



Evaluation Support Study on the Impact of Leader on Balanced Territorial Development

Final Report



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Final report

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ABSTRACT

LEADER promotes integrated rural Community-Led Local Development with key features of bottom-up and multi-sector approaches, local partnerships and place-based design and delivery, funded through the Common Agricultural Policy (Regulation (EU) No 1305/2013), under a common framework (Regulation (EU) No 1303/2013).

This study evaluated LEADER across the EU in the 2014-2020 programming period. Methods included: literature review; major surveys of local action group (LAG) managers, and Managing Authorities; indicator analysis; and in-depth case studies of 36 LAGs and 14 Rural Development Programmes across 10 Member States.

The study found LEADER was relevant and effective for local rural development, targeting and achieving economic development, strengthening social fabric and capacity and enhancing local governance, with good coherence alongside other policies. Most LAGs promoted social inclusion in a more limited way, and environmental goals via integration within socio-economic projects or awareness-raising. Tackling rural poverty was not a LEADER priority, but positive impacts were identified in a few case studies.

Clear relationships and excellent support from Managing Authorities, also sufficient funds for animation, were crucial to LAG performance. Fuller implementation of LEADER key features positively influenced quality and scope of impacts.

Strengthened network support at EU and national levels is recommended, also further simplification to ensure future obligations and conditions are proportionate, especially in cases of multi-funded CLLD where CAP (EARDF) and other ESI funds combine.

RÉSUMÉ

LEADER promeut le développement local rural intégré mené par les acteurs locaux, basé sur une approche ascendante ("bottom-up") et multisectorielles, des partenariats locaux et une conception et une mise en œuvre locale. Le programme LEADER est financé par la Politique Agricole Commune (Règlement (UE) N° 1305/2013) dans le cadre commun du Règlement (UE) N° 1303/2013.

Cette étude a évalué le programme LEADER de 2014 à 2020 dans l'Union Européenne en utilisant un panel de méthodes : revue de littérature, enquêtes en ligne auprès des coordinateurs des Groupes d'Action Locale (GAL) et des autorités de gestion, l'analyse d'indicateurs et des études de cas approfondies auprès de 36 GAL issus de 14 Programmes de Développement Ruraux dans 10 Etats Membres.

L'étude a démontré que LEADER était pertinent et efficace pour le développement rural local, en ciblant et contribuant au développement économique, en renforçant le tissu social et les capacités locales, et en améliorant la gouvernance locale, avec une bonne cohérence avec les autres politiques. La plupart des GAL ont promu l'inclusion sociale de manière plus limitée, et les enjeux environnementaux en l'intégrant dans des projets socio-économiques ou de sensibilisation. Adresser la pauvreté rurale n'était pas une priorité de LEADER, mais des impacts positifs ont été identifiés dans quelques études de cas.

Des relations claires et un excellent soutien de la part des autorités de gestion, ainsi que des fonds suffisants dédiés à l'animation, ont été déterminants dans la performance des GAL. L'application plus exhaustive des caractéristiques clés de LEADER a également influencé positivement la qualité et la portée de ses impacts.

Un renforcement du soutien au réseau, à l'échelle de l'Union Européenne et nationale, est recommandé. Ainsi que de poursuivre la simplification pour s'assurer que les futures obligations et conditions soient proportionnelles, en particulier dans les cas du Développement Local mené par les Acteurs Locaux (CLLD) multi-fonds où la PAC (FEADER) et d'autres Fonds Européens d'Investissements Structurels (ESI) sont combinés.

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LIST OF ABBREVIATIONS

AAR	Annual Activity Report
AIR	Annual Implementation Report
AWU	Annual Work Units
CAP	Common Agricultural Policy
CLLD	Community-Led Local Development
CMES/CMEF	Common Monitoring and Evaluation System/Framework
CS	Case Study
CSF	Common Support Framework
DG Agri	Directorate-General for Agriculture and Rural Development
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agriculture Guarantee Fund
EC	European Commission
EIP	European Innovation Partnership
EMFF	European Maritime and Fisheries Fund
ENRD	European Network for Rural Development
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structural and Investment Funds
ESQ	Evaluation study question
EU	European Union
FA	Focus Area
JC	Judgment Criteria/Criterion
LAG	Local Action Group
LCDC	Local Community Development Committee (Ireland CS)
LDC	Local Development Company (Ireland CS)
LEADER	Liaison Entre Actions de Développement de l'Économie Rurale
LDS	Local Development Strategy
MA	Managing Authority
MS	Member State
NRN (P)	National Rural Network (Programme)
PA	Paying Agency, or Partnership Agreement governing EU ESIF programmes in the MS
RDP	Rural Development Programme
SICAP	Social Inclusion and Community Activation Programme (Ireland CS)
SME	Small or Medium-sized Enterprise
SP	Strategic Priority of rural development under the CAP
TOR	Terms of Reference (for the study)

GLOSSARY OF TERMS

Balanced territorial development (BTD)	Balanced territorial development involves territorial cohesion, while ensuring balanced and resilient conditions across all EU regions. BTD refers to convergence (a complementary policy objective), aiming to address the development gaps between economically flourishing regions and those falling behind, through targeted policy interventions and investments. Further, it refers to an upward convergence, which is the aim to improve working and living conditions and socio-economic factors in all EU Member States and regions. Upward convergence considers that closing the gap between regions is not enough, and rather, all regions should also experience an upward development trajectory.
Community-led local development (CLLD)	'Community-led local development strategy' means a coherent set of operations the purpose of which is to meet local objectives and needs, and which contributes to achieving the European Union strategy for smart, sustainable and inclusive growth, and which is designed and implemented by a local action group ¹ .
CAP instruments and measures	Includes all possible support from Regulation (EU) No 1305/2013, Regulation (EU) No 1306/2013, Regulation (EU) No 1307/2013, Regulation (EU) No 1308/2013, comprising the Rural Development Regulation (European Agricultural Fund for Rural Development - EAFRD), Regulations on direct payment schemes: basic payment, green payment, Young Farmer (YF) scheme, voluntary coupled support, areas of natural constraint (ANC), redistributive payment, CMO, etc.
CAP Regulations	Includes Regulation (EU) No 1305/2013 (Rural Development Regulation), Regulation (EU) No 1306/2013 (financing, management and monitoring), Regulation (EU) No 1307/2013 (direct payments) and Regulation (EU) No 1308/2013 (CMO).
Coherence	The extent to which complementarity or synergy can be found within an intervention and in relation to other interventions. ²
Cohesion	Overall harmonious development. EU cohesion policy aims to strengthen economic, social and territorial cohesion by reducing disparities in the level of development between regions (Article 174, Treaty on the Functioning of the European Union ³).
EAFRD Regulations	Includes Regulation (EU) No 1305/2013 (programming period 2014-2020) and Regulation (EC) No 1698/2005 (programming period 2007-2013).
Economic capital	In the context of this study, this term refers to the broad concept of economic assets that are present within a rural community – businesses, labour force and finances – that can be mobilised in pursuit of sustainable and balanced territorial development. [The term has a much narrower and more exclusively financial meaning in a conventional business economics context.]
Economic development	Economic development refers to the process of improving the productivity, value-added generation and the human capital of the region.

¹ Article 2 (19) of Regulation (EU) No 1303/2013.

² Technical handbook on monitoring and evaluation framework of CAP 2014-2020, EC/DG Agri, June 2017.

³ http://data.europa.eu/eli/treaty/tfeu_2008/art_174/oj.

Effectiveness	Effectiveness is defined as the extent to which objectives pursued by an intervention are achieved. Its evaluation requires being able to identify, and where possible quantify, changes because of the application of CAP instruments and measures to a particular situation, over a given period and in the context of multiple intervening factors.
Efficiency	Efficiency depicts the relationship between resources employed and the results achieved. This is considered with respect to the relevant objectives delineated in a given region via a planned intervention.
Enhanced employment	Enhanced employment refers to both an increase in the number of jobs available and an increase in the quality of jobs available in a given region. Improvements in terms of the quality, and not just the quantity, of jobs available to rural residents play an important role in fostering BTd, as investigated by Schüh et al (2020).
Environmental capital	In the context of this study, environmental capital refers to the assets of natural and cultural capital, including biodiversity, landscape and heritage features, soil, water and air, the functioning of ecosystems and climate regulation, which provide valuable environmental benefits and services to rural communities and to civil society more broadly.
EU added value	Concerns achievement of results and impacts over and above what could have been achieved with national or regional policies (measures) alone.
EU Regulations	Includes CAP Regulations (from Regulation (EU) No 1305/2013 to Regulation (EU) No 1308/2013) and the European Structural and Investment Funds (ESIF) Regulations.
External coherence	Correspondence between the objectives of an intervention and those of other interventions which interact with it. ⁴
Internal coherence	Correspondence between the different objectives of the same intervention. Internal coherence implies that there is a hierarchy of objectives, with those at the bottom logically contributing towards those above. ⁵
LEADER measures	The sub-measures of Measure 19 which fund a variety of actions.
LEADER approach	The process of bringing together actors from different sectors – public, private and third sector – to devise and implement a Local Development Strategy for a specific territory, following the seven key features of LEADER, also including an integrated approach, the facilitation of innovation, a bottom-up design, and networking and cooperation activities.
LEADER (without further specification)	Encompasses all LEADER sub-measures as well as all LAGs' activities and support within a holistic territorial development instrument, where referred to in general.
Local Action Group (LAG)	Partnership between private, public, and civil sectors, who are responsible for implementing the LEADER approach within a defined rural area, based on a local development strategy (LDS).

⁴ Technical handbook on monitoring and evaluation framework of CAP 2014-2020, EC/DG Agri, June 2017.

⁵ Technical handbook on monitoring and evaluation framework of CAP 2014-2020, EC/DG Agri, June 2017.

LAG activities	Those actions carried out by LAGs as part of their task of running and animating the strategy (i.e. under sub-measure 19.4) including 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).
Local development strategy	The territorial vision, targets and actions for the local area, drawn up as a single document through consultation and discussion between key local sectors and actors including public, commercial and third sector (non-profit) bodies, working together for a shared set of goals.
Poverty reduction	Poverty reduction embraces the goal of EU rural policy to improve the generally disadvantaged economic status of many rural populations vis a vis those in urban areas, so as to bring them more into line with regional, national and EU norms and averages. Poverty in rural areas has been a consistent concern of EU policies for more than 40 years. Relevant actions may target the poorest groups within rural populations, or may work more broadly to address situations of rural economic disadvantage compared to nearby urban conditions.
Relevance	Relevance looks at the relationship between the needs and problems in society and the objectives of the intervention: testing whether the intervention is appropriately focused on needs, problems and opportunities or whether it is ill-conceived, inadequate or otherwise mis-specified (i.e. not relevant).
Rural vitality	In the context of the evaluation, rural vitality refers to the quality of life experienced by residents in rural regions. Specifically, the evaluation considers the state of the natural and cultural heritage of the region and the provision of basic services (such as childcare facilities, medical care, public transportation, libraries, waste disposal, utilities such as water and power supply, broadband connectivity) in the context of the demographic development (e.g. changes in out-migration, age structure) of the region.
Social capital	The networks of relationships among people who live and work in a particular society, enabling that society to function effectively. Together with human capital (the skills and knowledge of individuals), these capitals form the set of social assets that are potentially available for harnessing in the process of sustainable and balanced territorial development, following the bottom-up and community-led LEADER approach.
Social fabric	In this evaluation 'social fabric' is synonymous with social capital as generally expressed in rural development literature and as defined in the glossary to this study. It refers to the connections between people – networks, social organisations, formal and informal, which create a sense of belonging and can foster confidence and pride in place, as well as the ability to take collective action to address challenges. Social capital can be fostered by social innovation – changing the ways in which people interact in order to enhance societal outcomes.

