opportunities for getting a job in the community increases, new activities can be carried out (festivals, leisure activities: swimming pool, horse riding); thus, youth and young families are stimulated to remain in the area, or even to come from other towns, increasing the population in the LAG territory while at the County level decreased.

However, actions linked to addressing demographic challenges as an intrinsic problem of rural dynamics should be strengthened.

However, the contribution of LEADER to macro-economic developments such as prevention of out-migration usually exceeds the impact possibilities of LEADER even when the LAG is recognised as supporting many projects, start-up of businesses, influencing social and economic revitalisation or improving the quality of life making the area more pleasant and welcoming.

The issue of depopulation is influenced by many other factors and actions at national and regional level. LEADER can help prevent but not bring about change. The support must be accompanied by public policies that allow access to housing to curb the dynamics derived from depopulation.

We highlight that all this evidence is consistent with opinions and findings emerged in the recent evaluation support study of the impact of LEADER on Balanced Territorial Development[158].

Finally, we would point out that this approach does not allow to assess the differences compared to non-LEADER project impact on areas economic development. This would call for more detailed data to do impact analysis.

Considering the LEADER's overall small scale and its local development, to detect the changes generated by its implementation at local level it would be useful to define an ex-

[158] *"LEADER has been most effective in improving local economies, with all economic activities implemented in a territory through LEADER funding representing a direct effect of the programme. Through the establishment of LAG partnerships, consultations and animation activities, LAGs created new networks of local actors (and beyond), leading to stronger social capital. Animation and coordination by LAGs, reinforced by private-public partnerships and networking principles, enabled recognition of common values and generated trust. This combination of factors contributed to successful implementation of projects across a variety of contexts and regions as demonstrated in case studies, with enhanced local rural results and impacts, compared to other EU or national/ regional development policies. However, LEADER's overall small scale and its local development focus mean that its contribution to poverty reduction is mostly indirect and relatively modest. LEADER has limited financial resources: LAGs operate relatively small multi-annual budgets, which are not adequate to tackle complex poverty issues in countries facing significant poverty."*

ante baseline values for a set of context quantitative indicators[159] integrated with a set of meta-indicators selected for the purpose relevant to the strategies adopted, evaluated by a panel of stakeholders with participatory approaches, and follow their evolution over time[160]. When applied in ex ante it also allows contextualising the implementation mechanism of each LDS by identifying ex ante the bottlenecks that may influence the success and results of LDS[161].

Moreover, the method for evaluating LEADER added value proposed by Austria for the 2023-2027 programming period identifies a set of added value indicators that measure changes in the effects of LEADER projects before, during or after[162]. In order to make these effects visible at national level, each LAG must use all developed indicators.

4.3.2.7 Judgement Criterion 3.7: LAGs are efficient, effective, and capable to utilise resources necessary for implementing specific RDP measures

The criterion aims to assess to what extent LAGs are efficient, effective, and capable in utilize resources necessary for implementing some types of measures implemented through LEADER.

The analysis of the efficiency and effectiveness of the LAGs in supporting beneficiaries is developed with the input/output analysis where the input, output and result indicators specified in the methodology (Ch.4) have been computed for two types of RDP measures selected by the LAG manager in each case study LAG. The table on following page provides details of the types of measures selected under each case study.[163]

[159] -C.01 – Population; C.02 - Age structure (given age classes); C.04 - Population density; Depopulation rate; C.17 - Agricultural holdings; Farms with other gainful activities; Per capita taxable income (main sectors including agriculture); C.30 - Tourism infrastructure/no. beds); Unemployment rate / Labour force seeking employment Number of enterprises by sector; Employment (total and by sector).

[160] De Sanctis C; Torcia P, 2017 PSR e la qualità della vita nelle aree rurali Agriregionieuropa anno 13 n°48, Mar 2017 https://agriregionieuropa.univpm.it/it/content/article/31/48/il-psr-e-la-qualita-della-vita-nelle-aree-rurali; Capturing impacts of measures to improve quality of life in rural areas – in Good Practice workshop: Method for assessing impacts of RDPs 2007-2013. Practices and solutions for the ex-post evaluation. European Commission-Directorate General for Agriculture and rural Development Palermo 2016 https://enrd.ec.europa.eu/evaluation/good-practice-workshops/methods-assessing-impacts-rural-development-programmes-2007-13_en.

[161] Seibert Otmar; Bottleneck analysis - a method for evaluating and assessing qualitative characteristics in the rural development process PDF.

[162] Bundesministerium Landwirtschaft, Regionen und tourismusm 2021- Eine neue Methode fur LEADER Wirkungsorientuierung in der Periode 2023-2027.

[163] We must specify that the two type of RDP measures undertaken by the LAGs were selected by the LAG manager during the interview. This choice was deemed necessary because the implementation of LEADER in Europe is heterogenous, so we could not propose a pre-defined list of two RDP measures to be analysed for all the selected LAGs. The risk we wanted to avoid was a lower response rate compared to what we have achieved. Of course, this constitutes a "natural" limitation in the comparison of values among LAGs.

Table 52 - Type of measures selected for the evaluation of input, output, and result indicators

Case studies	Code	Type of RDP Measure 1	Type of RDP Measure 2
1	AT.01	Increasing value added	Sustainable development of natural resources and cultural heritage
2	DE.01	Services of general interest/municipalities (Perhaps comparable with M7.4 basic services)	Tourism (Perhaps comparable with M7.5)
3	DK.01	No selection	No selection
4	DK.02	Business related project	Village renewal project
5	ES.01	Agricultural and food industries (Perhaps comparable with M4.2)	Gustum (cooperation project) In this case the entire set of information provide could not be condensed in the data requested.
6	ES.02	AGRO group	No AGRO group
7	FI.01	Rural services	Leisure and tourism infrastructure
8	FI.02	Rural services	Leisure and tourism infrastructure
9	FR.01	Creation of tourist services	Animation actions around aging
10	IT.01	Investments in creation and development of non-agricultural activities (M6.4)	Investments in recreational infrastructure, tourist information and small-scale tourism infrastructure (M7.5)
11	RO.01	Investments in the creation and development of non-agricultural activities (Own Code M1/1A/6A)	Support for non-agricultural activities in the LAG territory (Own Code M2/1A/6A)
12	RO.02	Local development in rural areas (Own Code M7/DI 6B	Support for the establishment of non-agricultural activities in the territory of the LAG (Own Code M5/DI 6A)
13	PL.01	Business start-up aid	Support for business development

Source: own elaboration based on LAG interviews

To overcome the fact that the implementation of LEADER is very diverse also in the specification of RDP Measures, Sub-Measure, and Types of Interventions the LAG refers to, we have identified four main areas of intervention of the selected LAGs based on the types of interventions they have selected:

- Rural tourism
- Rural services of general interest
- Non-agricultural activities and agricultural diversification
- Village renewal and sustainable development of natural resources

The table below shows the values of input indicators based on the data collected.

Table 53 - Input indicators of selected LAGs

Case studies	Code	I.1 Number of hours devoted to individual trainings by the LAG staff	I.2 Labour costs sustained for individual trainings offered by the LAG staff	I.3 Number of hours devoted to collective trainings by the LAG staff	I.4 Labour costs sustained for collective trainings organised by the LAG staff
1	AT.01.01	1 000	40 000	2 500	100 000
	AT.01.02	800	32 000	2 500	100 000
2	DE.01.01	321	76 138	24	5 710
	DE.01.02	110	26 140	8	1 960
6	ES.02.01	8	240	6	1 220
	ES.02.02	50	1 500	6	1 220
9	FR.01.01	168	NA	0	0
	FR.01.02	228	NA	0	0

Case studies	Code	I.1 Number of hours devoted to individual trainings by the LAG staff	I.2 Labour costs sustained for individual trainings offered by the LAG staff	I.3 Number of hours devoted to collective trainings by the LAG staff	I.4 Labour costs sustained for collective trainings organised by the LAG staff
10	IT.01.01	95	6 060	327	19 466
	IT.01.02	65	4 095	0	0
11	RO.01.01	180	648	NA	NA
	RO.01.02	400	1 440	NA	NA
12	RO.02.01	0	0	24	NA
	RO.02.02	0	0	24	NA
13	PL.01	949	8 148	178	1 532
14	PL.02	455	3 911	86	735
Average		**336**	**16 693**	**560**	**25 760**
SD		**+/- 338**	**+/- 23 160**	**+/- 985**	**+/- 42 498**

NA= Not available

Source: own elaboration based on LAG interviews

Based on these results and considering that not all the LAGs have provided answers to all the items requested, we can evidence that the **number of hours** devoted to **individual trainings by the LAG staff** (LAG.I.1) is on average **336**, with a significant **SD +/- 338. Number of hours devoted to collective trainings** (LAG.I.3) is on average **560** with a significant **SD +/- 985**, in the four main areas of intervention. Of course, the **labour costs sustained for individual training** (LAG.I.2) are on average **16 693 EUR**[164] and **collective training** (LAG.I.3) are **25 760 EUR**, with very diverse values among the LAGs as data on SD evidence, and of course they are strictly connected to the aims of the LDSs, and the way in which the LAGs want to operationalise the same strategies.

The table below shows the values of output indicators.

Table 54 - Output indicators of the selected LAGs

Case studies	Code	O.1 Number of individual trainings = LAG.O.3 Number of persons individually trained	O.2 Number of collective trainings	O.4 Number of persons collectively trained	O.5 Number of persons asking for general information but not trained
1	AT.01.01	250	150	30 000	700
	AT.01.02	200	150	30 000	500
2	DE.01.01	134	5	145	268
	DE.01.02	46	2	50	92
4	DK.02.01	158	0	NA	NA
	DK.02.02	102	23	NA	NA
6	ES.02.01	4	2	4	NA

[164] We use the simpler approach for Purchasing Power Parity (PPP), by considering that the exchange rate already considers the differences in purchasing power of the currencies in different EU countries. This problem emerges because two countries in our sample, Poland and Romania, are not part of the Euro area. Moreover, we use this approach because in the following part of the analysis we will refer to project costs, which by definition refer to multiple typologies of goods and services.

Case studies	Code	O.1 Number of individual trainings = LAG.O.3 Number of persons individually trained	O.2 Number of collective trainings	O.4 Number of persons collectively trained	O.5 Number of persons asking for general information but not trained
	ES.02.02	25	2	16	4
9	FR.01.01	14	0	0	NA
	FR.01.02	19	0	0	NA
10	IT.01.01	315	5	350	665
	IT.01.02	25	0	0	31
11	RO.01.01	6	NA	NA	36
	RO.01.02	16	NA	NA	22
12	RO.02.01	0	1	25	15
	RO.02.02	0	1	20	20
13	PL.01	474	22	111	NA
14	PL.02	228	11	54	NA
Average		**119**	**33**	**6 072**	**214**
SD		**+/- 137**	**+/- 56**	**+/- 12 101**	**+/- 276**

NA= Not available

Source: Own elaboration based on LAG interviews

Results highlight that the **number of individual trainings** provided is **119** on average (LAG.O.1 and LAG.O.3), while the **number of collective trainings** provided (LAG.O.2) is on average **33 with a SD +/- 56**. To these collective trainings, an average number of **6 072** persons have participated (LAG.O.4), with a significant **SD +/- 12 101**. Outside these training events, the **average number of people asking for general information to the LAG** but not participating to individual or collective trainings equals **214 with a SD +/- 276**.

Based on these first elements, we can observe that the effort of the LAG in terms of labour hours is **1.7 times** higher for collective training than for individual trainings (560 compared to 336 hours). **Nevertheless, thanks to collective trainings the LAGs can effectively reach a higher number of potential beneficiaries than with individual trainings.** This makes the organisation more efficient, but of course this does not say anything yet about effectiveness. Effectiveness is analysed later in this section.

Thanks to these activities the different potential beneficiaries acquire relevant information allowing to better structure their project idea into a real project proposal. So, now it is possible to observe results determined by activities of information and training undertaken by the selected LAGs. The table on next page shows the values of result indicators.

Table 55 - Result indicators of the selected LAGs

CS	LAG Code	R.1 Number of applications	R.2 Number of LEADER projects supported	R.3 Average cost of financed projects	R.4 Number of beneficiaries supported	R.5 Number of newly established enterprises	R.6 Number of jobs created	R.7 Population benefitting from new or improved services	Population of the LAG based on ENRD database
1	AT.01.01	24	20	129 050	3 000		200	10 0000	105 000
	AT.01.02	26	22	67 545	2 800		50	100 000	
2	DE.01.01	120	62	169 417	46		38.5	115 720	115 790
	DE.01.02	40	21	138 132	20		1	115 720	
3	DK.01.01	NA	NA		NA	NA	NA	NA	206 419
	DK.01.02	NA	NA		NA	NA	NA	NA	
4	DK.02.01	158	76		76	205	NA	NA	65 000
	DK.02.02	102	40		40	NA	NA	(153 000)[165]	
5	ES.01.01	118	57	91 035	13	3			103 581
	ES.01.02	NA	NA		NA	NA	NA	NA	
6	ES.02.01	4	4	71 068	4		6		116 939
	ES.02.02	29	27	78 629	27	14	40		
7	FI.01.01	NA	57	57 436	57		5.1	(930 570)[166]	80 000
	FI.01.02	NA	16	49 541	16				
8	FI.02.01	NA	38	32 523	38		0.6	(55 481)[167] [7]	28 900
	FI.02.02	NA	14	30 945	14		14	19 098	
9	FR.01.01	NA	14	86 111	10	3	4		33 482
	FR.01.02	NA	19	27 521	8	0	6		
10	IT.01.01	170	97	45 782	97	29	104.7		142 803
	IT.01.02	31	25	113 825	25	0	0	138 171	
11	RO.01.01		16	87 259	13	15	19		
	RO.01.02	10	6	53 333	6	6	8.5		
12	RO.02.01	36	28	53 274	28			68 316	
	RO.02.02	8	5	54 000	5	12			
13	PL.01	NA	25	19 481	25	25	24	NA	NA
	PL.02	NA	12	20 509	17	12	12	NA	NA
Average		**63**	**30**	**70 306**	**278**	**27**	**31**	**83 093**	
SD		+/- 58	+/- 24	+/- 40 451	+/- 828	+/- 57	+/- 51	+/- 38 473	

NA= Not available

Source: own elaboration based on LAG interviews

Results show that, thanks to training activities and information provided by the LAGs, on average **63 applications** have been presented for a specific RDP measure dealing with one of the four main areas of intervention (LAG.R.1), consequently on average **30 applications** have been financed (LAG.R.2). These projects allow to support an average

[165] This value was not considered reliable, observing the total population of the LAG area. The respondent did not provide specifications on how this number has been computed. So, in the average value we have computed the population of the LAG area equals to 65 000.

number of **278 beneficiaries** (LAG.R.4) and determine on average the establishment of **27 new enterprises** (LAG.R.5), the **creation of 31 new jobs** (LAG.R.6), and an average number of **83 093 people benefitting from improved services** (LAG.R.6).

Evaluation results on efficiency

The **efficiency of the LAGs** is based on input-input and input-output ratios, computed based on the previous indicators. The table below presents the results. The ratios proposed are the following:

- I-I.1: Labour cost for one hour of individual training,
- I-I.2: Labour cost for one hour of collective training,
- I-O.1: Labour cost for one beneficiary individually trained,
- I-O.2: Labour cost for one beneficiary collectively trained,
- I-O.3: Labour cost for one collective training organised.

The Labour cost for one hour of individual training (I-I.1) in the 5 cases that have provided information are very divergent. Of course, there are differences due to dissimilar purchasing power parity (PPP). Nevertheless, the differences on nominal values are so relevant that they cannot only be attributed to PPP (comparison of cases in Germany and Austria or in Italy and Spain), so we can say there are LAGs which are much more efficient in performing the individual training of potential beneficiaries. By comparing labour costs on individual and collective training, results highlight different patterns:

- Cases where labour costs are the same or almost the same,
- Cases where labour costs for one hour of individual training are higher,
- Cases where labour costs for one hour of collective training are higher.

[166] This value was not considered reliable, observing the total population of the LAG area. The respondent did not provide specifications on how this number has been computed. So, in the average value we have computed the population of the LAG area equal to 80 000.

[167] This value was not considered reliable, observing the total population of the LAG area. The respondent did not provide specifications on how this number has been computed. So, in the average value we have computed the population of the LAG area equal to 28 900.

Table 56 - Efficiency of selected LAGs

Efficiency ratios		I-I.1	I-I.2	I-O.1	I-O.2	Estimated hourly labour costs in Europe (Eurostat, 2022) [168]
Case studies	Code	Labour cost for one hour of individual training	Labour cost for one hour of collective training	Labour cost for one beneficiary individually trained	Labour cost for one beneficiary collectively trained	
1	AT.01.01	40.0	40.0	160.0	3.3	39.0
	AT.01.02	40.0	40.0	160.0	3.3	
2	DE.01.01	237.2	237.9	568.2	39.4	39.5
	DE.01.02	237.6	245.0	568.3	39.2	
6	ES.02.01	30.0	203.3	60.0	305.0	23.5
	ES.02.02	30.0	203.3	60.0	76.3	
10	IT.01.01	63.8	59.5	19.2	55.6	29.4
	IT.01.02	63.0				
11	RO.01.01	3.6				9.5
	RO.01.02	3.6				
13	PL.01.01	8.6	8.6	17.2	13.7	12.5
	PL.01.02	8.6	8.6	17.2	13.7	
AVERAGE		**63.8**	**172.9**	**116.3**	**61.1**	**25.56**

Source: own elaboration based on LAG interviews

The labour cost that the LAG sustains for the individual and collective training of a beneficiary (I-O.1 and I-O.2) is again very divergent among the case studies, the same comments presented above apply here.

If we compare the labour costs for one hour of individual training (which is computed as average value of the labour costs of the LAG staff per one hour of this specific activity) with the estimated hourly labour costs in Europe (Eurostat, 2022), we observe that in general the average value for LAGs is higher if compared to the average level in Europe. Nevertheless, we observe huge differences among case studies, where Romania and Poland attest better performance. Of course, it is important to remember that the LAG activity requires a high level of professional skills and knowledge and the staff has normally temporary contracts linked to the programming period, so the divergence in the estimated hourly labour costs can be easily understood based on these simple observations. Nevertheless, we take note that in certain countries the LAG staff is paid less than the national average. So, rooms for improvement are present.

Evaluation results on effectiveness

The effectiveness of the LAGs is based on output-output, result-output, and result-result ratios. The table on next page presents the computation of the following ratios:

- R-O.1. Rate of success of who received an individual training,
- R-O.2. Rate of success of who received a collective training,
- R-R.1. Rate of success of who has applied to the call for proposals,
- R-R.2. Average number of beneficiaries supported by a project,

[168] https://ec.europa.eu/eurostat/databrowser/view/lc_lci_lev/default/table?lang=en.

- R-R.3. Number of new enterprises created thanks to a project,
- R-R.4. Number of new jobs created thanks to a project.

For the projects presented in the four main areas of intervention, the rate of success of who received an individual training (R-O.1) equals **59.2 %.** This average value is a measure of concentration of different elements. There are cases attesting a very low rate of success (Austria case), there are cases where the percentage equals 100 % and these are normally the circumstances where a public authority (e.g., a municipality of the LEADER area) presents its project proposal based on the agreement done during the design of the Local Development Strategy. There is also a case of percentage equalling 108 %. This means that the number of people having received an individual training is below the number of people who have actually applied for LEADER funding. ***So, despite the specific feature of each LAG, we can say that the LAGs selected are on average effective in the individual training activity realised based on the rate of success reached. Nevertheless, the LAGs are more efficient in collective trainings, so there is a trade-off between efficiency and effectiveness.*** From the side of the efficiency, LAG should promote collective trainings which are relatively less costly because of the large number of people trained, but on the side of effectiveness, individual trainings are going to enhance the probability to obtain financing.

A different picture appears if results on the Rate of success of who received a collective training (R-O.2) is considered. The average value for the sample of LAGs considered equals **51.2 %** again with very different underpinning values. In the case of Austria, collective training was not effective, while for Spain and Romania the results are on the opposite side. There are also cases of values above 100 %, which are explained with the same reason given above. ***We can conclude that the selected LAGs are, on average, less effective in collective trainings if compared to individual trainings. Again, there is a trade-off between efficiency and effectiveness.***

The rate of success of those who applied to calls for proposals (R-R.1) equals **67.1 %**, ***so the LAG activities were effective, thanks to the training and information provided, to sustain potential beneficiaries to obtain LEADER financing.***

Table 57 - Effectiveness of selected LAGs

Effectiveness ratios		R-O.1 Rate of success of who received an individual training	R-O.2 Rate of success of who received a collective training	R-R.1 Rate of success of who has applied to call for proposals	R-R.2 Average number of beneficiaries supported by a project	R-R.3 Number of new enterprises created thanks to a project	R-R.4 Number of new jobs created thanks to a project
Case studies	Code						
1	AT.01.01	8.0	0.1	83.3	150.0		10.0
	AT.01.02	11.0	0.1	84.6	127.3		2.3
2	DE.01.01	46.3	42.8	51.7	0.7		0.6
	DE.01.02	45.7	42.0	52.5	1.0		
4	DK.02.01	48.1		48.1	1.0	2.7	
	DK.02.02	39.2		39.2	1.0		
5	ES.01.01			48.3	0.2	0.1	
	ES.01.02						
6	ES.02.01	100.0	100.0	100.0	1.0		1.5
	ES.02.02	108.0	168.8	93.1	1.0	0.5	1.5
7	FI.01.01				1.0		0.1
	FI.01.02				1.0		

Effectiveness ratios		R-O.1 Rate of success of who received an individual training	R-O.2 Rate of success of who received a collective training	R-R.1 Rate of success of who has applied to call for proposals	R-R.2 Average number of beneficiaries supported by a project	R-R.3 Number of new enterprises created thanks to a project	R-R.4 Number of new jobs created thanks to a project
Case studies	Code						
8	FI.02.01				1.0		
	FI.02.02				1.0		1.0
9	FR.01.01	100.0			0.7	0.2	0.3
	FR.01.02	100.0			0.4		0.3
10	IT.01.01	30.8	27.7	57.1	1.0	0.3	1.1
	IT.01.02	100.0		80.6	1.0		
11	RO.01.01	100.0			0.8	0.9	1.2
	RO.01.02	100.0		60.0	1.0	1.0	1.4
12	RO.02.01		112.0	77.8	1.0		
	RO.02.02		25.0	62.5	1,0	2.4	
13	PL.01.01	5.3	22.4		1.0	1.1	1.0
	PL.01.02	5.3	22.4		1.4	1.1	1.0
Average		**59.2**	**51.2**	**67.1**	**12.9**	**1.0**	**1.7**

Source: own elaboration based on LAG interviews

The average number of beneficiaries supported by a project (R-R.2) equals 12.9. This would mean that the projects have a multiplier effect not only on the applicants but also on other actors that together with the applicant participated in the initiative as beneficiaries. It must be noted that this high value is essentially due to the values of the ratios for the Austrian case. In the other case studies, **the normal situation is 1 project per 1 beneficiary. So, the multiplier effect on other local actors that could be affected by a project as beneficiaries is not captured here.**

In relation to Number of new enterprises created thanks to a project (R-R.3) and Number of new jobs created thanks to a project (R-R.04), results evidence that a project is on average able to create a new enterprise, but more interestingly, the project is able on average to create 1.8 new jobs. **The results suggest that the project impacts on the local economy in terms of new enterprises but, more importantly, by activating the labour market.**

We can conclude that the LAGs, thanks to the training and information activities realised, have been effective in reaching these results.