Social inclusion	Promoting social inclusion is a specific term related to activities and funding that help to address the unequal access to resources or quality of life that are experienced by particular groups in society. Commonly this embraces concern to improve the access of women, young people, the elderly and those with disabilities, as well as communities which are relatively isolated due to their geographical remoteness or who suffer as a result of their distinct differences of culture, race, ethnicity or sexual orientation/identity.
Social innovation	Social innovation – in the context of this study refers to new solutions (products, services, models, markets, processes etc.) that simultaneously meet a social need (more effectively than existing solutions) and lead to new or improved capabilities and relationships and better use of assets and resources (TEPSIE, SIC)
Sustainable development	Sustainable development requires that the trajectory of rural development should be achieved within a wider principle of the sustainable deployment of all resources: taking equal account of the needs of future generations alongside those of current society and protecting and enhancing nature and environmental resources. Sustainable development entails covering social, economic and environmental goals, as well as pursuing territorial cohesion and upward convergence (BTD). The current sustainable development goals for the EU are expressed in the Green Deal as: 'where there are no net emissions of greenhouse gases by 2050; economic growth is decoupled from resource use; and no person and no place is left behind'. Sustainable development also aims to protect, conserve and enhance the EU's natural capital, and protect the health and well-being of citizens against environment-related risks and impacts.

1 INTRODUCTION

1.1 Introduction – purpose of this report

This is the final report of the “Evaluation Support Study on the Impact of Leader on Balanced Territorial Development”. The overall aim of this evaluation study is to assess how the LEADER measure and the LEADER approach: Measure 19 within the EAFRD of the Common Agricultural Policy (CAP), in the period 2014-2020; affects the EU’s strategic goal of balanced territorial development (BTD).

The study had four phases, as follows:

1. Structuring (October to early December 2020);
2. Observing (January to March 2021);
3. Analysing (April to June 2021);
4. Judging (July to October 2021).

This deliverable fulfils the specification set out in the study Terms of Reference (TOR), for a final report providing a summary of all the work undertaken for the study, as well as answers to all its 14 Evaluation study questions (ESQs) covering a causal analysis (ESQ 1), and the five themes of effectiveness (ESQs 2-6), efficiency (ESQs 7 and 8), coherence (ESQs 9 and 10) and relevance (ESQs 11-13), as well as EU added-value (ESQ 14). It also provides conclusions and recommendations from the study.

The study concerns an **evaluation study of the impact of LEADER on balanced territorial development**. Measures covered by this evaluation study include relevant measures under the Rural Development Regulation and the Common Provisions Regulation for all ESIF Funds. Links with other structural funds regulations and other CAP instruments were also taken into consideration. The study covers the programme period 1 January 2014 to 2021.

Figure 1.1: LEADER Evaluation Study Questions answered in this report

Causal analysis

1. How has LEADER improved local economies and promoted participation, social innovation and social inclusion and poverty reduction, and to what extent can it be credited with these improvements?

Effectiveness

2. To what extent have LEADER measures, local development strategies and LAG activities effectively addressed needs for local development and in which fields have they been more effective?

3. To what extent have activities under LEADER addressed social inclusion and poverty reduction in rural areas, and been able to involve vulnerable groups?

4. To what extent have the activities carried out by the LAGs or supported under the local development strategies improved local governance, stimulated innovative approaches in addressing local, national and EU challenges and fostered structural changes in the communities?

5. To what extent have LAGs’ activities and support provided under local development strategies leveraged additional resources?

6. What have been the impact of the LEADER approach and its implementation by LAGs on social, economic and environmental capital of local communities and on their socio-economic cohesion?

Efficiency

7. To what extent have the LEADER approach and local development strategies been efficient in fostering local development, promoting social inclusion and poverty reduction and hence in contributing to the general CAP objective of balanced territorial development?

8. To what extent has the current implementation of the LEADER reduced administrative burdens: a) at the level of the beneficiaries; b) at the level of the Member States' administrations and LAGs; c) at the level of the Commission services?

Coherence

9. How coherent are LEADER measures, LAGs' activities and support provided under local development strategies for local development with each other; and with other CAP instruments and measures?

10. How coherent are LEADER measures, LAGs' activities and support with other relevant EU and national/regional policy initiatives?

Relevance

11. To what extent have the LEADER measure and local development strategies been relevant for local economic development, promoting enhanced employment and rural vitality?

12. To what extent have the LEADER approach, local strategies and LAG activities been relevant in fostering the social fabric, promoting social inclusion and poverty reduction?

13. To what extent have the LEADER approach, local development strategies and LAG activities been relevant for promoting sustainable and balanced territorial development?

EU Added-Value

14. To what extent have the LEADER approach and its implementation at national, regional and local levels created European added value?

Source: DG Agri Terms of Reference (TOR), October 2020.

The answers to these evaluation study questions have been made by reference to different sources of evidence. This report presents summary results of consolidated analysis from each main evidence source, prior to answering each of the ESQs, so as to reduce duplication within the ESQ answers, as far as possible.

1.2 Structure of this report

This report has the following structure:

- Chapter 1 gives an introduction and explains the structure of the report;
- Chapter 2 presents the context, structure and methods adopted for the study;
- Chapter 3 presents consolidated results of analysis of the literature review and data analysis – including an online survey of LAGs and online survey of Managing Authorities, as well as a consolidated analysis of relevant EU data and indicators;
- Chapter 4 presents consolidated results of analysis of the case studies of 36 LAGs in 14 contrasting Rural Development Programmes spread across 10 Member States - Austria, Belgium, Germany, Spain, Italy, Ireland, Slovenia, Czechia, Romania and Sweden;
- Chapter 5 presents the answers to the ESQs, in numerical order and by main theme - causal analysis, effectiveness, efficiency, coherence, relevance, EU added value;
- Chapter 6 presents a first draft set of conclusions and recommendations from the evaluation;
- Chapter 7 is the reference list of literature used in the report.

2 Study context, structure and methods

2.1 Describing the study topic

Policy context: Structure and development of the Common Agricultural Policy

Europe's Common Agricultural Policy has sought to ensure a positive and supportive policy framework for farming and, since 2000, to aid the development of rural areas in a sustainable way. Over almost thirty years, beginning in 1992, the CAP has undergone successive reforms which have increased its market orientation for agriculture, while providing ongoing income support and safety net mechanisms for producers, and funding structural and environmental change. The process has improved the integration of environmental requirements, and reinforced support for rural development across the EU. The 2013 CAP reform continued along this path, moving from product to producer support and a more decoupled approach in Pillar 1, and maintaining a broad and complementary suite of measures in Pillar 2 promoting rural development.

While the primary objective of CAP reform has been to respond to the evolving challenges facing the agricultural sector, the CAP also aims to contribute to the **objectives of the Europe 2020 strategy** by fostering smart, sustainable and inclusive growth. Looking ahead, the policy must now rise to the ambitious goals set in the **EU Green Deal and Farm to Fork & Biodiversity Strategies**, with increased emphasis upon tackling the global challenges of climate change and biodiversity decline as well as improving the efficiency of resource use throughout the food chain.

For the current programming period 2014-2020, the CAP defined its three objectives:

1. **viable food production:** to contribute to food security by enhancing the competitiveness of EU agriculture while providing the means to address sectoral challenges arising from market volatility and to enhance the functioning of the food chain;
2. **sustainable management of natural resources and climate action:** to ensure the long-term sustainability and potential of EU agriculture by safeguarding the natural resources on which agricultural production depends; and
3. **balanced territorial development** of rural areas: to contribute to the socio-economic development of rural areas, fostering the conditions for safeguarding structural diversity and enhancing quality of life throughout the EU.

The 2013 CAP reform represented a milestone in the CAP's history by placing the **joint provision of public and private goods** at the core of policy. Through CAP measures and instruments, farmers and other rural actors are rewarded for the services delivered to the wider public, such as landscapes, biodiversity and climate stability as well as being offered funding to strengthen and develop their competitiveness, productivity and efficiency.

The 2013 CAP is based on a holistic approach to policy support through the maintenance of the two-pillar structure in an integrated and complementary way. Both pillars of the CAP aim to meet all three CAP objectives effectively, with better targeted instruments in the first pillar complemented by regionally tailored and largely voluntary measures in the second pillar. The key characteristics of the architecture of EU **rural development policy** (funded by the European Agricultural Fund for Rural Development, EAFRD) remain: as in the past, it is planned and implemented through national or regional **rural development programmes (RDPs)** over a seven-year period, setting out the actions to be undertaken and the corresponding allocation of funding for the measures to be offered within the programmes. At the same time, the instruments and conditions of the CAP's first pillar (funded by the European Agriculture Guarantee Fund, EAGF) have been broadened to enable a more explicit provision for specific goals, such as supporting young farmers and incentivising environmental practices, than was the case in previous funding periods.

The 2013 reform sought to improve the CAP by strengthening its strategic approach. Member States built their RDPs on the basis of at least four of the **six common EU priorities**. Each RDP priority identifies **specific areas of intervention** (focus areas). RDP priorities and focus areas provide the basis for programming and rolling-out of the EAFRD support to EU rural areas.

At the same time, following the Agenda 2000 reform that separated the Structural Funds on the principle of “one fund one programme”, a **common and coherent overall EU policy framework** (Common Strategic Framework – CSF) was established for all European Structural and Investment (ESI) funds, namely the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), and the European Maritime and Fisheries Fund (EMFF) as well as the EAFRD. The CSF is designed to improve coordination between the funds and strengthen the complementarity of their different programmes. To this end, Member States had to prepare Partnership Agreements to be followed by the corresponding programmes, based on common priorities and targets for 2020, as illustrated below.

Figure 2.1: The Common EU policy framework - CSF



Source: European Network for Rural Development (ENRD, 2021).

Brief history of the LEADER initiative and linkages with Community-led local development (CLLD)

Rural development approaches in Europe prior to the early 1990s were typically sectoral: focusing primarily on farmers and aiming to encourage structural change within agriculture; or, conversely, using funding to attract ‘inward investment’ by large corporations into economically lagging territories. They typically used ‘top down’ approaches, with support schemes decided at national or regional level, but these approaches were not always beneficial for local people and quality of life in rural areas. In particular, local stakeholders were not much encouraged to acquire skills to become the architects of the future of their own territories, leaving them vulnerable to unforeseen market and policy changes. An area-based and bottom-up approach, involving local communities and adding value to local resources, gradually came to be seen as a new way

of creating more economically, socially and environmentally sustainable jobs and businesses in rural areas, with knock-on benefits for rural communities and quality of life. After the first experiments with this approach in the Integrated Mediterranean Programmes (IMPs), LEADER began in an experimental way, bringing together projects and aims, stakeholders and resources at local level to pursue integrated rural development. The Community Initiative 'LEADER: Liaison Entre Actions de Développement de l'Économie Rurale' was launched in 1991 aiming to improve the development potential of rural areas by drawing on local initiative, promoting the acquisition of knowledge and skills in local integrated development, and disseminating this to other rural areas.

The acronym "LEADER" means 'Linkages between actions to develop the rural economy', representing **a method of mobilising rural development within local communities, rather than a fixed set of measures**. The idea is to engage the energy and resources of people and organisations as actors in development, rather than passive beneficiaries of policy; empowering them to contribute to the future development of their rural areas by forming **area-based Local Action Group (LAG) partnerships between public, private and civil-society actors**. Local Action Groups are the main tool for application of the LEADER approach to territorial development, directly involving local representatives to design and deliver local strategies, overseeing decision-making and resource allocation.

The LEADER approach is based on the following seven specific features (ENRD, 2021)⁶:

- i. Bottom-up approach, meaning that local actors design the local development strategy and choose the measures to be supported within it;
- ii. Area-based approach - the territory forms the basis for the development of the local partnership and strategy, and programme funding targets the priorities of the area as a whole, not specific projects or groups of projects;
- iii. Public-private partnership - Local Action Groups (LAGs) are balanced groups involving public, private-sector and third sector actors, so as to mobilise all available skills and resources;
- iv. Integrated, multi-sectoral action - combining economic, social, cultural and environmental resources to achieve synergies between them, as distinct from taking a sectoral approach in which only one type of goal is considered;
- v. Networking - bringing those involved together in disseminating and sharing knowledge, their experience, innovations, ideas and information, developing peer support, overcoming isolation and building capacity;
- vi. Innovation - seeking out and fostering new and innovative solutions to local problems or to take advantage of local opportunities;
- vii. Cooperation allows rural areas to address and take advantage of their diversity, introducing new perspectives and insights from other areas, importing and exporting successful approaches and good practices. Co-operation goes further than networking by involving local people and Local Action Groups in working with others to undertake a joint project.