Evaluation results on the utilisation of financial resources

The concept of utilisation of financial resources is conceived here in a different way from what proposed by Lopolito et al. (2011)[169] that specify it in terms of *"[…] the capacity of the decision group to manage co-financed project works and is expressed by the proportion of financial means really used"*.

[169] Lopolito, A., Nardone, G., Sisto, R. (2011) Towards a Comprehensive Evaluation of Local Action Groups in LEADER Programmes. New Medit, 1: 43-49.

In this study the concept has been operationalised via two ratios, which are:

- R-R.5. Average cost of a financed project
- R-R.6. Project costs for a person benefitting from new or improved services.

The following table summarises the results.

Table 58 - Utilisation of financial resources in case study LAGs (EUR)

Utilisation of financial resources		R-R.5	R-R.6	
Case studies	Code	Average cost of a financed project	Project costs for a person benefitting from new or improved services	Health expenditure per capita (OECD, 2018)
1	AT.01.01	129 050	5 000	3 945
	AT.01.02	67 545	4 545	
2	DE.01.01	169 417	1 866	4 160
	DE.01.02	138 132	5 510	
4	DK.02.01			3 831
	DK.02.02		1 625	
5	ES.01.01	91 035		2 446
	ES.01.02			
6	ES.02.01	71 068		
	ES.02.02	78 629		
7	FI.01.01	57 436	1 404	3 013
	FI.01.02	49 541		
8	FI.02.01	32 523	761	
	FI.02.02	30 945	1 364	
9	FR.01.01	86 111		3 572
	FR.01.02	27 521		
10	IT.01.01	45 782		2 551
	IT.01.02	113 825	5 527	
11	RO.01.01	87 259	0	983
	RO.01.02	53 333	0	
12	RO.02.01	53 274	2 440	
	RO.02.02	54 000	0	
13	PL.01.01	19 481	0	1 409
	PL.01.02	20 509	0	
AVERAGE		**67 110**	**1 306**	**2 878**

Source: own elaboration based on LAG interviews

The average cost of a financed project (R-R.5) equals 67 110 EUR. Thanks to the activities of the LAG and the effort of applicants, these financial resources have been utilised in local contexts in the four main areas of intervention previously mentioned. This is, however, quite an obvious consideration. What is important for us to observe is how many resources, in terms of project costs, were necessary for a person of the LEADER area to benefit of new or improved services (area of intervention "Rural services of general interest"). The average value of 1 306 EUR is a good indicator of the capacity of the LAG to use EAFRD funding. **Normally, these projects require the activation of a concertation process among local public institutions since the very beginning of the programming**

period and, in this respect, LAGs have relevant mediation or bridging role in activating these dynamics and supporting local actors in the use of the resources deemed necessary to solve problems of access that the market by itself could not easily resolve. Therefore, in using financial resources LAGs are relevant actors also to solve possible market failures.

By observing individual cases, it is possible to note a large difference among case studies, where the Finland cases perform much better compared to the rest of the cases across Europe.[170]

The analysis carried out under JC 3.2 compared the average expenditure per inhabitant benefitting from new or improved services implemented under RDP Measure 7 and under sub-measure 19.2 LEADER. The results of the analysis suggested that LEADER projects are more effective. However, the comparison has limitations in that for sub-measure 19.2 it is not possible to distinguish projects directly related to the indicator, therefore the LEADER/non-LEADER comparability is not robust.

Another benchmark for Project costs for a person benefitting from new or improved services, identified as a possible proxy, is the "Health expenditure per capita" based on OECD (2018).[171] Of course, the comparison refers to two different years and is based on nominal values. We point the attention of the fact, that the average values of the first indicator related to selected case studies equals **1 306 EUR/individual**, while the proxy indicator equals **2 878 EUR/individual**.

4.3.3 Conclusions

At the local strategies selection stage, the results of the analysis show that the selection process tends to promote the strategies that pursue added value such as job creation, community benefits and the promotion of innovative projects favouring also the more concrete ones as highest scores are awarded to the criterion related to the identification of measurable output and result targets in relation to the proposed themes.

The selection process is also able to promote a more marked characterisation of the strategies in the sense of complexity and the search for integration. We found a good presence of LAGs with multi-measure projects and/or specific operations in the RDPs triggering further technical assistance activities to LAGs. Indeed, there is evidence that organised cooperation and learning activities between the MA/PA and LAGs have helped to improve the design of LDS (i.e., logic of intervention) (see EQ2).

The contribute of LEADER to Focus Areas other than 6B estimated through AIR 2021 data is underestimated, since at the level of the RDP, LEADER's contribution is only partially detected and on the other hand, it is the Common Monitoring and Evaluation Framework (CMEF) itself that frames LEADER's contribution within FA 6B.

The analysis confirmed the added value of LEADER approach and the unique features of LEADER added value in terms of better results generally recognised in the literature.

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[170] This choice was also supported by the following quantitative and qualitative data: "*Respondents also rated health and care and education facilities as the most important local services in rural areas. Looking ahead, 59.3 % felt that rural areas would be better off by 2035 than presently, while 21.9 % subscribed to a negative trend*". European Commission, Evaluation Support Study on the Impact of Leader on Balanced Territorial Development. Final Report. Written by CCRI, ADE and OIR, October 2021. https://op.europa.eu/en/publication-detail/-/publication/bd6e4f7c-a5a6-11ec-83e1-01aa75ed71a1/language-en.

[171] OECD/Eurostat/WHO (2017), *A System of Health Accounts 2011: Revised edition*, OECD Publishing, Paris, *https://www.oecd-ilibrary.org/social-issues-migration-health/a-system-of-health-accounts-2011_9789264270985-en*.

Leader projects are more sustainable or cheaper due to knowledge of local conditions

LAGs play a positive role in job creation, albeit small, given the scale of LEADER projects. The jobs created are more sustainable in terms of the financial size of the projects, public expenditure invested per job created and sustainability of the projects themselves.

Indeed, the comparison with projects supported by other RDP Measures shows that projects carried out under the LEADER approach seem to guarantee the same level of sustainability using significantly fewer resources.

The integration of young women into the labour market is not a uniformly recognised contribution but the opinion is more positive in contexts where needs are higher.

LEADER funded projects show better performance thanks to LAG assistance/training.

Results of networking and technical assistance provided by the LAG on performance of local enterprises is very positive. Indeed, LAG's technical team plays an important role in accompanying the beneficiaries, in obtaining funding, encouraging associations, make them collaborate with other entities. This proximity generates trust and allows promoters to feel part of a local area.

The capacity of the LAG to continue the interaction with applicants may be limited by the availability of time, resources of the LAG and also by the governance choices made at the RDP level.

The **input, output and result indicators** proposed in the present evaluation support study and the related analysis of efficiency, effectiveness and utilisation of financial resources confirm that the LAG activities can be analysed via a set of *ad hoc* indicators of efficiency, effectiveness and financial resources based on a specific measurement process of the input, activities, outputs, and results reached by these organisations. In previous evaluation studies the analysis of effectiveness and efficiency was mostly based on respondents' perceptions expressed on Likert-type scales.[172]

Different patterns emerge in this analysis in relation to efficiency and utilisation of financial resources. So, there is not one-fit-all solution. The analysis confirms that the LAG activities were effective in relation to the use of public resources for the provision of basic services, thanks to the training and information provided, i) to sustain potential beneficiaries to obtain LEADER financing; ii) in reaching positive project impacts on the local economy in terms of new enterprises and more importantly, iii) by activating the labour market. LAGs are efficient in using financial resources and are relevant actors also to solve possible market failures. However, there are trade-offs between efficiency and effectiveness.

LAGs promote projects with innovation at the local level.

We found evidence of the innovativeness of projects under LEADER in comparison to non-LEADER projects under RDP, but the variability is high across the case studies. Examples of supported innovative products or innovative arrangements through funded projects, that substantiate the positive opinions expressed, are many but the degree of innovation of the interventions, especially those carried out by public administrations, is limited. The innovativeness of the projects depends also on the propensity to innovate of the project applicants, the extent to which the system permits failure, the strict funding rules that do not always allow for innovation. Hence the importance of enhancing the technical training

[172] European Commission, Evaluation Support Study on the Impact of Leader on Balanced Territorial Development. Final Report. Written by CCRI, ADE and OIR, October 2021.

of the LAG staff on this particular issue, as well as tools to help them promote innovation, which also implies higher costs for LAGs in terms of skills and animation.

LAGs affect the performance of projects compared to non-LEADER projects in the areas concerned when they promote collaboration among local actors through cooperation/collaborative process to reinforce local production and local assets

Assessing in a quantitative way the extent to which the performance of LEADER projects are better compared to non-LEADER projects is difficult due to the demarcation applied for measure implemented by LEADER (e.g., by type of project/investment or by financial size of projects) and/or the lack of correspondence between RDP types of operations and LEADER types of operations/projects Therefore, the judgments provided by MAs, particularly in the 10 selected RDPs, and by LEADER experts appear less clear-cut. when compared to ratings of other LAG performances. Nonetheless, the analysis shows many examples and provides qualitative information on the main projects that produce enhanced results compared to non-LEADER projects substantiating the generally positive LAGs' self-assessment.

Considering the limited scope of LEADER strategies and the projects they support, LEADER has a big influence for small scale enterprises, processing and marketing enterprises and for tourism. Projects related with diversification of farms activities (RDP measure 6.4) and services for rural tourism to increase tourist flow (RDP measure 7.5), as well as projects for improving the access to services and infrastructure, achieve better results compared to RDP measures when the LAG's technical team is effective in promoting the collaboration between local actors and economic sectors, through networks and cooperation/collective processes to reinforce local production and local assets, in this way overcoming the limited scope of the strategies.

In such cases, evidence is reported of more remarkable performance in terms of valorisation of unique territorial assets to contribute to the socio-economic dynamics, strengthening regional competitiveness, integration of the companies supported into the territorial dynamics, increase in turnover, especially in handicraft enterprises, even when the situation was affected by the COVID-19 pandemic.

LEADER projects are capable to improve the access to public services and quality of life. One way to achieve this is by developing interactive community projects based on local needs, where voluntary work is used for the common good and for community-building that involve people experiencing improved quality of life.

In many cases, greater access to public services is related to the ability of LAGs to increase the cooperation between municipalities, the creation of networks between the different agents of the territory that allows an appropriate identification of needs and the consequent implementation of actions with the integration and complementarities of resources and efforts.

The role of LAGs is also important in promoting innovative and pilot ideas and concepts that can be borrowed from other municipalities.

There are good examples in which the many different projects make a LAG area interesting to live in or to visit, also incrementing the job opportunities and where municipalities have really experienced an inflow of inhabitants.

However, the contribution of LEADER to preventing depopulation dynamics usually exceeds its capacity to make an impact as depopulation is influenced by many other factors and actions at national and regional level and LEADER tools and funds are not sufficient *"to battle it alone"*. Anyway, in all case studies, without LAG's action, economic growth and social inclusion would have been much less, based on opinions of all different types of participants to focus groups.

The possibility of carrying out quantitative analysis is limited by the insufficient monitoring data (outputs and results at LAG level) useful for quantifying the added value of LEADER projects and local development strategies overall. The findings of the evaluation support study indeed suggest that in order to strengthen the ability to translate the efforts made by the LAG into tangible and measurable results, and also in order to capture if the organisation works on conditions of good performance allowing to reach better results, **it is of paramount importance to better structure the system of input, output, and result indicators for the LAGs**.

4.4 Assessing the extent to which the additional costs of implementing the LEADER approach are justified by its additional benefits

The assessment of the extent to which the increased costs of implementing the LEADER approach are justified by its additional benefits is based on the relations found between added value features pertaining to the three added value elements as addressed under EQ2 and EQ3 (improved governance, improved social capital, and enhanced results) and the key additional costs identified in the analysis under EQ1.

The overall assessment of cost-benefit relationships is based on both qualitative and quantitative information at the level of case study LAGS /selected RDPs, since only at this level it was possible to obtain adequate information at the required detail. For LEADER added value features and to some extent also for LEADER additional costs, the analysis makes most use of information collected through different tools (interviews with LAG managers, focus groups in case study LAG areas, survey and interviews with LEADER experts in selected RDPs) by way of triangulation and to construct aggregated indicators as further detailed below.