LEADER ensures that rural communities have opportunities to participate in decision-making at a local level through the formation of Local Action Groups (LAGs) and the design and implementation of Local Development Strategies (LDSs). Through the strategies, LAGs determine the needs in a local area and make decisions on what types of funding are best suited to address these needs. This "bottom-up" or community-led local development approach seeks to foster more integrated and coherent local development that involves community and local government organisations in key roles, in a more integrated and coordinated approach to deliver funding (both EU and National) at sub-regional level.

Main evolution of the LEADER approach

LEADER was first introduced as a Community Initiative: a special financial instrument of EU structural policy, aimed at finding new solutions to specific problems affecting the whole

⁶ https://enrd.ec.europa.eu/leader-clld/leader-toolkit/leaderclld-explained_en.

EU. From 1991 to 2006 over three funding periods, LEADER I, LEADER II and LEADER+ were conceived as experimental initiatives to encourage the emergence and testing of new approaches to integrated and sustainable development and to influence, complement or reinforce broader EU rural development policy. Between 1991 and 1993, LEADER was applied in 217 areas in designated 'disadvantaged' rural regions. This focus on disadvantage also applied to LEADER II between 1994 and 1999, although the number of LAGs increased to around one thousand as a wider range of types of rural disadvantage were recognised (under Objectives 1, 2 and especially for rural, Objective 5b of the European Structural Funds combining ERDF, ESF and EAGGF-guidance). The encouraging results of LEADER II led to the approach being expanded under LEADER+ (2000–2006) to cover all types of rural area, with funding allocated from the new EAFRD as the 'second pillar' of the CAP.

During the years 1991 to 2006, Member States and regions operated stand-alone LEADER programmes, with separate financing dedicated for the purpose at EU level. After these three programming periods, LEADER reached a level of maturity enabling the competent authorities of the Member States and Local Action Groups in rural areas to implement it within mainstream rural development programming. The LEADER approach was 'mainstreamed' in the period 2007-2013, as an integral part of the EU's rural development policy, covering 2 416 rural territories across all Member States. It became a mandatory component of RDPs, with a minimum budget allocation (5% in EU-15 and 2.5% in the post-2004 Member States), alongside a range of other rural development instruments and goals. LEADER was a methodological 'fourth axis' in the 2007-2013 programming period, implementing rural development measures from the other three Axes of EAFRD in a specific manner, based on the seven principles of the LEADER approach.

Notably, the Commission also promoted this same delivery method through the Community Initiatives URBAN (supported by ERDF in the period 1994-99 and 2000-2006), EQUAL (an ESF initiative, from 2000-2006) and PESCA (an EFF initiative, 1994-2006).

The LEADER approach from 2014

The success of LEADER in rural areas led other EU Funds to offer the option of mainstreaming the approach in other areas: in the 2007-2013 period (F-fisheries)LAGs were successfully extended to the European Fisheries Fund (from 2014, the European Maritime and Fisheries Fund, EMFF). From 2014 the Community-Led Local Development approach became available in the European Regional Development Fund (ERDF) and the European Social Fund (ESF). However, application of the approach is only mandatory in the EAFRD.

For this wider application from 2014, the term "**Community-Led Local Development**" (CLLD) is used; whereas LEADER, with its clear reference to rural areas continues to be used for CLLD under the EAFRD. The regulations governing the main features of LEADER in the current period are therefore found in the Common Provisions Regulation⁷ governing all European Structural and Investment Funds (Chapter 2, Articles 32-35 on Community-Led Local Development), while the EAFRD⁸ itself contains three additional, specific articles clarifying additional operational features of LAGs; also the LEADER start-up kit sub-measure; and the detailed provisions for LEADER cooperation activities.

Through this new legislative approach, it was made possible for a single Local Development Strategy (LDS) to be supported by several EU Funds (known as multi-funded CLLD). This enabled LAGs (rural, fisheries and urban) to fully explore the potential of the CLLD approach for integrating local needs and solutions. It also allowed LEADER-type actions to be better coordinated with local development support from other EU funds and thus reinforce the links between rural, urban and fisheries areas.

⁷ Regulation (EU) 1303/2013.

⁸ Regulation (EU) 1305/2013 articles 42, 43 and 44 respectively.

The common minimum content for a Local Development Strategy (LDS) under any of the ESI Funds is set out in the Common Provisions Regulation and comprises seven elements:

- A definition of the area and population covered by the strategy.
- An analysis of the development needs and potential of the area, including an analysis of strengths, weaknesses, opportunities and threats.
- A description of the strategy and its objectives, a description of the integrated and innovative character of the strategy and a hierarchy of objectives, including measurable targets for outputs or results. The strategy should be coherent with the relevant programmes of all ESI Funds involved.
- A description of the community involvement process in developing the strategy.
- An action plan demonstrating how objectives are translated into actions.
- A description of the management and monitoring arrangements of the strategy demonstrating the capacity of the Local Action Group to implement the strategy and a description of the specific arrangements for evaluation.
- The financial plan of the strategy giving planned allocation of each of the ESI Funds.

Under the implementing Regulations for the EAFRD⁹, the LEADER Measure and sub-measures are clarified in Annex I part 5, the list of EAFRD measures, as follows:

M19.1 Preparatory support consists of capacity-building, training and networking with a view to preparing and implementing a local development strategy; the preparatory support may include using the LEADER start-up kit supported by the EAFRD. This start-up kit is only available for communities implementing LEADER for the first time.

M19.2 Implementation of operations is at the core of CLLD/LEADER activities. The added value of LEADER operations as compared to standard operations must be clearly indicated.

M19.3 Cooperation activities between LAGs within a MS, between territories within different MS or even with third countries, as a specific aspect of LEADER, with added value.

M19.4 Animation of the CLLD strategy to facilitate exchanges between stakeholders, for providing information, promoting the strategy and supporting potential beneficiaries to develop ideas and prepare applications; also running costs linked to the management of the implementation of the strategy (consisting of operating costs, personnel costs, training costs, costs linked to public relations, financial costs, and costs linked to monitoring and evaluation of the strategy).

The minimum elements that the LEADER measure under RDPs must include are specified in the EAFRD implementing regulations, notably including:

- obligatory community-led local development (hereafter 'CLLD') elements of which LEADER is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of cooperation activities of the local action group (hereafter 'LAG'), running costs and animation;
- description of use of the LEADER start-up-kit as preparatory support, if relevant;
- description of the system for ongoing applications for LEADER cooperation projects;
- the procedure and timetable to select the local development strategies (LDSs);
- justification for the selection of geographical areas for LDS implementation whose population falls outside the limits laid down in the common provisions regulation;
- coordination with the other European Structural and Investment (hereafter 'ESI') Funds as regards CLLD, including options with regard to use of a lead fund option, and any global complementarities between ESI Funds in financing preparatory support;

⁹ Regulation (EU) 808/2013.

- possibility or not of paying advances;
- definition of the tasks of the Managing Authority, the paying agency and the LEADER LAGs, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations;
- procedures to ensure coherence with other investments/project funding under EAFRD.

This gives a broad spectrum of choices to the Managing Authorities in respect of how they decide to operate LEADER, within each RDP and under common ESIF framing conditions.

2.2 Measuring CAP performance

Monitoring and evaluation framework of the CAP

Monitoring and evaluation generates **valuable information** which can be used for different purposes:

- providing a sound analytical basis for future policy design by understanding the effectiveness of measures and interventions and the achievement of the objectives set, thus supporting policy development;
- help in setting policy and programme objectives, which are then used to measure how these objectives are met in the long term; and
- contributing to the accountability of public spending, playing an important role responding to citizens' concerns and queries on the use of taxpayers' money.

As part of the 2014-2020 CAP, a **new monitoring and evaluation framework was established**. It provides administrations, and all those interested in agriculture and rural development, key information on CAP implementation on its results and on its impacts. It quantifies actions in the different Member States, describing their achievements and thus helping to indicate which instruments are most efficient and how well the various CAP objectives have been met. The newly established Common Monitoring & Evaluation System (CMES) provides key information on the performance and policy implementation of the CAP as a whole, covering both pillars. Working with Member States, common impact indicators and more specific results and output indicators have been identified.

The monitoring and evaluation framework for the CAP 2014–2020 is set out by EU Regulations at different levels. The horizontal Regulation¹⁰ establishes a common monitoring and evaluation framework with a view to measuring the performance of the CAP. It covers all instruments related to the monitoring and evaluation of CAP measures and in particular direct payments, market measures and rural development measures.

As part of the monitoring and evaluation framework for the CAP 2014–2020, a set of indicators was defined to support the assessment of CAP performance. A wide range of data sources are used for the overall CAP monitoring and evaluation framework: for example, communications and notifications from Member States, official Eurostat statistics, data collected by the European Environment Agency, World Bank data, etc.

More specifically, for **Pillar II** (rural development), the **monitoring and evaluation system** is defined by:

- the common provisions Regulation¹¹, which defines the common monitoring and evaluation elements for the European Structural and Investment Funds (ESI); *and*,

¹⁰ Regulation (EU) 1306/2013, Article 110.

¹¹ Regulation (EU) 1303/2013.

- the Rural Development Regulation¹², which addresses the specific characteristics of the rural development programmes; also
- the implementing and delegating regulations¹³ for these two Regulations and associated elements (CMEF), which provide more detail on the specifications of the system.

Each RDP now has an Evaluation Plan which ensures from the outset that the necessary elements are in place for the conduct of robust evaluation activities during and after the programming period. The Common Monitoring and Evaluation System (CMES) introduces a consistent set of common indicators and Evaluation Questions, while still leaving considerable room for manoeuvre at Member State level. Programme authorities can tailor the assessment of effectiveness, efficiency, results and impacts to their RDP and introduce programme-specific indicators and Evaluation Questions.

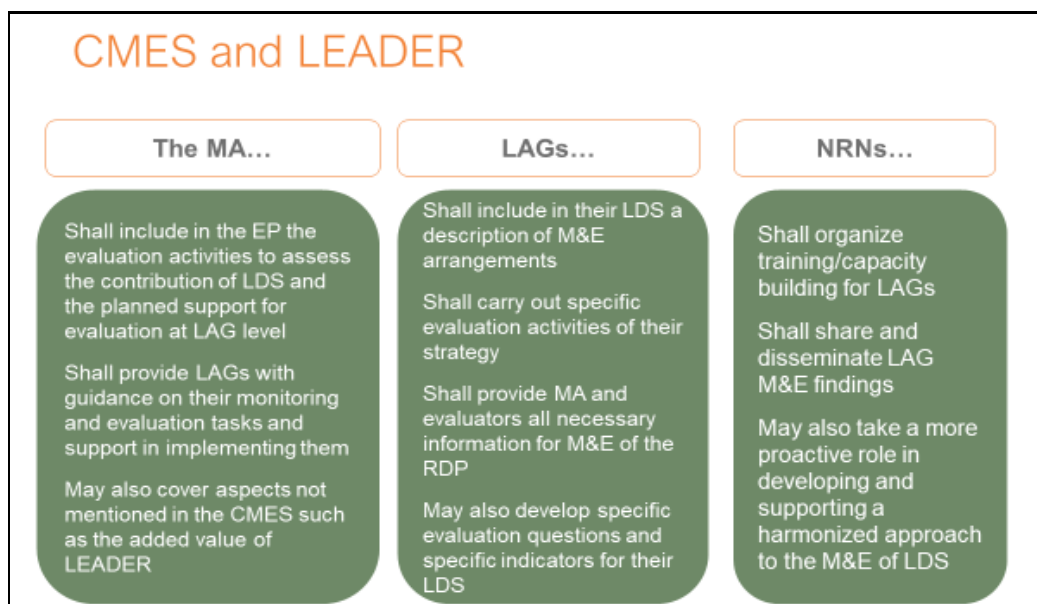
On this basis the Commission has to present annual reports on the performance of the CAP, the first report was due in 2018. Such information will feed ongoing policy assessment and the insights which emerge will be used in DG AGRI Annual Activity Reports (AARs). It is important to mention in that framework that the CAP also works as a **catalyst, delivering results for goals related to other policies**. It finances actions that deliver results for objectives related to the environment, climate action, food safety, health, research and innovation, and energy. The CAP also complements investments under other EU funds (such as regional development, employment and fisheries). For example, large-scale structural investments made for Structural Fund projects are sometimes complemented by rural development support to help nurture rural SMEs.

In addition to the evaluation plan of the RDP, LDSs must also contain a description of specific arrangements for evaluation and LAGs must carry out their own self-evaluation. Further, common LEADER indicators are defined in the CMES. Additional indicators may be defined by the managing authority of the RDP but also by the LAGs themselves.

The EAFRD Regulation further assigns new main tasks to the National Rural Networks: 'to provide training and support for LAGs and, in particular, technical assistance for inter-territorial and transnational cooperation' (art.54 3b (iii)). The NRNs are further supported by Network Support Units (NSUs) to provide support and guidance to LEADER/CLLD stakeholders (LAGs). Figure 2.2 summarises the responsibilities of the main bodies involved in LEADER evaluation.

¹² Regulation (EU) 1305/2013.

¹³ Regulation (EU) 821/2014, Regulation (EU) 2015/207, Regulation (EU) 808/2014 and Regulation (EU) 834/2014.

Figure 2.2: LEADER evaluation framework

Source: European Evaluation Helpdesk Guidance (ENRD, 2018).

2.3 Objectives and scope of this evaluation

This evaluation of LEADER as Measure 19 of the EAFRD 2014-2020 was in line with the relevant evaluation framework assessing the impacts of the CAP on Balanced Territorial Development. The focus for coverage was **Measure 19** - Support for LEADER local development (including CLLD – community-led local development) that contributes to the EAFRD focus area of Pillar II 6B: *Fostering local development in rural areas under strategic priority 6: social inclusion, poverty reduction and economic development in rural areas*, contributing to the *general objective of balanced territorial development*. Priority 6 is one of the rural development priorities, which contribute to the general CAP objectives.

Although LEADER promotes the local development of rural areas and contributes directly to focus area 6B, it also contributes to other EU priorities and focus areas in the RDP, through the “implementation of operations under the local development strategy” sub-measure, as well as acting, where relevant, as promoter or facilitator for other RDP measures (notably, measure 7 for basic services and village renewal)¹⁴.

The context within which LEADER is established in the EAFRD has to be consistent with and complementary to the strategic options for CLLD presented in the Partnership Agreement (PA), covering all EU Structural and Investment Funds (ESIF). On the basis of the Thematic Objectives and Union priorities highlighted in the PA for CLLD under EAFRD, the RDP has to specify the related focus areas to which LEADER could potentially contribute in addition to area 6b (under which LEADER is automatically programmed). The LDSs have to contribute to the focus areas identified for the implementation of LEADER.

Terms of Reference for this evaluation study

The study concerned an **evaluation of the impact of LEADER on balanced territorial development**, undertaken over twelve months from October 2020. The measures covered by this evaluation include the relevant LEADER measure and provisions under EAFRD and the ESIF Common Framework regulation. Links with other structural fund regulations and other CAP instruments were also taken into consideration. This evaluation study covers the programme period from 1 January 2014 to late 2021.

¹⁴ interpretation based upon information provided to the research team in previous studies and investigations, notably EP IP/B/AGRI/IC/2015-74, Dwyer et al, 2016: now additionally clarified via this study.

The evaluation starts with a **theory-based analysis** of the LEADER instrument to strengthen local social cohesion and cooperation, with particular focus on the participatory approach. An **intervention logic** demonstrating the relevant linkages between LEADER and other relevant measures and the objectives of local development is presented, which also situates the LEADER approach in the overall design of the CAP and its goals.

The study was thereafter focused upon providing robust answers to a set of **14 Evaluation Study Questions** (ESQs – see Figure 1.1), covering various aspects of LEADER performance. These are grouped under the five main themes of: effectiveness, efficiency, coherence, relevance and EU added-value. An initial question covers causal analysis.

2.4 Intervention logic and overview of study approach

Intervention logic for LEADER's contribution to Balanced Territorial Development

The EAFRD Measure 19, LEADER, comprises a methodological approach including:

- a Local Development Strategy (LDS) for a specific territory;
- a territorial delivery mechanism via which a series of funded actions are pursued under Measure 19 of the Rural Development Programmes, which can be combined with support from other ESIF (directly under the Community-Led Local Development delivery mechanism or in the form of dedicated calls for individual projects), and national funds); and
- a process which, when followed through the operation of LAGs, can itself lead to impacts and outcomes consistent with EU policy objectives, such as building social capital and capacity to act, and strengthening local governance.

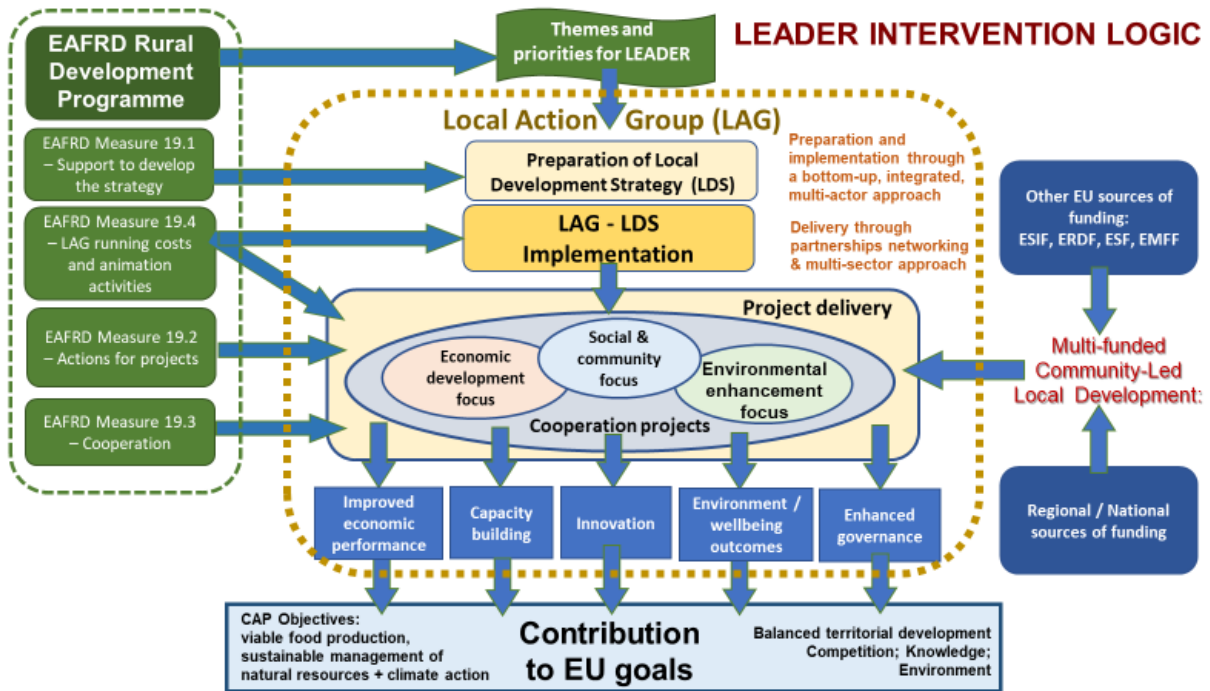
Thus, the intervention logic for LEADER embraces all those potential links between **CAP funding**¹⁵ and impacts relevant to Balanced Territorial Development, of these elements. The relevant goals of Balanced Territorial Development can be summarised from the study Terms of Reference and Evaluation Study Questions, in the following list:

1. promoting enhanced economic performance by LAG funding and actions in lagging territories to encourage convergence with better-performing territories (e.g. in jobs, growth and household incomes);
2. promoting better environmental and social outcomes in territories where LAGs are active, in ways which enhance quality of life for local citizens and visitors;
3. promoting strengthened local governance and capacity to act, among local stakeholders in the affected territories;
4. targeting rural poverty and social exclusion within LAG territories;
5. reversing rural depopulation and demographic decline, in rural territories.

Figure 2.3 offers a general intervention logic for LEADER within the CAP, based on this rationale. Importantly, the logic aims to reflect not only the funded actions of LAGs but also design features at the level of Managing Authorities which influence LEADER impacts, and main elements of the LEADER approach, including preparation of the LDS, animation and co-operation activities, and self-evaluation. Figure 2.4 offers a more specific intervention logic for the seven features of the LEADER approach, linked to CAP goals.

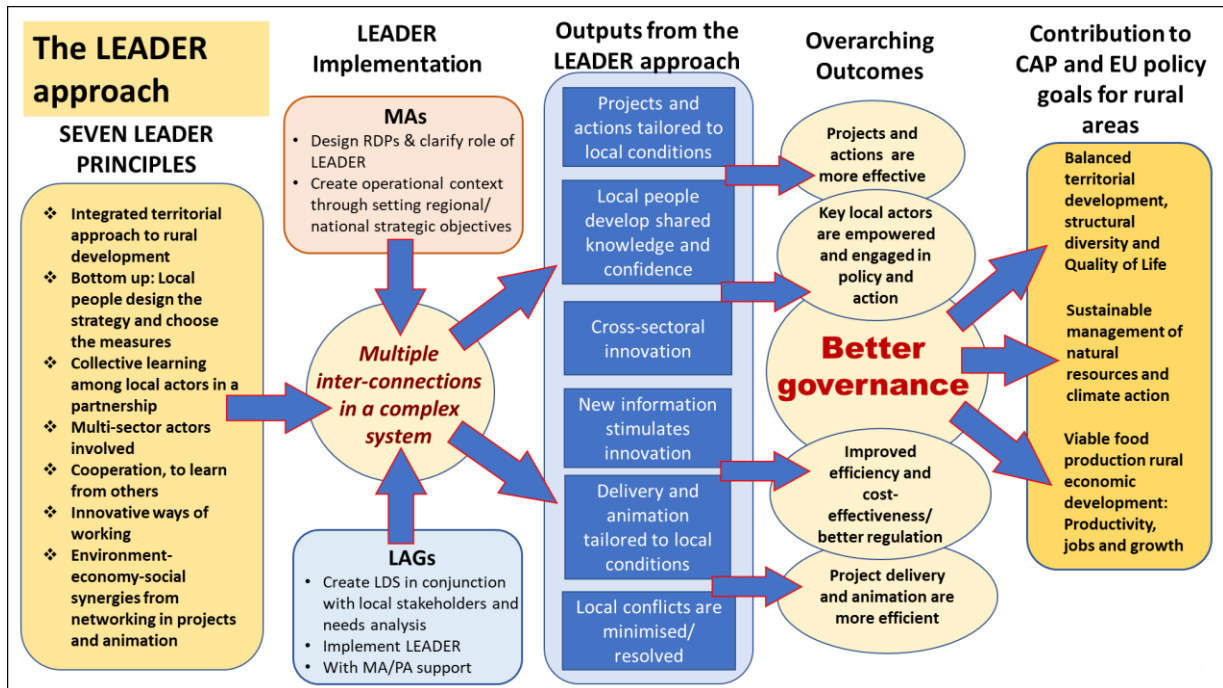
¹⁵ Whilst the focus of the evaluation is specifically on the CAP, it is difficult to dissociate impacts of projects funded under LAG strategies or LAG activities supported through integrated CAP and non-CAP sources. The study will highlight the integrated character of funding in these situations and assess its consequence for attributing impacts to different policies. Funds other than CAP will also be assessed under Coherence ESQs which examine the CLLD multi-fund approach, specifically.