The following table provides an overview of the hypothesised relationships between the added value features (i.e., benefits) generated by the implementation of the LEADER approach and specific additional costs which are expected to be positively related to the analysed benefits.

Table 59 – Features of LEADER added value in relation to LEADER additional costs

Dimension	Unique added value features of LEADER	Cost items at LAG level
Non-tangible benefits of LDS in terms of improved governance	Improved coordination between different levels of governance	- FTE employed by LAGs / M EUR LAG financial allocation M19 (%) - LAG employed personnel dedicated to M&E, communication, and coordination of transnational cooperation (Y/N) - LAG Total 19.4 animation & running costs / LAG financial allocation M19 (%) - Decision making costs for LAG
	Improved quality of interactions between relevant institutions	
	More involvement/participation of the local population in the design and implementation of LDS	
	More involvement/participation of women and young people in the design and implementation of LDS	
	Promoting involvement of new actors in LEADER who would not normally apply for EU funding	
	LEADER brings the EU closer to citizens	
Non-tangible benefits of LDS in terms of improved social capital	Improved relations and social trust within the LAGs	
	Improved relations among local actors in the LEADER areas	
	Improved relations through inter-territorial and transnational cooperation (sub-measure 19.3)	
Enhanced results of LEADE	Promote collaboration among local actors, cooperation or collective process to reinforce local production and local assets	
	Promote projects with innovation at the local level	

Dimension	Unique added value features of LEADER	Cost items at LAG level
	More sustainable or cheaper projects due to knowledge of local conditions (e.g., diversification)	Board members (hours per year) - Total LAG additional costs / LAG financial allocation M19 (cents/EUR or %)
	Better performance of funded projects thanks to LAG assistance/training	
	Valorisation of unique territorial assets to contribute to the socio-economics dynamics thanks to the integrated territorial approach	

Source: Own elaboration

To test our initial hypothesis that "the additional costs of LEADER are justified by additional benefits", we have related each single cost item with each added value element reported in the table above for each case study LAG through correlation analysis.

The following paragraphs provide a more detailed description of the methodology used to offer a quantification of the analysed LEADER added value features and for compiling cost items relevant for assessing whether positive correlations can be found between LEADER additional costs and the generated benefits. The quantification of added value features and of cost items is based on indicators/results obtained in the previous EQ1, EQ2 and EQ3.

Features of LEADER added value

For each case study LAG/selected RDP, each added value feature of LEADER listed in the previous table was allocated a synthetic numerical judgement (i.e., as a score on a scale 1=very low to 5=very high) based on the quantitative and qualitative results of the analysis conducted in EQ2 and EQ3. For each added value feature and for each case study, such synthetic score is calculated as an average score of indicators analysed in EQ2 and EQ3. These are judgements and opinions collected on the same/similar questions asked in LAG interviews, focus groups, RDP survey and interviews with LEADER experts, (usually on the same type of scale)[173]. Where available and relevant, the analysis also uses collected qualitative information to "weigh" the calculated average scores, to obtain more robust value judgements, which also help differentiating across LAGs. The table below summarises the data used.

Table 60 – Linkages between added value features and indicators of EQ2 and EQ3

Unique added value features of LEADER	Indicators of EQ2 and EQ3
Improved coordination between different levels of governance	Judgment MA on: The implementation of LEADER has led to improved coordination between the RDP Managing Authority (MA), the Paying Agency (PA), and LAGs
	Judgement LAG on: The implementation of LEADER has led to improved coordination between the RDP Managing Authority (MA), the Paying Agency (PA), and LAGs
	Number of training events organised
	Total number of people participating in such trainings

[173] E.g., for the added value element "Promote projects with Innovation at the local level" the analysis used answers to LAG interview Q55 "Could you please indicate if and to what extent the following LEADER projects financed by the LAG are more innovative in comparison to similar projects financed under the RDP?"; Q56 "Have you supported innovative products or innovative arrangements through LEADER funded projects?"; the judgments collected in Expert interviews about LAGs Promoting innovation; judgments expressed by selected RDP MA; judgments expressed in the Focus Groups.

Unique added value features of LEADER	Indicators of EQ2 and EQ3
Improved quality of interactions between relevant institutions	Number and types of animation activities undertaken in cooperation with other regional business, social cultural, environmental organisations and public authorities
	LAG linkages with established national and European networks and participation in related organised activities/events
More involvement/participation of the local population in the design and implementation of LDS	Focus group judgements Judgement on LAG's legal/organisational form contribute to i) Inclusive governance. ii) Inclusive partnership composition iii) The possibility for the general population to take part in governance (appointed or elected partners) iv) Mobility in the decision-making group
More involvement / participation of women and young people in the design and implementation of LDS	Inclusive partnership composition
Promoting involvement of new actors in LEADER who would not normally apply for EU funding	Number of projects from actors who have not applied before (for LEADER as well as for non-LEADER measures)
	The number of platforms for change that have been developed/consolidated/sustained
LEADER brings the EU closer to citizens	Judgement on how LEADER brings the EU closer to citizens Focus group judgements
Improved relations and social trust within the LAGs	General indices of change of social capital of the LAG: - Indices of structural social capital of the LAG - Indices of improvement of normative social capital of the LAG
Improved relations among local actors in the LAG areas	General indices of change of social capital in LEADER areas: - Indices of structural social capital of the area - Indices of improvement of social capital in LEADER areas
Improved relations through inter-territorial and transnational cooperation (sub-measure 19.3)	General indices of change of social capital among LEADER areas within and among Member States: Incidence of cooperation projects operationalised via M19 in the selected LAG Network diversity index of interterritorial and transnational cooperation projects in the selected LAGs Capacity of inter-territorial and transnational cooperation projects to create added value for LEADER area
Promote collaboration among local actors, cooperation or collective process to reinforce local production and local assets	Number of cooperation project measure 16 or inter-territorial projects
	Capacity of the organisation to build links between actors thanks to cooperation projects
	Capacity of the organization to build a culture of collaboration and cooperation in the LAG area, so the beneficiaries become more open to collaboration and cooperation
	For LEADER cooperation projects under Measures from 16.3 to 16.9, to what extent has the LAG facilitated the relations among members
	Added value created by inter-territorial projects
More sustainable or cheaper projects due to knowledge of local conditions (e.g., diversification)	Sustainability after the end of support
	Support of the LAG produces more employment at LAG Level
	Extend to the results achieved by the LAG in terms of job created have contributed significantly to the observed employment dynamics in the area
	Average public expenditure/project with added value benefits
Promote projects with innovation at the local level	MA interview (if and to what extent the following LEADER projects financed by the LAG are more innovative in comparison to similar projects financed under the RDP)
	Judgement of MA at RDP level on innovativeness in comparison to similar projects financed under the RDP
	Judgement of LEADER Experts at RDP Level on capacity of LEADER to promote innovation

Unique added value features of LEADER	Indicators of EQ2 and EQ3
	LAG manager interview if and to what extent the following LEADER projects financed by the LAG are more innovative in comparison to similar projects financed under the RDP
	Judgement on participants in FG on Capacity of the organization to promote innovation
	Number of supported innovative products or innovative arrangements through LEADER funded projects
Better performance of funded projects thanks to LAG assistance/training	Projects improved through consulting within the LAG
	Judgement FG on the extent the animation, networking and technical assistance provided by the LAG have improve the performance of local enterprises in the area concerned
	Judgement FG on the capacity of the organization to continue the interaction with applicants of the supported projects
Valorisation of unique territorial assets to contribute to the socio-economics dynamics thanks to the integrated territorial approach	Number of financed projects in which an increase is observed for added value. The margin of local product's producers in the final price of local products sales and new customers; new markets tourist flow / number of visitors, improved access and usability of local services
	Judgement of LAG manager on capacity of LEADER to produce positive changes in i) New enterprises ii) New tourist accommodation and increased tourist flow; iii) More farms with diversified activities; iv) in the socio-economic dynamics; iv) Increased revenues / New revenue sources; v) Enhanced results compared to ordinary RDP measures; vi) Increased leverage
	Judgement Focus Groups: To what extent has the support of LAG contributed to the economic dynamics observed (statistical data on no. new enterprises, no. of local unit, no. of beds for tourism, no. of farm with diversification activities)?

Source: Own elaboration

The correlation analysis uses the synthetic scores obtained for each added value feature for each case study.

However, before presenting the correlation analysis, and in order to provide an overall assessment of the LEADER generated benefits, the indicators above were used to compute an overall average score for each added value feature across all examined case studies, as shown in the table on next page (again expressed on a scale 1=very low to 5=very high). Such average scores provide an overall estimation of the added value generated by LEADER implementation, based on the collected primary data.

It can be seen from the values reported in the next table that judgements tend to be rather positive for most added value features, with lower values found only for "Promote inter-territorial and/or transnational cooperation projects (sub-measure 19.3)" and "Promote projects with innovation at the local level", for which the overall average judgement is neutral (i.e., "neither high nor low").

These average scores across all case studies are further discussed below within the correlation analysis.

Table 61 – Overall estimation of the added value generated by LEADER implementation

Dimension	Added value features of LEADER	Average score
Non-tangible benefits of LDS in terms of improved governance	Improved coordination between different levels of governance	4.04
	Improved quality of interactions between relevant institutions	4.29
	More involvement/participation of the local population in the design and implementation of LDS	4.43
	More involvement/participation of women and young people in the design and implementation of LDS	3.52
	Promoting involvement of new actors in LEADER who would not normally apply for EU funding	4.33
	LEADER brings the EU closer to citizens	4.21
Non-tangible benefits of LDS in terms of improved	Improved relations and social trust within the LAGs	3.55
	Improved relations among local actors in the LAG areas	3.36
	Improved relations through inter-territorial and transnational cooperation (sub-measure 19.3)	2.79
Enhanced results of LEADER projects	Promote collaboration among local actors, cooperation or collective process to reinforce local production and local assets	3.60
	Promote projects with innovation at the local level	3.04
	More sustainable or cheaper projects due to knowledge of local conditions (e.g., diversification)	4.27
	Better performance of funded projects thanks to LAG assistance/training	4.05
	Valorisation of unique territorial assets to contribute to the socio-economic dynamics thanks to the integrated territorial approach	4.22

Source: Own elaboration based on collected case study data

Additional costs of LEADER

As described in EQ1, the additional costs of LEADER are considered necessary to promote an endogenous rural development process, realised by activating and organising local capacities, that without LEADER would be neglected. One of the most crucial elements affecting LEADER specific costs is the decision-making at local level. The bottom-up selection process based on individual LDS is more costly compared to a purely authority-led process (top-down) and LEADER costs are identified based on the tasks assigned to the LAGs as defined in Reg. (EU) No. 1303/2013 art.34(c). Beyond single projects, LEADER funding also includes activities for animation as well as for networking within a region and between regions, which is however partly financed under Technical Assistance in rural development. The analysis carried out under EQ1 shows that running costs (19.4) indeed represent the largest share of LEADER additional (specific) costs.

The table on next page shows the cost items used in the correlation analysis, which are based on indicators and results of EQ1.