Figure 2.3: Intervention Logic for LEADER



Source: Study team, 2021

Figure 2.4: Intervention Logic for the LEADER approach



Source: Study team, 2021

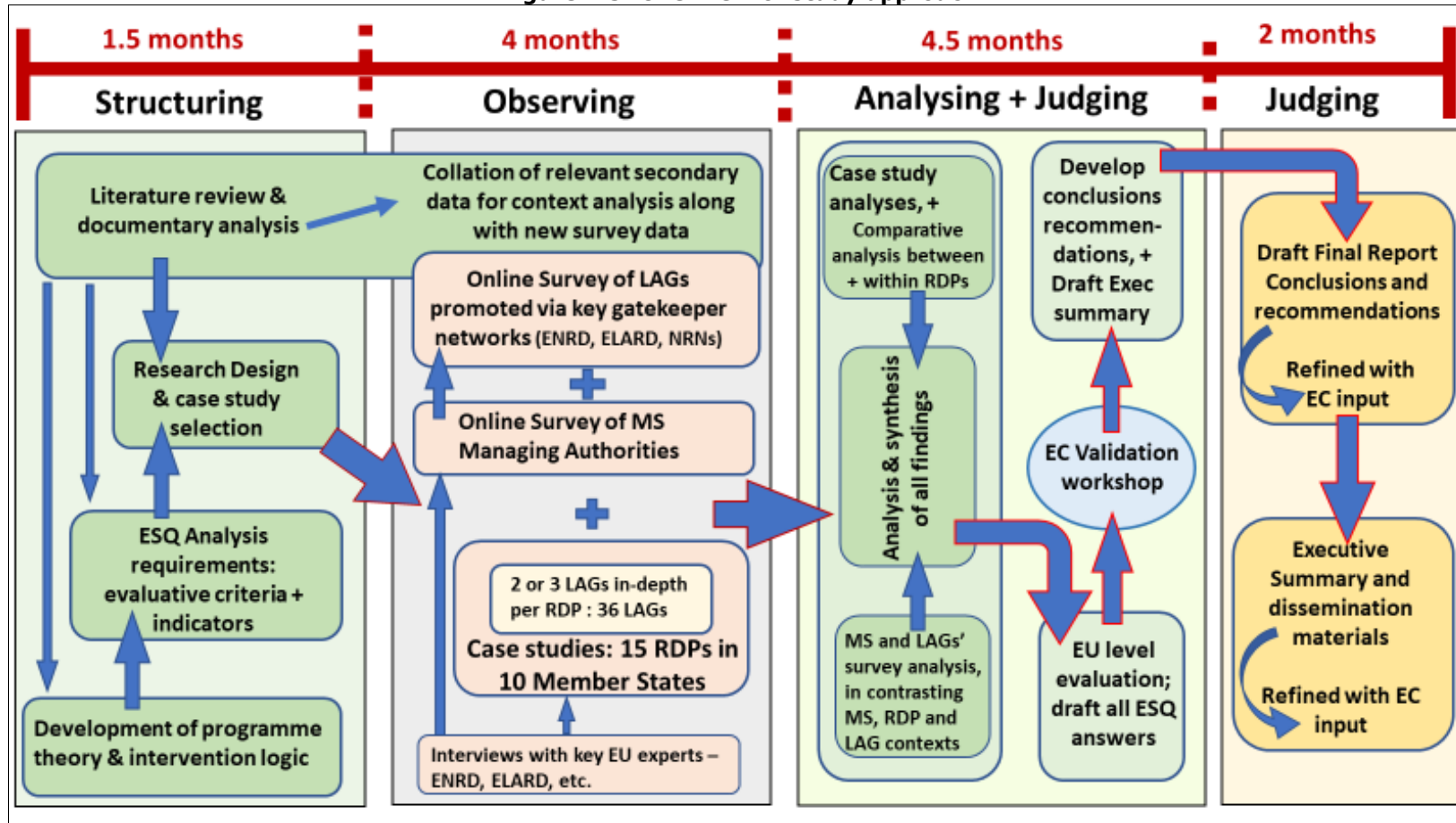
Overview of study approach

Considering the Terms of Reference and intervention logics, this evaluation of LEADER within the CAP requires thorough understanding of RDP design features and the choices underlying these, also individual LAG characteristics, LAG operations, outputs and emerging impacts, and LAG partners’ and beneficiaries’ experiences. This requires both

EU information gathering and analysis, and more in-depth investigation to understand practices and their impacts upon beneficiaries and partners, in a selection of cases.

Figure 2.5 gives a brief overview of the main components of the study approach, which provides context for the summary of main findings in Chapters 3 and 4, and answers to the Evaluation Study Questions in Chapter 5 of this report. The evaluation followed the common stages of structuring, observing, analysing and judging, over the 12-month period.

Figure 2.5: Overview of study approach



Source: Study team, 2021

The evaluation study drew evidence from a range of different activities, as follows.

EU information-gathering, analysis and validation:

- Literature review and documentary analysis – covering scientific research literature, EU documents, European Parliament, ECOSOC and ComRegio reports, European Court of Auditors reports (e.g. ECA, 2010), previous recent CAP evaluation studies, Guidance documents, evaluations of related EU policies: cohesion and other ESIF funds (ERDF, ESF, EMMF), evaluations of LEADER under previous programming periods (Ex-post evaluation of LEADER+ 2010, etc.; all in Chapter 3, section 3.1 of this report);
- An EU-wide online survey of all Managing Authorities gathering relevant quantitative and qualitative data (section 3.2);
- An EU-wide survey of all LAGs gathering quantitative and qualitative data (section 3.2);
- EU examination and analysis of secondary data sources - relevant CAP expenditures and indicators for the 2014-2020 period; also analysis of the relevant Regulations and guidance governing LEADER (section 3.3);
- EU level interviews with selected experts (ENRD, ELARD, LEADER evaluation experts, independent LEADER experts – integrated into ESQ answers, Chapter 5);
- EC validation workshop with Commission Steering Group and additional relevant DG Agri officials (e.g. desk officers for other member states, etc.), in the judging stage of the study, when starting to identify conclusions and recommendations (Chapter 6).

Case studies (CS) of 14 selected RDPs and a total of 36 LAGs within them, drawn from contrasting situations across 10 Member States (Figure 2.6). Each includes:

- detailed analysis of RDP texts and financial tables, and RDP Annual Implementation Reports (AIRs), and a selection of 2-3 LEADER LAGs per RDP territory;
- Brief SWOT analysis of selected LAGs' Local Development Strategies 2014-2020;
- Examination of related 2007-2013 RDP ex-post evaluations, 2007-13 LEADER or individual LAG (self-) evaluations, and other relevant documents produced by the selected LAGs/MAs in the current period, 2014-, including mid-term evaluations of LEADER/CLLD where available;
- interviews with selected LAG personnel, and LEADER beneficiaries;
- interviews with local, regional/national stakeholders (including MA, NRN, NSU, LAG network representatives, policy, representative organisations);
- CS expert teams' analysis and answers to the 14 ESQs for their case study;
- validation webinars to feedback interim findings to key stakeholders and use these to strengthen the evidence base.

Case study findings are summarised in section 4 of this report and full texts are annexed.

Taken together, these elements provide a considerable range of different, but relevant evidence to assist in answering the 14 Evaluation Study Questions posed in the Terms of Reference. The mix includes both quantitative and qualitative information and data, and enables a variety of analytical approaches to help interrogate patterns, causalities and contextual influences which affect LEADER's contribution to the goals of Balanced Territorial Development, across the EU.

Figure 2.6: Map showing LEADER evaluation study Case Study LAGs



Source: Study Team, 2021

3 Consolidated results - Literature review and data analyses

3.1 Literature Review

3.1.1 Purpose and method

The literature review had four main aims:

- I. Collect information on the state of local development in rural areas in the EU;
- II. Collect and provide detailed information on the implementation of LEADER;
- III. Analyse the impacts of LEADER on local development of EU rural areas as reported by completed and ongoing analyses and evaluations;
- IV. Investigate the causal mechanisms of LEADER interventions and impacts.

The scope of analysis was EU-wide and included documents from EU, national, and regional level in both scientific and technical sources such as evaluations and impact assessments since 2010. The process involved three stages:

1. A list of relevant sources (covering academic and grey literature, and key online knowledge providers) was agreed, with a literature review grid to guide the analysis, structured according to the information needs of individual ESQs.
2. Relevant literature published between 2010 and 2021 was selected from abstracts and web-engines using relevant keyword searches (e.g. "LEADER", "rural development", "evaluation", "2014-2020", "impact", "social inclusion" etc.) or direct sourced from known online policy sources, and reviewed via the structured grid.
3. The grids were aggregated into a database and findings were assessed in terms of their overall relevance to the ESQs. Results were then summarised.

The following sources and databases were searched:

- European Commission's evaluation database,
- Document repositories of other key EU institutions (in particular the Parliament),
- National and regional RDP authorities' documentation libraries in case study MS,
- Online academic libraries and journals - a series of search engines and databases screened potential sources. These included Google Scholar, EconLit database, JSTOR, IDEAS and ScienceDirect Journal databases,
- Reports and briefings provided by the European Network and Evaluation Network for Rural Development (ENRD and EENRD), and publications available on the European LEADER Association for Rural Development (ELARD)'s website.

Findings are organised around the main themes of evaluation.

3.1.2 Causal analysis

Key features of the LEADER approach are highlighted in the literature as very important in explaining its impacts. European Court of Auditors (2010) highlighted the importance of LEADER in contributing to balanced territorial development due to the inclusion of local actors in implementing mechanisms. The benefit was highlighted in Czechia (Konečný et al. 2020) where local actors' knowledge of local context was a benefit to targeting and addressing challenges via innovative approaches and cooperation.

The LEADER approach in Estonia improved the uptake of LEADER features among LAGs between 2007-2013 and 2014-2020 (Mötte et al, 2017). The authors found that LEADER played a significant role in the development of rural life. Key factors in the success were an integrated and multisectoral approach, development of a common vision, and increased cooperation between representatives from different areas.

LEADER's bottom-up approach can be conducive to effecting social change via new social movements. Vilkė and Sarkutė (2019) found that LEADER funding stimulated bottom-up

organization of communities and cooperation in Lithuania during the 2014-2020 period. However, the authors identified that while such local initiatives can be supported via funding, accessibility of resources is not necessarily sufficient for new social movements to emerge - funding must be coupled with the motivation and skills of actors to utilise it.

Servillo (2019) highlights the importance of regional and national governance frameworks in implementation of LEADER. The author notes that the LAG implementing its LDS relies on an inclusive societal process. Without this, funding can be captured by local elites. In multi-fund CLLD, several issues are important: the supported policy narratives, the organisation of dialogue between policy communities, the selection methods of LAGs and their administrative processes, and the territorial focus related to funding from ESIF.

Bosworth et al (2020) identified the LEADER implementing mechanism of empowering local groups as particularly conducive to fostering social innovation. Social innovation requires local action and empowerment, and opening local networks to connections to outside of the area (Secco et al. 2016), emphasising the values of these within LEADER.

The suitability of LEADER for fostering social inclusion and increasing local employment was highlighted in a study for the European Parliament (EPRS, 2017). This identified the role played by a LAG in Finland 2011-2015, which responded to demographic changes such as ageing and revitalised the local economy through labour market integration of migrants in cooperation with municipal stakeholders and volunteers. Similar approaches to integrating migrants and refugees into communities and labour markets were successfully employed by LAGs in Germany and Austria. In Aragon, Spain, LEADER supported women entrepreneurs have carried out 110 initiatives improving the competitiveness of SMEs and opening new businesses (Palomar and Hernández, 2019).

Lukesch et al (2020) highlighted the value of LEADER in fostering social innovation, particularly through bottom-up processes in the fields of education and labour market policies, as evidenced in a LAG project that sought to integrate young refugees into the labour market via apprenticeship schemes in Austria.

The ability of LEADER to address structural deficits e.g. improving basic service provision was emphasised by Kleinert (2018) in a study of rural areas around Perth, Scotland. This LEADER project addressed improved services to enable groups e.g. young and older people, to access services in Perth.

The value of the LEADER approach in targeting and meeting local needs can be negatively affected by weak implementation. For example, in a project designed to support the inclusion of Roma in Romania, local authorities regarded LEADER mainly as a source of funding for infrastructure, rather than overall territorial development (ERGO, 2019). Also, insufficient inclusion of local stakeholders, e.g. non-governmental organisations, in LEADER planning and implementation caused uneven targeting of local needs.