Table 62 – Linkages between cost items and indicators of EQ1

Cost items for the correlation analysis	Indicators of EQ1 on which cost items are based
FTE employed by LAGs / M EUR LAG financial allocation M19 (%)	Based on EQ1 indicators 1.1.2b) and 1.1.2c), but expressed in FTE over financial allocation of M19, rather than absolute monetary value
Presence of LAG employed personnel with specific skills as to Monitoring & Evaluation, communication, and coordination of transnational cooperation (based on Y/N answers)	It is not strictly speaking a cost and therefore there is no indicator in EQ1. This information was collected in case study LAGs. We use this item in the correlation analysis to assess whether a relationship (positive) exists between LAG personnel skills and LEADER added value features.
Share of LAG total 19.4 animation & running costs / LAG financial allocation M19 (%)	Based on EQ1 indicators 1.1.2b) and 1.1.2c), expressed as ratio over financial allocation of M19
Decision-making costs for LAG Board members (hours per year)	EQ1 indicator 1.1.2e)
Total LAG additional costs / LAG financial allocation M19 (cents/EUR or %)	Calculated as the sum of EQ1 indicators 1.1.2a), 1.1.2b), 1.1.2c), 1.1.2d) and 1.1.2e), expressed as ratio over financial allocation of M19

Source: Own elaboration

With regard to the last cost item, total additional costs are the sum of all specific costs for LAGs (see EQ1), namely the costs for preparing the LDS (M19.1), LAG's own resources used, running and animation costs (M19.4), costs to provide technical assistance to beneficiaries and for networking, LAG time for decision making - which can also be considered a direct benefit since LAG Board meetings are used not only for decision-making about projects, but also for networking and building social capital).

At LAG level, support is provided in different ways, particularly in terms of organisation of the LAG staff (number of staff and professional figures involved), of resources allocated to animation activities and the effective involvement of members of the board of directors in the activities. There are significant differences in the number of FTEs employed and in the employment of specific professional figures such as, for example, communication experts, monitoring and evaluation managers, transnational project coordinators.

Existing differences emerge quite clearly from the analysed case studies for which the collected data has made it possible to quantify all or most specific costs deriving from the implementation of the strategy as a whole. For instance, only 6 LAGs out of the 13 case studies indicate the use of own financial resources and voluntary work to establish the LAG and prepare the LDS or to implement projects.

There are considerable differences across LAGs in the sub-division between running and animation costs, whereby the resources invested in animation range from a minimum of 1.7 % to a maximum of 61.7 % of total expenditure on M19.4. It should be noted that not all LAGs monitor expenditure on animation activities separately from expenditure on other management tasks. In the correlation analysis we therefore consider the share of total costs for running and animation (19.4) over the total expenditure for M19. In this case too there is considerable variability between LAGs, with a minimum of 6 % and a maximum of 24 % (recalling that the maximum allowed is 25 %).

Correlation analysis

It should first be recalled that correlation analysis allows to assess if two variables move in the same direction across examined observations (in our case the 13 case study LAGs), namely whether an increase in one variable is associated to an increase or to a decrease or to no change in the second variable. Indeed, the correlation coefficient is a statistical measure of the strength of a linear relationship between two variables[174], it does not however provide information on the causal relationship between the two variables.

The table on next page shows correlation coefficients computed between each added value element of LEADER and each considered cost item across case study LAGs. The analysis across all or most case study LAGs was possible for all added value items except "Promote inter-territorial and/or transnational cooperation projects (M19.3)". Only 6 case study LAGs implement this type of cooperation projects and provided the required information. Therefore, the correlation coefficients for this added value element should be interpreted with caution.

The correlation matrix below shows only correlation coefficients >0.15, by which the correlation is positive but rather low in magnitude. For the added value feature "Promoting involvement of new actors in LEADER who would not normally apply for EU funding", all computed coefficients are below 0.15. At the same time the value judgements expressed by LAG managers and other respondents on this added value element are very homogeneous across the case study LAGs and very high (between 4 and 5 on a 5-point scale). This finding can be interpreted as positive in the sense that this particular added value element or benefit is in any case achieved in the examined LAGs notwithstanding higher or lower LAGs additional costs.

[174] Its value ranges from -1 to 1. A correlation coefficient of -1 describes a perfect negative correlation, with values in one series increasing as those in the other decline, and vice versa.

Table 63 – Correlation matrix

Added value features		Cost items				
		LAG personnel (FTE / M EUR)	LAG staff employs M&E / Communication / Transnational coordinator (Y/N)	Total 19.4 animation & running costs / Financial allocation M19 (%)	Decision making costs (Board members: hours per year)	Additional specific costs / Financial allocation M19 (%)
Improved governance	Improved coordination between different levels of governance	0.48	0.20	0.32	0.20	0.30
	Improved quality of interactions between relevant institutions		0.31		0.30	
	More involvement/participation of the local population in the design and implementation of LDS	0.46		0.35	0.29	0.38
	More involvement/participation of women and young people in the design and implementation of LDS	0.54				
	Promoting involvement of new actors in LEADER who would not normally apply for EU funding					
	LEADER brings the EU closer to citizens			0.39		0.21
Improved social capital	Improved relations and social trust within the LAGs				0.41	
	Improved relations among local actors in the LAG areas		0.24		0.37	
	Improved relations through inter-territorial and transnational cooperation (sub-measure 19.3)				0.18	
Enhanced results	Promote collaboration among local actors, cooperation or collective process to reinforce local production and local assets	0.51	0.70	0.40		0.29
	Projects with innovation at the local level	0.16	0.27	0.53		0.61
	Projects more sustainable or cheaper due to knowledge of local conditions (e.g., diversification)	0.32	0.19	0.38		0.49
	Better performance of funded projects thanks to LAG assistance/training		0.44	0.36		0.36
	Valorisation of unique territorial assets to contribute to the socio-economics dynamics thanks to integrated territorial approach			0.41		0.37

<0.15	0.15-0.29	0.30-0.49	>0.50

Source: own elaboration of collected primary data

The main limitation of the present correlation analysis is in its limited scope. The analysis is in fact based on data collected at the level of case study LAGs and cannot be generalised to the whole EU LAG population. Nonetheless, the value of the analysis is in providing an indication of the possible relationships between different types of costs and different added value elements of LEADER.

The results of the correlation analysis overall suggest that **the higher the costs of LEADER or the additional resources assigned to the LAGs, the higher the benefits that are generated.** The performance of the indicators used for the analysed added value features is overall positive.

Some of these benefits are generated by the application of the LEADER method *tout court* (therefore they are less affected by the relative weight of the specific and additional costs incurred by the LAG, in particular those associated to M19.4). We note for example that the capacity of the LAGs to promote involvement of new actors who would not normally

apply for EU funding is valued with a high score, but we did not find any correlation with the considered cost items.

Other benefits are more closely linked to the operational characteristics of the LAG and the relative value of specific costs with respect to the financial resources allocated to the total strategy.

Overall, the value-added elements linked to "enhanced results" appear to be more strongly correlated with the magnitude of the additional costs as well as with the organisational capacity (e.g., LAG personnel dedicated to Monitoring & Evaluation, communication, and coordination of transnational cooperation) and efficiency of the LAG.

This analysis shows that:

- **the implementation of LEADER did lead to the establishment of a well-functioning multi-level governance system** between MAs, PAs and LAGs. It could entail good continuous and fluid communication between MA, PA, and LAGs, where everyone works together, and where training sessions are organised. It also indicates the importance of that a network exists that unite all national/regional LAGs for them to act strongly together also in political matters. In the governance system in place, a wide number of tasks a are charged to the LAGs (EQ2). This implies more work by the LAG staff also due to administrative burden and indeed better performance is positively correlated to the human resources employed (FTE/M EUR financial allocation) for a correlation coefficient equal to 0.48. Personnel costs of the LAGs weigh on the general running and animation costs under M19.4 and here too we find a positive albeit smaller correlation (0.32);
- the **quality of interactions between relevant institutions at different territorial** levels more horizontally (e.g., municipality, province, country, region) are to a large extent valued positively but the analysis shows that **continuity in staff** and **knowledge of each other's competences** (EQ2, 4.2) is important so that applicants can get help and be adequately directed towards other relevant actors. This result appears to be confirmed by the positive correlation of this added value feature with the presence of specific skills in LAG staff for M&E / Communication / Transnational cooperation as well as with the time dedicated by members of the BoD for decision-making;
- considering the i**nvolvement/participation of the local population in the design and implementation of LDS**, the analysis shows that the partnership composition and governance processes created are to a large extent formally open for people to take part in (EQ2, 4.2.2). The performance with respect to this benefit is positively correlated with the size of the LAG staffs, running and animation costs, the share of total additional costs for LAGs and also the costs relating to the time devoted by BoD members for decision-making. The data collected indeed shows that the boards are active with many meetings each year with high attendance rates indicating that the local governance processes are deemed important by the board members;
- the overall capacity of the LAG to promote participation of people in rural development initiatives and to reach the local population beyond what is achieved in nationally administered schemes is shown in the analysis carried out to answer EQ2. Not only LAG activities but also activities within LEADER projects involve the population. A governance added value of the LAG is that of being a mediator between people and regulations by translating national/regional and EU requirements to the citizen level. Even though challenges related to administrative burden exist, actions to overcome challenges and to involve the population are activated, such as working groups and communication activities. In this way the LAGs lower the barriers to

participation in a successful way. It should be emphasized that **one of the elements of added value that is most recognised to the LAGs, is the ability to involve new actors and stimulate operators (in particular, small businesses) to carry out projects and/or ideas for which they would not have taken action in the absence of the LAG**. **In the present analysis this role of the LAG appears however to be independent from the absolute or relative costs of management and animation**. There are in fact no significant correlations with the examined cost items, confirming that this is one of the elements of added value that is generated thanks to the implementation of the bottom-up approach of the LEADER method, even if outreach work is needed to encourage new actors to apply for funding and this work is mainly the task of the LAG manager;

- the role of the LAG in **promoting improved relations and social trust within the LAGs and relations among local actors in LAG areas**, was analysed through network diversity indices and network size, and specific indicators of trust. Considering the extent to which the LAG produced positive changes in terms of improved social capital in local areas, the analysis shows how the level of trust in the LAG is generally very high (see EQ2). However, correlation analysis suggests that LAGs performance is positively correlated with the time dedicated by LAGs in decision-making. Slightly positive correlation is also identified between the capacity of the LAG to create horizontal links towards other actors of the local system and the presence of skilled personnel employed by the LAG (0.24). A positive correlation (0.60) is also observed considering the analogous items judged in the Focus Groups where this information is collected from heterogeneous categories of stakeholders. Decision-making costs appear to be more important (correlation 0.41), indicating that the implementation of LEADER always has a positive impact on social capital of the LAG but also that the margins for improvement (i.e., for the case studies characterised by a low level of generalised trust and low improvement in the trust towards the LAG) can be identified in the decision-making process of the LAGs (and, therefore, in the related costs). As noted in EQ1 these additional costs serve to activate endogenous resources from LAGs and can therefore be seen as investments, as the used time of LAG members contributes to generate positive outputs from networking and mutual learning, thus also contributing to creation or improvement of social capital.

As already mentioned, it is the "enhanced results" achieved by the LAGs that seem to be most influenced by the extent of the costs incurred and this confirms what has already been observed in the recent EC Evaluation Support Study on the Impact of Leader on Balanced Territorial Development[175] in that "*animation and information activities are very specific instruments that LAGs can use to increase their efficiency in achieving results"*.

The positive correlations found are all the more significant, the more differentiated the results for the considered items appear to be across LAG respondents compared to those attributable to governance and social capital.

To assess the extent to which LEADER is effective in **promoting the collaboration among local actors through cooperation or collective processes to reinforce local production and local assets**, we have considered 1) the capacity of the LAG to build a culture of collaboration and cooperation in the LAG area, 2) the capacity of the LAG to build links between actors thanks to cooperation projects and 3) the implementation of

[175] European Commission. Evaluation Support Study on the Impact of Leader on Balanced Territorial Development. Final Report, October 2021 (Written by CCRI, ADE S.A. and OIR).

cooperation projects under measure 16 or inter-territorial cooperation projects (under 19.3) and 4) to what extent has the LAG facilitated the relations among members.

We selected indicators related to the implementation of cooperation projects through Measure 16 (type of "collective" projects i.e., 16.3, 16.4, 16.9), which imply a greater degree of complexity than measures with an "individual" approach. The analysis at RDP level (all and selected RDPs) shows how the activation of M16 via LEADER has been quite limited; at case study level, the analysis of the activities undertaken by the LAGs highlights that the cooperation of local actors (even beyond measure 16) is activated to a greater extent where more technical resources of the LAG staff and specific professional figures dedicated to animation, transnational cooperation coordination and M&E are employed (correlation coefficient equal to 0.70), and where the share of running and animation costs on the total budget of the LAG is higher. This therefore confirms the assumption that "*the complexity of collective projects increase animation and running costs, but internal technical and managerial staff and resources devoted to animation represent the most relevant tools to promote innovative and participatory approaches at local level"* (same EC evaluation support study quoted above). It should be noted that the prerequisite for the activation of these projects is the ability of the LAG to promote networks, new social norms, and social trust elements of added value which, as we have already observed, is recognised in all case study LAGs.

LAGs have helped to establish new cooperative relationships and networks that go beyond actual project support and enhanced results are observable where the LAG is effective in promoting synergies between local actors and economic sectors, so overcoming the limited scope of the strategies. The synergies created allow the endogenous development of the territory and the implementation of complementary projects.

This added value feature is clearly positively correlated with the costs linked to the decision-making process of the LAG (correlation equal to 0.40).

Similarly, the ability to **promote innovation at the local level** appears significantly related to the resources dedicated to animation and management: the higher the quota, the greater results are achieved in terms of innovative projects also in comparison with the usual RDP measures managed through public procedures. It should be noted that the correlation with the additional costs, i.e., with the "extra" activities that the LAGs carry out (individual/collective training; meetings, etc.) to increase capacity building, is significant (correlation coefficient is 0.61). Indeed, this confirms that the variability of results is high across case studies, and it depends on the propensity of local actors to adopt innovations, especially those carried out by public administrations, but also on the extent to which the system permits failure which is often associated with innovation, the strict funding rules that do not always allow for innovation and, last but not least, on the LAGs' ability to 'cultivate it and support it'. It should also be noted that the group has given great importance to communication, looking for this profile among its technicians, which is financed with the help of strategic cooperation (19.3), keeping the different websites and social networks active.

The animation, networking and technical assistance provided by the LAG are very effective in **improving the performance of projects** financed in the area concerned: the role of LEADER working groups is very relevant to improve cooperation and complex multi-measure and integrated projects, and it is noted that within the projects, new projects are then generated (they start as an action of the initial project and grow to become a new project in itself).

This feature is positively correlated with the share of animation and running costs (correlation coefficient is 0.36) and skills of the LAG staff (0.44). Better performances connected to higher costs sustained by the LAGs are also observed on the elements of

added value relating to the **sustainability of the financed projects**[176] and **the performances achieved by the beneficiaries (also reducing the administrative burden faced by the promoters), thanks to the support and technical assistance provided to them**[177]. In fact, these two elements are clearly positively related i) to the human and technical resources made available by the LAGs (correlation coefficient is 0.44 for "better performance of funded projects thanks to LAG assistance/training") and ii) to the necessary outreach work (correlation is 0.49 between total additional LAG costs and projects more sustainable or cheaper due to knowledge of local conditions"). The analysis of the correlations between analogous items discussed in the Focus groups also highlights how the ability of the LAGs to improve the performance of the beneficiaries is reflected in the evaluation of the extent to which the support of the LAGs contributes to the socio-economic dynamics observed in the area (correlation coefficient is 0.61).

It should be noted that generally the operating costs are not enough to maintain the minimum structure of the local action group, especially if communication and training are included: as best practice these costs can be compensated with cooperation that reinforces the structure and with synergies with other entities.

As it may be expected, the type of **LEADER specific costs more strongly positively correlated to the largest number of added value elements are the running and animation costs (19.4), which represent the largest share of LEADER additional costs.**

The analysis permits to conclude that **the larger the share of resources invested in animation and other specific costs, the higher the possibility of creating added value for the LAG area**. The following added value elements are identified in the analysis as the most closely and positively related to the magnitude of the additional costs of LEADER:

- Promote collaboration of local actors through cooperation or collective processes that reinforce local production and local assets.
- Promote projects with innovation at the local level.
- Valorisation of unique territorial assets to contribute to the socio-economic dynamics thanks to the integrated territorial approach.
- Better performance of funded projects thanks to assistance/training provided by the LAG.
- More involvement/participation of the local population in the design and implementation of LDS.

[176] For this element, the use of voluntary work in funded projects was also analysed.

[177] The role of working groups activated under LEADER was also analysed.

5 OVERALL CONCLUSIONS

The objective of the assignment is to **assess the added value of LEADER and the extent to which the increased costs of implementing the LEADER approach are justified by its additional benefits**.

Therefore, the study investigates the extent to which LEADER funded projects generate additional benefits compared to non-LEADER projects, focussing on both LEADER's tangible and intangible benefits and the relationship between such benefits and the specific costs sustained to implement LEADER.

The geographical scope of the analysis is the EU27. The analysis covers the 2014-2022 Rural Development Programming period.

A mixed-method approach is used, which integrates quantitative and qualitative techniques, with analysis conducted at three territorial levels: i) all national and regional RDPs in the EU; ii) a selection of RDPs which are relatively advanced in LEADER execution; iii) case study LAGs identified from the selected RDPs.

The **added value of LEADER is defined as the benefits that are obtained through the proper application of the LEADER method, compared to those benefits, which would have been obtained without applying this method**. Based on the framework proposed by the European Evaluation Helpdesk for Rural Development in the Guidelines for evaluating LEADER/CLLD (2017), the added value of LEADER results from the combination of three elements:

- Improved governance comprises the institutions, processes and mechanisms through which public, economic and civil society stakeholders articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences to manage public affairs at all levels in a collaborative manner.
- Improved social capital, which is understood as a multidimensional concept, including features of social organisations such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit.
- Enhanced results and impacts of projects in terms of increased leverage, more sustainable projects, more innovative projects and new project promoters, as they compare to implementation without the LEADER method.

The evaluation support study provides answers to **three Evaluation Questions** (EQs): EQ1 aims to assess costs and cost drivers of LEADER and to compare LEADER and non-LEADER implementation costs. In addition, the analysis focuses on the possible effects of governance models on administrative burden; EQ2 aims at assessing LEADER benefits in terms of improved governance and social capital at local level; EQ3 aims at assessing the extent to which LEADER projects bring additional benefits in terms of enhanced results compared to analogous non-LEADER projects funded by RDPs.

Subsequently, the results of the analysis under the three EQs are brought together to examine the relationships between generated benefits and LEADER specific costs to answer the overall question "**To what extent the additional costs of implementing the LEADER approach are justified by its additional benefits?**", to satisfy the main objective. The detailed methodology can be found in chapter 4.4, where the features of LEADER added value are analysed in relation to LEADER additional costs (summarised in Table 63) through correlation analysis.

The following sections report the overall conclusions for the evaluation support study.

LEADER COSTS AT RDP AND LAG LEVEL

The costs of LEADER were analysed in EQ1, based on information collected at RDP level and at case study level, as well as on secondary data. General administrative cost data for internal staff and external resources (2015-2021) were collected for M19 LEADER as well as for some non-LEADER RDP measures (i.e., M4, M6, M7, M16) through a survey of RDP Managing Authorities across the EU27. Such costs in relation to committed expenditure over the same 2015-2021 period, expressed as "cent of staff cost for one EUR committed expenditure (AIR 2021)" were compared across RDP measures.

The analysis shows that LEADER performs well in comparison with M6, M7 and M16 and less well if compared to M4. At RDP level, the average administrative cost of M19 (median value) is estimated at 5.5 cents/EUR, which is much lower than the same cost for M6 (12 cents/EUR) and for M16 (13.4 cents/EUR), only slightly higher than for M7 (4.9 cents/EUR) and higher compared to M4 (2.1 cents/EUR).

Lower administrative costs for Measure 4 are probably due to a scale effect given the larger financial size of investment projects compared to other RDP types of operations. LEADER projects are generally small in financial terms and therefore not benefitting from economies of scale, which, in principle, could lead to relatively higher transaction costs. However, **the evidence emerging from the analysis appears to confirm the value of LEADER operating at the local scale**, since M19 LEADER does not necessarily have higher transaction costs compared to other RDP measures such as M6, M7 and M16**.**

According to the estimations, **the additional costs of LEADER can be quantified in 14.8 cents/EUR of committed expenditure, most of which are specific costs borne by LAGs**, including costs for the preparation of the LDS, management and animation costs and costs for decision-making within the LAG. A very small share of additional costs (estimated at 0.3 cents/EUR of committed expenditure) may fall on RDP MAs, in case they activate networking activities and direct support to LAGs.

In terms of specific LEADER costs at LAG level, administrative costs (i.e., running costs funded through M19.4) account for the biggest share of such costs, not surprisingly since these costs cover personnel costs. Nevertheless, it is important to highlight that the largest part of LEADER specific costs are not "dead" costs (in the sense of resources used to cover administrative overheads) but are used to directly support participation and networking for local actors. In this sense, such costs can be seen as an investment of resources to generate added value in terms of improved social capital, creation of networks and civic engagement.

Lower costs in terms of shorter time for project approval are found for LEADER in comparison to other RDP measures (M4, M6, M7, M16). This suggests that the additional support provided by LAG managements to applicants and to the beneficiaries in terms of consulting and giving tailored advice can lead to better quality of proposed LEADER projects and make it easier for PA to check eligibility.

The findings also suggest that LEADER implementation can reduce the time that beneficiaries devote to administrative tasks, thanks to the support provided by LAGs and can increase participation of potential beneficiaries who would not otherwise apply for LEADER funding.

In particular, the resources used to finance animation activities and the use of voluntary work can be interpreted as important investments. These are in fact additional costs of small magnitude (animation costs are estimated as 1.4 cents/EUR of committed expenditure and voluntary work as 0.34 cents/EUR) compared to the benefits they can generate.

GOVERNANCE CHOICES AND ADMINISTRATIVE BURDEN

As previously indicated, personnel employed for LAG management represents one of the main cost drivers, which is however at the same time a main source for the creation of LEADER added value, because LAG management enables animation and networking between actors, as well as providing targeted support to local actors and potential applicants.

Governance choices for implementation of LEADER influence both costs and the administrative burden.

RDP survey results show that in most cases the adopted governance systems provide the LAGs with a considerable degree of autonomy in a number of tasks, namely 'Developing selection procedures and criteria', 'Preparation and publication of calls for projects', 'Receiving and assessing applications', 'Formal approval of projects (eligibility for funding)', 'Assessment of reasonableness of costs', 'Selecting operations and fixing the amount of support', 'Signing contracts (financing agreements) with beneficiaries' and 'Evaluation of the LDS'. Nonetheless, the judgements of LAG managers and LAG members emerging from the case study interviews in relation to the adequacy of administrative procedures for project funding at RDP level are generally not very positive, highlighting that there is scope for further simplification of procedures relating, in particular, to controls and payments.

The analysis shows that the implementation of options to reduce administrative burden could be further developed for LEADER, for example by expanding the use of SCO, which appear to be used for LEADER only to some extent. Again, based on case study findings, there is indication that further simplification could also contribute to increasing the number of potential LEADER applicants.

CREATION OF LEADER ADDED VALUE IN TERMS OF IMPROVED GOVERNANCE

Evaluation Question 2 has examined the extent to which LEADER implementation brings additional benefits in terms of improved governance at local level. The analysis used data from interviews with LAG actors, focus groups and interviews with LEADER experts, supplemented by documentary material and RDP survey data.

LEADER added value in terms of improved coordination between different levels of governance and quality of interactions between relevant institutions

Overall, the implementation of LEADER/CLLD has led to the establishment of an effective multi-level governance system between the MA, the PA and LAGs to facilitate the smooth implementation of LEADER.

The EU White Paper on Governance (CEC, 2001) specifies that 'each governance level should contribute in line with its capabilities to the success of the overall governance'. As previously described, findings at RDP level indicate that a multi-level governance system is in place, with a wide number of tasks being the sole responsibility of LAGs. This means that the possibilities for realising local governance are supported and achieved through LEADER. However, information collected at LAG level suggests that further improvements towards a smoother implementation of LEADER are in demand among some actors. For LAGs to achieve their full potential as agents of transition and development, changes towards decreasing the administrative burden on project applicants are indicated as desirable in some case study LAGs, for example, by simplifying application forms and administrative accounting rules.