3.1.3 Effects of LEADER

Effectiveness and relevance – general points

Neo-endogenous development approaches can overcome problems associated with top-down policy implementation by making them more relevant to local needs. LEADER enables local actors to formulate and implement policy approaches in line with overall EU objectives (Furmankiewicz et al 2020). However, if local stakeholders are not interested in these overarching goals, implementation can be hampered. An analysis of perceived needs (ibid) found that local elites emphasised overall economic development of the area more than local residents, who emphasised social infrastructure and services.

A report by ELARD (2020b) on the role of LEADER highlighted its contribution to biodiversity, social cohesion and equality, dignity, SMEs and professionals, as well as participation in rural governance. The vast majority of respondents (81.5%) in this large survey stated that their territory would be worse-off without LEADER and that LEADER implementation significantly impacted the territory's development (71%). Respondents

also emphasised contributions to dignity, following participation. LEADER was assessed as a good tool to manage crises and rural transformation.

A much higher number of LAGs and more projects per thousand inhabitants were reported in newer MSs in 2007-2013 (Konečný 2019), and there can be deficits tied to the transposition of a new governance structure, if local institutions are not adequately prepared for it. In Slovenia, analysis by Volk and Bojnec (2014) of LAG boards 2007-2013 revealed board members were largely unfamiliar with key aspects of the LEADER approach, particularly cooperation and innovation, as well as networking and multi-sector actions. Board member decisions on co-financing were more influenced by informal than formal systems. The functioning of LEADER can also be detrimentally affected by the wider institutional and governance framework, such as distrust in institutions and low governance capacity. Marquardt et al (2012) in Romania found low trust in formal institutions, weak administrative networks, and lack of initiative among local stakeholders were detrimentally affecting the implementation of LEADER. This also occurred in other newer MS such as Czechia and Hungary. Romanian LAGs tended to be more closed off and based around traditional political hierarchies, meaning they had difficulties involving local actors which was detrimental to the bottom-up processes LEADER should foster. Olar and Jitea (2021) identified a series of factors which enable LAG success in Romania, including: sufficient local capacities and resources in the community to take initiative; experienced LAG managers and personnel; and sufficient human capacities within the LAG.

Bitter (2018) noted that LAG autonomy may have been detrimentally affected by increased involvement of MAs, and that LEADER was sometimes regarded as just a source of additional rural development funding. Esparcia and Abbasi (2020) suggest that this is not a new process and that mainstreaming LEADER within rural development programmes has reduced the autonomy and capacity for action of LAGs. This echoes the findings reported above, in the study on Roma inclusion (under causal analysis - ERGO, 2019).

In fostering innovative projects, LAGs face difficulties if they lack expertise. Konečný et al (2020) saw this in Czechia, where LAGs did not always anchor new concepts in their LDSs, such as social entrepreneurship. Combined with interference by national actors, and policy goals pre-defined at national level, this limited LAGs' mechanisms to address local needs.

Mainstreaming of LEADER in CLLD multi-fund programmes in 2014-2020 has increased the scope of activities that LEADER can fund, particularly combining economic development and social inclusion in tailored, place-based approaches (Servillo 2017). In Denmark, Kvistgaard (2018) connected this approach to a stronger inclusion of the needs of disadvantaged groups. However, Navarro et al (2016) found in Wales (UK) and Andalusia (ES) that despite a *de-facto* bottom-up approach to rural development, the introduction of CLLD saw more top-down rigidity in policy priority-setting and a general weakening of rural governance. Konečný et al (2020) echoed this in Czechia, where "hidden top-down approaches" appeared in the 2014-2020 period. Bosworth et al (2020) note LAG members perceive more weight is given to targets of funding distribution volume and projects undertaken, than positive development impacts in the area. This may reduce the quality of outputs and outcomes, and work against the principles of LEADER.

The European Court of Auditors concluded that many recommendations targeted at improving the implementation of LAGs were not sufficiently addressed by 2012 (Bitter, 2018). These related to mitigating "conflicts of interest, allowing innovative and multi-sectoral strategies, setting measurable objectives, enhancing added value, effectiveness and efficiency and enhancing the accounting of these factors while assuring fairness and transparency in supervisory and control systems".

Considering the broad conclusions of previous formal EU evaluations of LEADER (1991-2006), one main effect has been to pinpoint the elements necessary for fostering endogenous growth. LEADER programmes generate innovative development strategies and can be widened to encourage cooperation between rural, or rural and urban areas. According to the most recent previous evaluation (the ex post evaluation of LEADER +, Metis et al, 2010) LEADER programmes have been successful in promoting integrated rural

development. The community aspect of LEADER projects has a broader effect on rural areas as it encourages and motivates further actions beyond those in the plan – a ‘leverage’ effect.

In the Covid-19 pandemic, the LEADER framework enabled LAGs to react with targeted measures. In Italy, LAGs switched to online and remote work with online animation (Ministero delle politiche agricole alimentari e forestali 2020). This digitised the process and the extension of deadlines. Other targeted examples include newsletter with project updates in Scotland, UK (Scottish Rural Network, 2020) and virtual entertainment and education possibilities, online needs assessments, and social catering (ARA 2020), in Andalucía, Spain. However, the switch to remote working may not work across all LAGs: a survey by ELARD (2020a) highlighted Covid-linked difficulties involving LAGs in programming for the 2021-2027 period, with respondents not seeing the targeting of measures in response to Covid-19 as a way to mitigate impacts of the pandemic. This may be connected to inflexible administration and/or shortages of available funding.

The ELARD (2020b) report on the role of LEADER for rural areas highlights needs that LAGs anticipate in rural areas by 2035, including services and infrastructure. 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.

Targeting of local needs depends on the governance mechanisms in place. In a Portuguese study, Servillo (2017) notes that CLLD management is dependent on centralised implementation guidelines, therefore initiatives may not always meet expectations of local actors. LEADER targeting needs such as infrastructure and labour shortages can mitigate challenges faced by rural entrepreneurs (Bumbalová 2016). Targeting social needs in rural areas is also a key LEADER activity (Kleinert 2018, Servillo 2017). Across the EU social inclusion and employment are now the most prevalent policy aims targeted by LAGs (Servillo 2017): LAGs in Sweden, Lithuania and Austria actively target refugee and migrant integration and Swedish, Polish, and Bulgarian LAGs focus on marginalised communities.

Analysis of LEADER 2007-2013 in Poland identified improvements in the standard of living due to LEADER projects (Biczkowski 2020). LEADER’s effectiveness was higher in regions where LAGs actively targeted genuine needs, as opposed to regions where funding was not well-targeted. Strengthening the local economy occurs only when internal potential is well-harnessed, particularly where external solutions do not generate sufficient impacts.

Regional food labelling initiatives in the Slovak LAG Malohont provides a good example of LEADER addressing local needs: it proved highly successful and quickly accommodated large numbers of local producers, building significant confidence in the rural population. The LAG planned to extend this initiative to other sectors, such as accommodation, services and events (ENRD 2020). A key factor in success was a broad inclusion of actors. Also, the initiative gained traction in surrounding areas, with four other LAGs participating.

In the Dutch LAG Salland, LDS preparation involved concentrating on new ideas and dismissing already known factors and ideas. The process involved significant local participation with “50 individual interviews, two work conferences and nine ‘Salland cafes’, involving over 500 participants in total” and over 400 people contributing to the LDS (ENRD 2020). In the Eastern Midland Region in Ireland, LEADER furthered community-based planning and the development of a place-based approach to local governance (ESPON 2018). Partnerships between public and private actors actively targeted local needs, resulting in the provision of an enterprise centre, a child-care facility, a community centre, a community school, and a bus service, effectively targeting rural needs via inclusive partnerships. Veveris and Puzulis (2019) also attribute infrastructure and environment improvements to LEADER intervention across rural Latvia. González and Piñeiro Antelo (2020) found in Galicia, Spain, the focus of the LDSs of coastal LAGs on activities related to fishing and marine cultural heritage brought benefits to target groups other than fishers.

Employment

The European Court of Auditors (2020) noted that the need for rural employment is not fully addressed by LEADER: by the end of 2018, LEADER contributed to some 13 300 jobs: less than 0.05% of EU rural employment. An analysis of LAGs in Andalusia 2007-2013 concluded there is no ideal strategy for safeguarding jobs via LAG activities and high spending on jobs does not necessarily lead to improved outcomes (Rodrigues et al 2019). Conversely, a 2019 study on CAP and rural employment attributed higher effectiveness to Pillar II, and LEADER in particular, in fostering rural employment (European Parliament 2019). Veveris and Puzulis (2019) report positive impacts on local employment in Latvia, but while noting problems in accurate quantification, the report signals shortcomings in 2014-2020 implementation. Positive impacts on both rural and urban employment were reported by Sinabell et al (2019) for LEADER in Austria.

Bosworth et al (2020) note the practice of using pre-defined or prescriptive project lists as examples to beneficiaries that can provide them with more clarity and maybe reduce the risk of rejection. This may prejudice demand and over-represent certain target groups at the expense of others, thus reducing effectiveness of LEADER in meeting local needs. A requirement for innovative projects might reduce the effectiveness of LEADER, as some worthwhile projects won't succeed if all projects have to be innovative (Kleinert 2018).

The ESPON COMPASS (ESPON 2018) study identified the contribution of RDPs and LEADER, to transboundary work on rural challenges. The policies helped "decreasing the share of unused land (LT), protecting agricultural areas (LV), introducing rural space issues in spatial planning (IT), and supporting or restoring territorial diversity through tools such as agro-environmental schemes (IE, PL)" (ESPON 2018). Upscaling of CLLD/LEADER projects was seen as very important to access higher governance levels with more financial resources, in the ESPON ESCAPE study (ESPON 2020). The bottom-up approach targets complex rural needs and interlinkages and is well-placed to support regions experiencing rural shrinkage. However, the project-based approach has weaknesses inherent in the short-term lifecycle of projects. A more deeply integrated EU and national/regional policy approach and long-term perspectives could better address shrinking rural regions.

With employment opportunities being key to maintain social capital and social cohesion and mitigate effects of out-migration, LEADER fills an important role. Positive contributions to rural employment were noted by Kleinert (2018) in Scotland, where LEADER projects expanded the available rural jobs. Cooperation between businesses and job creation can have spill-overs into different sectors including increased visitors to tourism projects, and positive impacts of creative industries on downstream sectors. However, Navarro-Valverde et al (2021) analysing LAG LDSs in Andalusia, highlighted issues in reducing out-migration, with many proposed solutions too generic and not well-targeted to specific needs. In Latvia, LAG projects were evaluated to be largely economically successful, contributing to positive local economic performance (Veveris and Puzulis 2019). Servillo (2017) emphasises the value of CLLD projects in Spain in the fields of labour markets, innovation, renewable energy, tourism and social inclusion.

Social inclusion and poverty reduction

In the 2014-2020 period, particularly due to multi-funding, LEADER/CLLD can target a broad set of needs related to social inclusion and poverty mitigation (ENRD 2017). A primary field of action of good examples of LEADER projects as identified by the ENRD (2017) include labour market integration via e.g. tailored approaches to skills development, tailored support based on the specificities of the local labour market, and target group-specific targeting. Conversely, LEADER has a specific role in providing rural services (ibid), by targeting needs which are left unfulfilled due to market failure, by involving local groups with specific knowledge of local needs, and by pursuing tailored and cooperative approaches. This unique role of LEADER in basic services and social integration via labour market inclusion was also highlighted by ENRD in a selection of good practice projects (ENRD 2016a). However, the authors (ibid) note that LEADER often focussed on the development of deprived areas rather than deprived people, and the implementation

of the LEADER principles is essential to adequately target the needs of the latter. Specific outreach activities, capacity building among target groups and genuine inclusion are necessary to include specific target groups, such as youth or Roma (ENRD 2016b, 2016c).