The quality of interactions between relevant institutions at different territorial levels (e.g., municipality, province, country, region), that can be seen as local governance relations created more horizontally, is to a large extent valued

positively. Important for this is continuity in LAG staff and knowledge of each other's competences so that applicants can get help and be adequately directed towards other relevant actors. The LAGs have collaborative relationships far beyond the public actors, they work with and create links between other local governance actors such as tourism actors, business actors and many voluntary organisations.

In terms of cost-benefit relationships, **this result appears to be confirmed by the positive correlation of the added value features "improved coordination between different levels of governance" and "improved quality of interactions between relevant institutions" with LEADER specific costs**, and in particular **with the size of LAG staff in relation to the available financial resources, with the presence of specific skills in LAG staff as well as with the time dedicated by members of the Board of Directors for decision-making.**

LEADER added value in terms of more involvement and participation of the local population in the design and implementation of LDS

The governance processes created are overall able to ensure participation. However, it emerges from the examined case studies that young people are not represented, only around 1/3 are women, and almost 70 % of board members belong to the age group 41-60 years old. In this respect, some of the case study LAGs provide indication that age and gender distribution will be more equal over the 2023-2027 period.

As to drivers of inclusiveness, it is clear from the data that some LAG boards consist of appointed organisation representatives and others of elected individuals and that path dependencies and local institutional structures affect the organisational form under which LEADER is implemented. This means that the governance processes that can develop exist in quite different contexts. Depending on the method used to select board members (appointing them or electing them), it is important to consider the positive and less positive aspects of both methods, which can be about, on the one hand, not bringing the board members' underlying organisations into play to a high enough degree or, on the other hand, not being inclusive enough to allow new players to run for and be elected to the board. For example, there are cases where appointed board members mainly represent the interests of their mother organisations, translating in lower participation of individuals or inclusion of other groups in decision-making. This means that in some cases the culture of participating organisations may somehow dominate the LAG's ability to activate participation. In both organisational forms there are observations of possible domination by individual groups, for example, the dominance of agricultural organisations in the appointed model and the dominance of citizen groups meeting on election day in the election model. Some case studies also mention the dominance of the public sector, notably municipalities.

Despite the skewed participation of women and young people in LAG boards, the analysis confirms that **the LAGs activate the population beyond what is achieved through nationally administered schemes**. This also includes the activities involving the population in the supported projects where civic, voluntary, and business engagement is sustained. Communication and the establishment of different types of working groups and networks are very positive examples of how LAGs help to lower the barrier to participation and create knowledge about and between local actors beyond what is possible through nationally administered schemes, factors that are of paramount importance in rural and marginalised areas. The ability of LEADER to bring the EU closer to citizens is also recognised, stemming from case study interviews and focus group discussions. Findings however highlight that not all stakeholders are aware of the contribution of LEADER to the overall policy objectives at European and national/regional level.

There is a general perception that outreach work is necessary to get new applicants to apply for funding for their projects. Despite the increased use of social media/online meetings (also related to the COVID-19 pandemic), face-to-face meetings are considered to play the biggest role in involving the population.

From a cost-benefit perspective, the performance with respect to the added value feature relating to "more involvement/participation of the local population in the design and implementation of LDS" is positively correlated with the size of the LAG staff, with running and animation costs, with the share of total additional costs for LAGs and also with the time devoted by Board of Directors members to decision-making. **This result suggests that higher LEADER costs are justified to ensure wide participation of the local population in the LEADER governance systems.** The data collected indeed show that LAG boards are active with many meetings each year with high attendance rates indicating that the local governance processes are deemed important by board members.

CREATION OF LEADER ADDED VALUE IN TERMS OF IMPROVED SOCIAL CAPITAL

Evaluation Question 2 has examined the extent to which LEADER implementation brings additional benefits in terms of improved social capital. The analysis of social capital is based on indicators of network diversity, including network size, at three levels: LAG, local LEADER area and among LEADER areas.

LEADER added value in terms of improved relations and social trust within the LAGs, in local LEADER areas and among LEADER areas

LAGs are able to activate social capital both within the organisation, their local LEADER areas and among LEADER areas within and among Member States.

The social capital activated within the organisation (i.e., LAG) shows high values for the normative dimension (i.e., trust) if compared to the structural dimension (i.e., network diversity index and size of the network). Indeed, the average value of the index for the normative dimension is 0.76 over 1 across the 13 case studies, compared to an average value of 0.67 over 1 for the structural dimension. Trust is normally considered as the pre-condition of cooperation, and it fosters the organisation to keep this commitment over time. A high proportion of the 112 focus group participants (62.6 %) perceive that their level of trust towards the LAG has improved thanks to the activities undertaken by the LAG and its network during the programming period. This represents a very positive outcome reached by the organisations and it means that there is a firm belief that the examined LAGs are reliable, trustworthy, and able to reach their aims both in the public and private domains. Moreover, by comparing the values for structural and normative dimensions of social capital with counterfactual scenarios of comparable projects (i.e., social innovation projects) and level of generalised trust in the Member States where the LAGs operate, the selected LAGs present a better performance in all the circumstances.

The social capital activated by the LAG in the local territory attests positive value (the general index of change of social capital in LEADER areas is 0.67 over 1), also when compared the counterfactual scenario provided by the EU Social Progress Index[178], used as a proxy because it includes elements of normative social capital. By comparing results, we observe that case study LAGs are substantially aligned with the values of the EU Social

[178] The Social Progress Index (SPI) measures the extent to which countries provide for the social and environmental needs of their citizens. https://ec.europa.eu/regional_policy/information-sources/maps/social-progress_en#:~:text=The%20EU%20regional%20Social%20Progress,Gross%20Domestic%20Product%20(GDP).

Progress Index (average value is 0.69 over 1), attesting average values that are included in the upper part of the distribution, so demonstrating a very good performance.

The social capital activated by the LAG with other LEADER areas within and among Member States is positively evaluated for the case studies that have decided to activate Measure 19.3 Cooperation. All the LAGs - also those who did not activate cooperation projects in the programming period - acknowledge the importance of these initiatives, which constitute the necessary premises for the European exchange of knowledge and best practices on how to promote local development and to enlarge the vision. But, again, the findings point to the necessity to reduce administrative burden and to propose networking events at the EU level needed to support the emergence of new projects. So, further work may be needed to reach an optimum level.

From a cost-benefit perspective, LAGs performance in terms of improving social capital is positively correlated with the time dedicated by LAGs to decision-making to a high extent and with the presence of skilled personnel employed by the LAG to a lesser extent. This allows to identify possible margins for improvement in the decision-making processes of the LAGs and, therefore, in the related costs. Time used for networking by LAG members contributes to generate positive outputs in terms of improved mutual learning, which is the necessary pre-condition for local development to take place and to improve over time. **The mentioned additional costs are used by LAGs to activate endogenous resources in the specific forms of social and human capital and constitute a form of investment allowing to reach higher socio-economic results, also contributing to reduce the divide among urban and rural areas.**

The analysis from the governance perspective confirms the social capital analysis: **the implementation of LEADER improved the linkages towards actors external to the LAGs** (other LAGs, the population, tourism actors, business actors, social actors) thus emphasising the LEADER acronym's meaning of "links between actions for the development of the rural economy".

CREATION OF LEADER ADDED VALUE IN TERMS OF ENHANCED RESULTS

In a first instance, the analysis of the added value element "enhanced results and impacts of programme/strategy implementation" (EQ3) examined the role of the selection process of local development strategies.

The results show that the selection process tends to promote the strategies that best demonstrate pursuance of the objectives for which LEADER is primarily responsible, namely, job creation, delivering community benefits and promoting innovative projects. The selection process is also able to promote a more marked characterisation of the strategies in terms of measure integration (projects entered in partnerships, cross-sectoral projects).

A positive role is also highlighted for the support given by MS to improve the quality of the strategies also in the implementation phase, besides the preparation phase.

Strategy selection criteria and continuous training for LAGs staff as well as for the staff of the Managing Authority responsible for M19 LEADER are therefore important tools for improving the added value of LEADER strategies.

The analysis of the added value element "enhanced results and impacts of programme/strategy implementation" was approached in EQ3 by focussing on its added value features and relative components (indicators). Judgements tend to be rather positive for three of the five added value features analysed for LEADER enhanced results (illustrated

in Table 12), however margins for improvement emerge with respect to the effectiveness of promoting innovation and collaboration among local actors.

LEADER added value in terms of more sustainable or cheaper projects due to knowledge of local conditions

LEADER projects are cheaper compared to similar projects at RDP level, and they are more effective and more sustainable in terms of public expenditure per job created: on average 61 219 EUR at RDP level and 21 124 EUR for LEADER comparable measures contributing to FA 6A.

At the level of selected RDPs and case study LAGs there is a concordance of positive judgements about the capacity of LAGs to increased employment. Moreover, the sustainability of jobs created in terms of persistence after the end of support is very high, but the extent to which LEADER affects the inclusion of women and young people in the labour market is not uniformly recognised. At case study level, this is higher in local contexts where the occupation gap is greater also thanks to the adoption of specific project selection criteria by the LAGs.

The analysis shows that although the number of jobs created is one of the target results of LEADER, LAG monitoring systems are not always structured in such a way to provide these data (also disaggregated by gender and age). **Insufficient data across RDPs and LDS on jobs created thanks to LEADER projects limits the possibility of valorising this important added value element of LDS** and the value of LAG activities, **especially considering that this element is significantly positively correlated with the specific LEADER costs for providing technical assistance to beneficiaries and for networking.**

LEADER added value in terms of better performance of funded projects thanks to LAG assistance and training

LEADER funded projects attain better performance thanks to LAG assistance and training. Animation, networking and technical assistance provided by the LAG improve the performance of local enterprises in the areas concerned. This result appears to be in line to that of the recent "Evaluation support study of the impact of LEADER on balanced territorial development" highlighting that "*animation was crucial to ensure LAG performance and capacity to achieve good results*".

The role of LEADER working groups is very relevant to improve cooperation (projects that have entered into a partnership) and cross-sectoral projects.

In terms of cost-benefit relationship, **a positive correlation emerges between the performance of funded projects and the share of LAGs' animation and running costs and the presence of specific skills within LAG staff**. Indeed, in seven case studies the role of the LAG is very relevant with 80 % to 100 % of projects having improved thanks to the advisory activity of the LAG management.

The effectiveness of the LAGs is recognised also by the participants of focus groups.

Better performance correlated to higher costs sustained by the LAGs is observed in terms of the sustainability of financed projects and the performance achieved by beneficiaries (also reducing the administrative burden they face), thanks to the support and technical assistance the LAGs provide to them.

This seems even more important when considering that LAGs are recognised the ability to involve new actors and stimulate operators (in particular, small businesses) to carry out projects and/or ideas for which they would not have taken action in the absence of LEADER.

The evaluation of the efficiency and effectiveness of the LAGs in supporting beneficiaries developed through input-output analysis confirms that thanks to the training and information provided, LAGs are effective in supporting potential beneficiaries to obtain LEADER financing and in achieving positive project impacts on the local economy in terms of new enterprises and new jobs created.

LEADER added value in terms of promoting projects with innovation at the local level

The level of effectiveness of LEADER to promote projects with innovation at the local level is not homogeneous across case study LAGs. LEADER projects are overall rated as relatively more innovative compared to non-LEADER projects and there is evidence of the innovativeness of projects implemented by LAGs under LEADER in comparison to non-LEADER projects. **However, the analysis highlighted high variability of results across case studies, depending on the propensity of local actors to adopt innovations**, especially those carried out by public administrations, **but also depending on the extent to which the system permits failure**, which is often associated with innovation, and on the strict funding rules that do not always allow for innovation and, last but not least, on the LAGs ability to cultivate and support a culture of innovation.