LAGs have a strong tradition of targeting social inclusion. In Andalusia, LAGs in the programming period 2014-2020 targeted basic and proximity services, employment for women and young people, and increasing the attractiveness of the area to women, in a context of reducing depopulation (Navarro-Valverde et al 2021). Kleinert (2018) noted LEADER's (2014-2020) role in addressing the needs of disadvantaged rural groups in Scotland, who may otherwise relocate to more urban areas. LEADER's role in fostering social inclusion and contributing to a more inclusive rural economy was substantial, including bridging intergenerational gaps. Projects targeting particular age groups (e.g. elderly) had positive spill-overs on others. In Aragon, Matteo and Navarro (2019) note high success of LEADER supporting women entrepreneurs improving the competitiveness of SMEs, particularly via modernisation, investment, improvements in quality and services, and technology transfer. Active inclusion of women occurred in Austria, via the application of quotas in project applications and LAG boards (Stoppacher et al 2019).

Roma inclusion varies across LAGs in the MS (ERGO 2019). Problems relate to lack of recognition, insufficient outreach to communities, lack of inclusion in planning and implementation processes, and lack of support and transparency in application processes. Bottom-up approaches implemented under LEADER and CLLD were deemed essential in furthering social inclusion (ERGO 2019). However, Ludvig et al (2017) note that LEADER's aim is rather to support social inclusion across society at large and LAGs may themselves not be inclusive. Berriet-Sollicec et al (2018) note that previously in Denmark, LAG composition was characterized by biased representation related to gender, age, education, occupation and background. In their analysis of the composition of LAG boards, the authors find underrepresentation of young people and women. Pollermann et al (2017) found the share of women in LAG boards in North-Rhine Westphalia (DE) doubled from 20% to 40% between the 2007-2013 and the 2014-2020 period after the introduction of a quota.

LEADER was judged poor in supporting socially excluded groups in areas with little history of collective action (Dargan and Shucksmith 2008). As discussed by Lukesch et al (2018), LEADER acts as a source of funding and supporter of social innovation but can also be a promoter: the authors also noted a danger in the LAG losing its impartiality and getting caught up in local politics. While policy innovation is pioneered in LEADER, its impact depends on other actors' priorities. For a successful LEADER project improving labour market integration of refugees in Austria, larger-scale uptake was hampered by poor interest at regional and national level among relevant policy makers (Lukesch et al. 2018).

ERGO (2019) found in Romania, lack of transparency and information related to LEADER reduced uptake among Roma communities. Similar weakness was also found in Opava in Czechia, where cooperation between LAGs, NGOs and Roma communities did not exist so they were not involved in any planning or implementation of LAG efforts in the region. In Bulgaria where inclusion of vulnerable groups such as Roma was required for participation in CLLD, active participation is still not guaranteed. Issues include lack of dedicated civil society actors at local level, lack of knowledge on LEADER processes and unwillingness of LAGs to accommodate Roma (ERGO 2019). Similar issues were reported in Hungary.

Local governance, innovative approaches

A study (ESPON, 2020) on shrinking rural areas highlighted the positive role of LEADER targeting local needs in Lovech, Bulgaria. The decentralised funding approach of LEADER was identified as good practice in addressing local specifics responding to substantial out-migration. The ability of LEADER to respond to urgent needs and develop initiatives not necessarily possible in higher level institutions was emphasised by Lukesch et al (2020).

Collective leadership by local stakeholders and associations in LAGs was important to enable effective co-ordination across all levels (Esparcia and Abbasi, 2020). The authors note that leadership functions are often exercised by small groups of people within the

LAG. This poses challenges tied to issues of clientelism. Leadership from actors across many sectors of rural society leads to more favourable outcomes in rural development. Fałkowski (2013) in a report on LEADER in Poland notes that LAGs refusing to support municipal projects from key stakeholders risks the alienation of their support.

Esparcia and Abbasi (2020) illustrate issues related to leadership and LAG effectiveness in two Spanish areas. Hyper-leadership of the LAG manager, playing a pivotal role in forming relationships between other LAG actors and close co-ordination between LAG management and the regional government can be detrimental to the success of the LAG, preventing the emergence of collective leadership. Dominant positioning of public organisations in LEADER can limit the opportunities for community-led development, found in Poland by Furmankiewicz et al. (2010). Esparcia and Abbasi (2020) identify three governance aspects crucial to the co-ordination of rural development: the distribution of power among actors, the type of leadership changes and co-ordination structures, and the transparency of the board in terms of its decision-making. Power groups within the board may co-opt the process and exclude other actors from participating.

Developing new alternative governance structures such as a LAG, may cause local and regional actors to feel threatened (Konečný et al. 2020). This perception can manifest itself in multiple ways, for example, in strengthening controls and audits. The bottom-up processes of LEADER enable it to foster social innovation and rural development, emphasising the inclusion of civil society actors. (Ludvig et al. 2017). However, bottom-up processes alone are not sufficient: territorial impacts depend on the wider governance systems. Analysis by Esparcia and Abbasi (2020) highlighted LEADER's role in connecting actors from different backgrounds in Spanish LAGs. Specific practices by LAGs to support local governance were analysed in an ELARD (2017) survey: good examples were collected from Bulgaria and Macedonia, including ICT training targeting youth and unemployed, support to develop business plans, cross-border cooperation and capacity building.

Additional resources

Evidence from literature on leverage of resources by LAGs is scant. Project volunteers are an important additional resource to be mobilised (Lukesch et al, 2018). LAGs in Sweden mobilise private funding depending on the needs and scope of the project. The LAG Sydost LEADER (Servillo, 2017) raised approximately EUR 1 million across 29 projects via private funding, then distributed this to projects according to the area's needs.

Social, environmental and economic capital

CLLD/LEADER plays an especially important function supporting local development in areas which are difficult to access, such as mountainous regions (Dax 2020). An overview of CLLD/LEADER good practice indicates stability in implementing mechanisms between 2014-2020 and 2021-2027, for highlighted cases (Germany – Saxony, Czechia, Austria – Tyrol; ELARD 2020c). Contributions to social, environmental and economic capital *via* e.g. the support of rural employment and measures to support the environment are key aspects of LEADER, cited by Bosworth et al (2020), Kleinert (2018) and Servillo (2017).

Place-based strategies involve substantial roles for social capital (Caraveli 2017). Bosworth et al (2016a) underline the necessity of local partnerships in LAGs to build social and institutional capital to communicate needs and add value to local resources. In Greece, Caraveli (2017) points to positive contributions to local growth via the promotion of social capital. Lopolito and Sisto (2017) found that in Apulia, two analysed LAGs were located in the same region with comparable socio-economic situations, but produced different forms of social capital in terms of quality and quantity.

Despite contributions to local networks and social capital, LAGs must also have sufficient freedom to foster innovation and change (Bosworth et al 2016b). Process rather than product and input innovation, was deemed significant and most visible around networking and cooperation. However, innovation in tackling inequality and exclusion were judged more difficult. Olar and Jitea (under review) note that for Romania, managing and paying

agencies were reluctant to consider innovative projects and measures, discouraging LAGs from creating or proposing such initiatives. Dax et al (2020) assess LEADER/CLLD as important to foster social innovation. The SILEA study (ibid.) found that approximately one-sixth of a sample of 20 525 LEADER projects in 2014-2020 fostered social innovation.

In an analysis of community-driven social innovation for the LEADER group Aktion Österbotten, Nordberg et al (2020) highlight the quadruple helix approach, particularly emphasising local actors. The authors deem three dimensions as important elements in this process: the geography (the connections from local to global communities), the activation of latent or hidden groups, and the formalisation of the organisation.

Bosworth et al (2020) emphasised cross-sectoral LEADER contributions with high potential to enrich social capital and environmental quality in LAG areas. However, implementation difficulties limit potential: LEADER's output and results remain poorly understood, with little other than financial reporting, to date. This limits scope for knowledge sharing and transfer of good practice. Difficulties in capturing LEADER's precise contribution to economic development were noted by Kleinert (2018). Cross-sectoral approaches and better understanding of interlinkages between economic sectors is necessary to enhance synergies and avoid conflicts (Esparcia and Abbasi 2020). The search for multipliers and synergies is a key role of LEADER in enhancing territorial development: bottom-up policies can bridge urban-rural gaps, in that regard (European Parliament 2019).

3.1.4 Efficiency

In an evaluation of Scottish LEADER, beneficiaries highlighted the necessity of sufficient cashflow from other sources to finance project expenditures due to payment delays and claiming funds (Kleinert 2018). This posed challenges for smaller actors and organisations as it increased barriers to entry, deterring applications by small organisations without sufficient financial capital to pre-finance projects. Actors such as cultural organisations may find it difficult to secure eligible match-funding (Bosworth et al 2020). 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) note how administrative conditions of LEADER funding (primarily, the effort involved in reporting and claiming payments and the maximum three-year project duration) reduce its effectiveness. Analysis of transaction costs of LEADER projects in 2007-2013 (Berriet-Sollicet et al 2016) in Auvergne and Burgundy, France found that most such costs were borne by the project beneficiary.

In principle, simplified cost options (SCO) should help reduce administrative burden. A report by the ECA (2018) suggests using lump-sums for promotional activities, unit costs for staff costs, and a flat-rate of 15% for indirect costs. In a sample of 20 RDPs, the audit found relatively high implementation of SCOs in M19.1 and M19.3. However, there are risks associated with SCOs. If part-payments are not possible, beneficiaries must meet all conditions tied to the funding. The European Rural Parliament (2019) identified lump-sums and flat-rates for animation, project support and administration as good practices. However, simplification in administration remains underused and efforts fragmented.

Comparing LEADER and similar funding from regional programmes in Austria (Servillo 2017), management costs borne by beneficiaries were assessed to be up to three times higher, taking approximately 30% of the project budget, compared to 10% in regional programmes. Ludvig et al (2017) conclude bureaucracy in LEADER may stifle innovation. However, one challenge related to administrative burden is tied to regional governance system heterogeneity in LEADER, especially in cross-border situations (ELARD 2017).

Support from MAs can be important to enable a smooth setup of CLLD. In Slovakia (Bumbalová et al 2016) training events, support and online tools were set up. However, the delay in this assistance meant that LAGs had to resort to applying compensation themselves. Project implementation under CLLD is also more difficult as projects need to clear the eligibility criteria of each fund, adding rigidity to the process (Servillo 2018). It is important that the LAG has sufficient knowledge and capacities to navigate multi-fund

environments (Servillo 2017). Lack of capacity, plus administrative and technical obstacles in both LAGs and MAs can delay implementation of actions, as in Bulgaria (ERGO 2019).

High administrative efforts linked to filling out expressions of interest and application forms can deter potential beneficiaries (Bosworth et al 2020). Levels of checks and proportionate administrative effort is expected; however, disproportionality is problematic. In Hungary (ERGO 2019), there were publication delays in calls, where involvement of local organisations was not successful due to organisations' lack of resources and their inability to meet the criteria of the calls. Esparcia and Mesa (2018) point to a loss of autonomy and increased administrative burden of Spanish LAGs between 2007-2013 and 2014-2020.

3.1.5 Coherence

In the 2014-2020 period, 727 of 3 311 LAGs integrated funding from multiple ESIF via CLLD (Kah 2019), with significant variability in approach. The most common combinations were of EAFRD and both ESF and ERDF (314 LAGs) and between just EAFRD and ERDF (208). 179 LAGs funded from ESF and ERDF, while nine LAGs integrated all four ESIF. The author notes four types of LEADER implementation: 1) Mono-fund EAFRD implementation (12 MS); 2) Limited multi-funding primarily in ERDF/EAFRD (six MS); ¹⁶ 3) Extensive use (five MS); 4) comprehensive use (five MS) saw wide uptake of CLLD among LAGs. MS with extensive implementation see a relatively wider use of CLLD, though maintaining the importance of mono-funding in many LAGs (e.g. Poland, Bulgaria). Additional examples include Romania and Hungary which maintain a division between the EAFRD/EMFF and ERDF/ESF in CLLD. Examples of full implementation include Czechia, with comprehensive EAFRD/ESF/ERDF implementation but separate MAs, and Sweden, where all four funds are accessible via a single MA. Kah (2019) notes advantages with multi-fund CLLD such as improved bottom-up perspective (more available themes), increased synergies, economies of scale, and simplification for beneficiaries if one-stop-shops are used. However, the regulations are much more complex, with more administrative challenges.