LAG managers recognise that the priority given to projects with an innovative component faces difficulties in small municipalities to find potential promoters to undertake such projects, therefore the degree of innovation of LEADER interventions is still limited.

From a cost-benefit point of view, **the ability to promote innovation at the local level appears significantly positively correlated to the resources invested in animation and management**. The higher the share of animation and running costs, the greater the results achieved in terms of innovative projects, also in comparison with analogous RDP projects. It should be noted that the correlation with the overall additional costs of LEADER, i.e., including the "extra" activities that the LAGs carry out (individual/collective training, networking, meetings, etc.) is also positive.

Hence, the findings highlight the importance of enhancing the technical training of the LAG staff on this particular issue, as well as developing tools to help them promote innovation, which however also imply higher costs for management and animation.

LEADER added value in terms of promoting collaboration among local actors, cooperation, or collective processes to reinforce local production and local assets

The effectiveness of LAGs to promote collaboration among local actors, cooperation, or collective process to reinforce local production and local assets is highly differentiated across case studies. The findings suggest that the more effective the LAG in this, the higher the performance of the projects and therefore the better the results compared to non-LEADER projects in the areas concerned.

The analysis suggests that projects related with improvement of local products (FA 3A), diversification of farm activities (FA 2A and 6A, e.g., through measure 6.4) and services for rural tourism to increase tourist flow (measure 7.5) as well as projects for improving the access to local services and infrastructures are "the core business of LEADER" and LEADER can achieve better results in comparison with analogous RDP measures because the LAG plays a substantial role in accompanying the beneficiaries as most of the projects supported are individual projects.

Compared to non-LEADER projects, **the territorial effects of projects funded by LEADER are enhanced especially where LAGs are effective in promoting collaboration between local actors and economic sectors**, through networks and

cooperation projects, in this way overcoming the limited budget available for the strategies making the LAG's action more effective in reinforcing local production and local assets. The created synergies allow the endogenous development of the territory and the implementation of complementary projects**.**

Good examples are mentioned at both case study and RDP level: integration of different adventure activities into one tourist attraction have achieved a repositioning of regional tourism thanks also to complementary innovative training for tourism front desk staff; the participation of all LAGs of a Region in an inter-territorial cooperation project that generated for all of them an increase in the added value of local products, in the margin of local producers in the final price of local products, in the sales and new customers and in new markets; the involvement in funded projects of numerous agents of the territory (106) through the establishment of collaboration agreements.

In cost-benefit terms, **it is important to note that cooperation of local actors is activated to a greater extent where more technical resources of the LAG staff and specific professional figures dedicated to animation, cooperation coordination, monitoring and evaluation are employed, and where the share of running and animation costs on the total budget of the LAG is higher.**

LEADER added value in terms of valorisation of territorial assets to contribute to the socio-economic dynamics thanks to the integrated territorial approach

The analysis shows that in all case studies the implementation of the strategy as a whole affects the socio-economic dynamics and produces positive changes and benefits in the area concerned.

LEADER is effective in stimulating the economic sector in local areas by creating new enterprises, tourist infrastructures, by increasing the number of farms with diversified activities and provides an opportunity to support projects and actors which would otherwise be much more difficult to get off the ground.

Despite the fact that LDS and supported projects are only able to operate on a small scale due to limited financial resources, LEADER has a considerable influence for small scale processors and marketers, tourism sector, local community actions, improved services and small infrastructures, and development of livelihoods. LEADER helps to transform micro-enterprises into established businesses and thanks to the capacity to generate trust, it can promote the transition from individual project planning to a collective development process that generates new products, valorises territorial assets and increases turnover.

Focus Group participants' views regarding what the economic development of the area would have been without LEADER, shows that LAGs contribution to the economic development of local areas is visible and positive in all selected case study LAGs. Opinions are also consistent across all levels of analysis (RDPs and case study LAGs). At case study level, the positive effects of LAG's action a (i.e., "without LEADER, development would have been much less") are confirmed both by the ratings expressed by focus group participants and by quantitative output and result data provided by LAGs to substantiate these judgements. In all case studies, the opinion of all the typologies of participants to focus groups, is that without LAG's action, economic growth and social inclusion would have been much less.

By "intercepting" the real needs of local areas, LEADER projects are also effective in improving quality of life, in stimulating the active involvement of the population through voluntary work, in making local areas more pleasant and welcoming to the extent that, in some cases the participating municipalities have really experienced an inflow of inhabitants coming from bigger urban centres.

For projects related to improving services to population, success is linked to the LAG's ability to increase cooperation between municipalities or to create networks between different local actors (public and private), resulting in better identification of needs and more effective integration of resources. Overall, best performances of LAGs in the valorisation of territorial asset and in contribution to the socio-economic dynamics are related with the share of running and animation costs on the total budget of the LAG.

However, the overall small scale of LEADER operating at local level in rural areas means that its contribution to macro-economic developments, such as for example preventing depopulation, usually exceeds its impact possibilities as macro-economic developments are influenced by many other factors and actions at national and regional level.

Finally, it seems worth pointing out that a more effective assessment of the differences between LEADER compared to non-LEADER projects would require to strengthen the ability to translate the efforts and additional costs sustained by LAGs into tangible and measurable results. To capture if these organisations work in good performance conditions allowing to achieve better results, it is of paramount importance to adequately structure the LAGs monitoring system of input, output, and result indicators. The new Performance Monitoring and Evaluation Framework (Implementing Regulation (EU) 2022/1475) has indeed expanded the set of output indicators to be collected by the LAGs, especially those related with governance and social capital. An interesting approach has been proposed in Austria, by which added value indicators should be measured in ex ante, during and ex post and, to make the effects visible at national level, each LAG must use all developed indicators.

6 RECOMMENDATIONS

Based on results and conclusions of the evaluation support study, the following recommendations are suggested:

COSTS, ADMINISTRATIVE BURDEN	Recommendation	Directed to
1) Further reduce the administrative burden for LAGs and LEADER beneficiaries The analysis shows that IT solutions are the most frequently used option to contain the administrative burden (in over 70 % of surveyed RDPs). Standard Cost Options (SCO) are also used, but to a smaller extent (less than 40 % of surveyed RDPs)	Promote further use of IT and digital solutions to reduce the administrative burden for LEADER beneficiaries and for the LAGs	MAs PAs LAGs
	Promote and facilitate wider use of Standard Cost Options for LAGs	MAs PAs
2) **Ensure a minimum scale of LAG's operations** In order to contain the share of LEADER additional costs overall LEADER expenditure which is related to the size of LAG-budget	A minimum budget could be set for LAGs at 3 to 4 M EUR. This would increase the efficiency (effects of scale) without putting pressure to increase the size of LAG areas.	MAs
	Set a minimum of 2 FTE for LAG-management staff capacity, as LAG-management is crucial for the creation of added value.	MAs
GOVERNANCE	**Recommendation**	**Directed to**
3) Further develop linkages towards national and European actors The analysis shows that linkages between LAGs and external actors are overall well developed. There are, however, limitations as to the extent linkages have been created, in particular towards other European actors, which may be relevant for transnational cooperation	Create further linkages between LAGs and national and European actors to promote dissemination of knowledge and innovation across borders	NRN CAP Network
	LAGs could increase their effort in participating to national and European networks that provide essential information on their day-to-day activities	LAGs
	CAP Network and NRN could develop new activities and formats to facilitate LAGs engagement and keep them tuned on the novelties, as well as building LAG capacity to approach cooperation through networking.	NRN CAP Network
4) Consider the organisational form of LAG partnerships The analysis shows that there are some differences between how LAGs are organised and the extent to which they are based on elections, which anyone can stand for, or appointments.	Assess the decision-making board composition and discuss whether organisational form building on an appointment structure, or an election structure is most suitable in the local or national/regional context to include groups like women and young people not well represented today.	LAGs MAs
	Find more flexible ways of contributing to LAG decision-making boards, e.g., advisory groups, working groups.	LAGs MAs
5) Improve communication to bring the EU closer to citizens	Improve communication by developing easy to access and well-disseminated information and capacity building material (Power Points, etc.)	LAGs NRN CAP Network

	that LEADER stakeholders can use in their work to implement local strategies and to show the contribution of the local strategies to the policy objectives at European level (and also at national/regional level). CAP network and NRN could provide support in this respect.	
SOCIAL CAPITAL	**Recommendation**	**Directed to**
6) Foster the improvement of social capital in the LAG The analysis shows that overall LAGs have been effective in enhancing social capital within their organisation. Different interests in the partnerships need to be adequately represented.	Ensure more balanced representation of the different interests in the LAG partnerships for social capital to increase. The quality of relations among members could be improved through organisation of informal events in addition to the formal ones to which LAG members normally participate. CAP network and NRN could provide support on how to operatively monitor the evolution of social capital in LAGs.	LAGs NRN CAP Network
7) Foster the improvement of social capital in the LEADER area The analysis recognises the key role of LAG activities in developing and improving social capital. This role should be maintained and reinforced	LAGs could adopt a more structured approach for the analysis of their contexts by considering actors and interests that are not or only marginally included in their LDS and of the strategies needed to integrate these actors throughout the 2023-2027 programming period.	LAGs
8) Foster the improvement of social capital among LEADER areas The analysis shows that social capital built with inter-territorial and transnational cooperation has been mainly focused on capitalising the relations already developed in previous programming periods. Administrative burden is also recognised in limiting the development of inter-territorial and transnational cooperation.	Continue to promote networking activities across LAGs and LEADER areas in order to further develop cooperation at inter-territorial and transnational level.	LAGs NRN CAP Network
ENHANCED RESULTS AND IMPACTS	**Recommendation**	**Directed to**
9) Further improve the capacity of the LAGs to promote collaboration and links among local actors Analysis shows that performances of LAGs projects are better compared to non-LEADER projects when they promote collaboration among local actors through cooperation and collaborative processes to reinforce local production and local assets	Reinforce the importance given to criteria promoting strategies with projects involving cooperation processes and/or the integration of measures and the involvement of a variety of actors and economic sectors. In the selection process, assess whether technical resources of the LAG staff are adequate and whether there is need of specific professional figures dedicated e.g., to animation and cooperation coordination, etc. (taking however into account the associated higher costs for animation and coordination activities).	MAs LAGs

	Provide technical support to the LAGs both in the preparation and implementation of LDS	
MONITORING AND EVALUATION SYSTEM	**Recommendation**	**Directed to**
10) Further improve the capacity of LAGS to monitor and evaluate the LDS and its added value The findings suggest that to strengthen the ability to translate the efforts made by LAGs into tangible and measurable results, and also in order to capture if LAGs work in conditions of good performance allowing to reach better results, it is of paramount importance to better structure the system of input, output, and result indicators for the LAGs. Moreover, to establish effective monitoring, LAGs need to be specifically trained on the design and collection of adequate monitoring indicators.	MAs could consider setting up a digitalisation process (e.g., through an IT interface) of the LEADER system of indicators foreseen by the Commission Implementing Regulation (EU) 2022/1475 (Annex VII) to ensure and optimise the collection of standardised (homogeneous) data across LAGs. This would help LAGs develop their capacity to collect the needed data and valorise the results of the local strategies, not last the added value of LEADER. In this respect, NRR and the CAP Network could provide specific capacity building support.	MAs LAGs NRN CAP Network
11) Monitoring of LEADER animation costs The analysis shows that the larger the share of LEADER-specific animation and running costs (19.4) over LAG resources, the higher the possibility of generating added value, especially in terms of enhanced results but also in terms of improved governance. Animation costs are hypothesised to have a significant effect in generating LEADER added value, however, as reported in the analysis, LAGs (and MA's) monitoring systems are very often not set up to distinguish animation costs from running costs.	It would be desirable to set up a monitoring system that allows LAGs to adequately record animation costs separately from the general administrative costs needed to manage LEADER (i.e., running costs). This would improve the possibility of carrying out more detailed cost-benefit analysis to assess the added value of LEADER vis-à-vis LEADER additional costs of animation.	MAs LAGs

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