Co-ordination of public policies is a precondition for coherence which Esparcia and Abbasi (2020) judge is insufficiently fulfilled in LEADER. Instead, public administration acts largely from sectoral logic, so co-ordination efforts depend heavily on the motivation of individual actors. The authors cite the multi-fund approach of CLLD as a negative example where national and regional governments were unable to find suitable co-ordination mechanisms to allow LAGs to implement measures of this kind. However, Servillo (2017) identified 44 ERDF and ESF programmes in 18 MS that mentioned multi-fund CLLD supporting 700 LAGs, arguing that uptake in itself qualifies as a success. Most countries with a long history of LEADER showed only minor interest in CLLD (except Portugal, Sweden and to a small extent Greece), but the EU13 (especially Czech Republic, Hungary and Slovakia) made wide use of the new approach. Servillo notes that the integration of multiple funds in CLLD depends strongly on stakeholders. A case study in Terra Raetica showed how CLLD changed the role of local stakeholders and strengthened commitment to the LDS.

In numerous case studies LEADER promoted rural development at regional level by integrating multiple policies or funding. González and Piñeiro Antelo (2020) identify economic diversification via LEADER tourism projects in Galicia. Pollermann et al. (2020) demonstrated how LEADER in France opened a window to self-determined development paths in a centralised state (e.g. Rhône-Alpes, Brittany), and found that in Aquitaine, LEADER promoted cooperation between state and regional councils and led to synergies between urban and rural policy and LEADER, with the first co-funding the second.

LEADER can be coherent with EU research and development: illustrated by examples. RURALIZATION¹⁷ aims to understand the drivers and circumstances of rural regeneration

¹⁶ Austria, Italy and Germany devolved the decision over CLLD implementation to the regions/federal states and saw only limited uptake of CLLD.

¹⁷ <https://ruralization.eu/>.

and to disseminate new instruments, strategies, and policies in that field; PoliRural¹⁸ works in the context of increased rural attractiveness and liveability; and RELOCAL¹⁹ aims to identify framework factors which influence local capacities to formulate needs and address them within European policies. RURITAGE project²⁰ aims to develop local heritage in the context of local and regional development. All these projects involve LAGs.

3.1.6 EU value added

The added value of the LEADER mechanism and methodology was highlighted by the European Evaluation Helpdesk for Rural Development (2018) and studied by the Social Innovation in Marginalised Rural Areas (SIMRA) project. Both SIMRA and the European Evaluation Helpdesk for Rural Development define the added value of the LEADER measure as the combination of three elements: improved local governance, improved social capital, and enhanced results/impacts of LEADER implementation. An integral component of LEADER, transnational cooperation, was attributed high added value in the 2007-2013 period (ERND 2014). Main contributions are fostered by improved communication, innovation, and long-term relationships between LAG members.

The added value of the LEADER programme, and the achievement of enhanced results, can be assessed through the application of its 7 principles (Good practice workshop: "showing the added value of LEADER/CCLD through evaluation", 2018). Also called "local added value", this benefit resides in the assumption that the outcomes of LEADER projects are different to those achieved by conventional project promotion measures (Lukesch, 2018). It is twofold, first, some projects would not have occurred without support from the LEADER initiative (too small, too untested). Secondly, some projects were able to leverage additional funds, included more actors than in non-LEADER contexts, were managed in more innovative ways and were more tailored to the local demand.

According to the AIR (2019), measure 19 "contributes extensively to local development in rural areas", through the bottom-up approach, as strengths and weaknesses can be better identified and tackled. The "integration of third country nationals" projects are also an important factor and are exclusive to the LEADER approach (AIR Austria, 2019).

These are all sources citing features of LEADER which give added value. In respect of EU added value more particularly, the previous evaluations (Lukesch, 2003, Metis, 2010) emphasize how LEADER has acted as a powerful symbol of a successful and popular EU policy initiative which has been very positive for EU citizens' appreciation of European policy and EU membership, more broadly.

3.2 Summary of findings: EU surveys of LAGs and Managing Authorities

3.2.1 Introduction and method

Two on-line surveys were carried out during the period 17 February to 12 May 2021 across the EU-28²¹: a Survey of LAGs; and a Survey of Managing Authorities (MA).

The LAG survey gathered information on LEADER from the people closely involved in its delivery: LAG managers. The MA survey was designed to provide a wider view of LEADER programme implementation across RDP areas from senior personnel in MAs with strong experience of LEADER delivery. The LAG survey included 28 questions while the MA survey was longer and more complex, with 32 questions. The MA survey was in English and the LAG survey was available in French, German, Spanish and English. Both surveys were circulated and promoted via ENRD, ELARD, and the Commission services. Questions covered the five themes of evaluation, seeking respondents' opinion, experience and

¹⁸ <https://polirural.eu/about/>.

¹⁹ <https://relocal.eu/>.

²⁰ <https://www.ruritage.eu/project/>.

²¹ EU-27, and the UK, as it also implemented LEADER over the period 2014-2020.

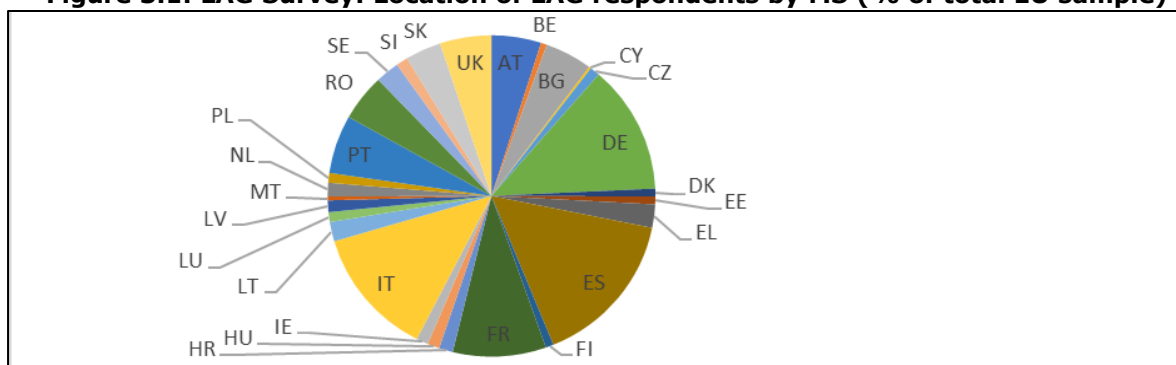
ranking of LEADER attributes, issues and performance, and collecting basic information on LAG characteristics including budget, roles/tasks, membership and context.²²

LAG survey: 819 LAGs responded to the survey, of which **511 complete responses** were used in the analysis. 212 LAGs did not complete enough answers to include, and 96 further responses were discarded due to internal inconsistency. Four questions could not be analysed due to ambiguous responses, on topics of LAG 'age', internal resources, and funding sources. The highest number of responses came from MS with larger numbers of LAGs: Spain provided 15.7% of total responses followed by Italy and Germany with 12.9% each. Fewest responses came from MS with very small numbers of LAGs: Cyprus, Malta and Belgium. As a share of LAGs, those who gave a complete response to the survey varied from 10% to 50% of the total in most MS, but Luxembourg had a 100% response rate and a particularly low response rate was seen in Poland and Czechia, which should be borne in mind in interpreting representativeness and significance of findings. 78.3% respondents were LAG managers, 21% other LAG staff, 0.4% LAG board members.

MA survey: 118 responses were received of which **65 complete responses** were used in the analysis. Many discarded responses had only completed the first two questions, also some respondents were not MAs. In the majority, a senior person in the MA completed the questionnaire, with average LEADER experience (cleaned data, N=65) of 10.5 years (ranging from one to 30 years). An average of 28.7 LAGs were overseen by each MA in 2014-20 (a slight increase from the self-reported 2007-13 average of 26.4 LAGs per MA).

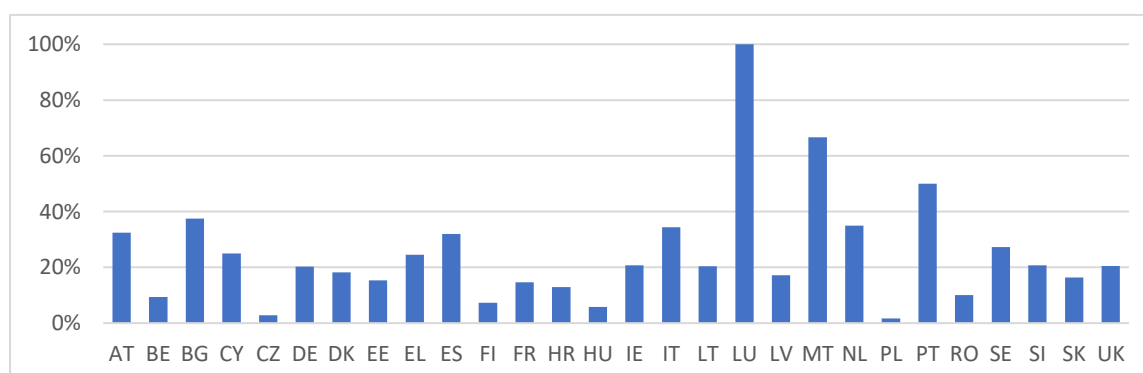
This chapter presents an overview of findings for those questions of central relevance to the evaluation themes. All MS were covered among responses, although the number of LAG and MA responses varies across MS. Further analysis is in the relevant ESQ answers.

Figure 3.1: LAG Survey: Location of LAG respondents by MS (% of total EU sample)



Source: Study team, LAG survey data set 2021

Figure 3.2: LAG Survey: Percentage of all LAGs in each MS responding in full to the survey



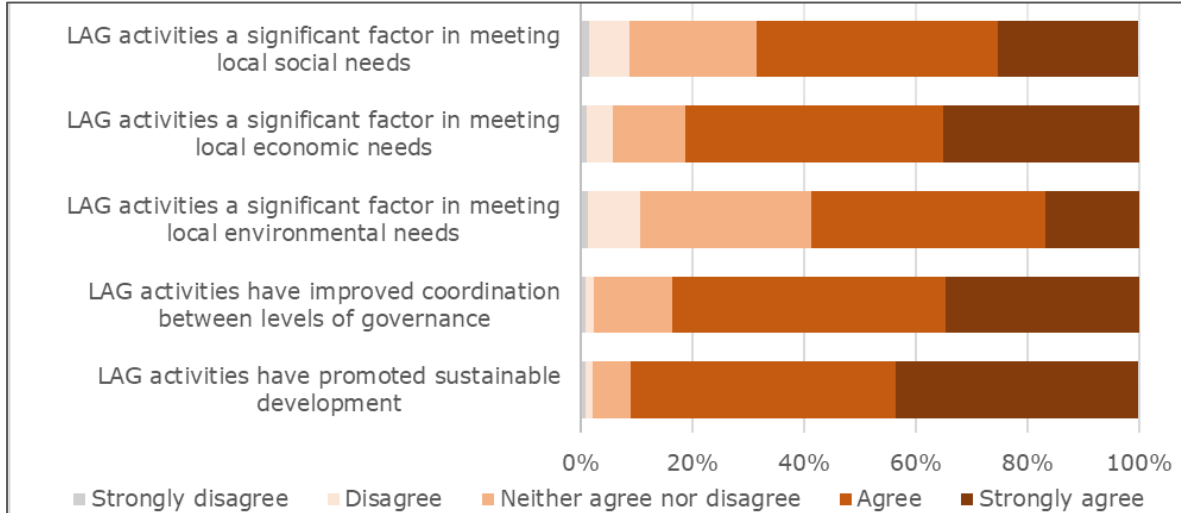
Source: Study team, LAG survey data set 202

²² The questions asked in each survey are given in Chapter 7 of this report, after the references.

3.2.2. Theme 1: Effectiveness

LAG and MA surveys asked similar questions regarding the extent to which LAG activities or the LEADER approach were successfully meeting local needs. A high proportion (over 80%) of LAG respondents agreed or strongly agreed that LAG activities were a 'significant factor in meeting local economic needs', 'promoting sustainable development', and 'leading to improved co-ordination between different levels of governance' in their LAG areas (Figure 3.3). Slightly lower proportions (68% and 58%) agreed LAG activity had been significant in meeting local social and environmental needs.

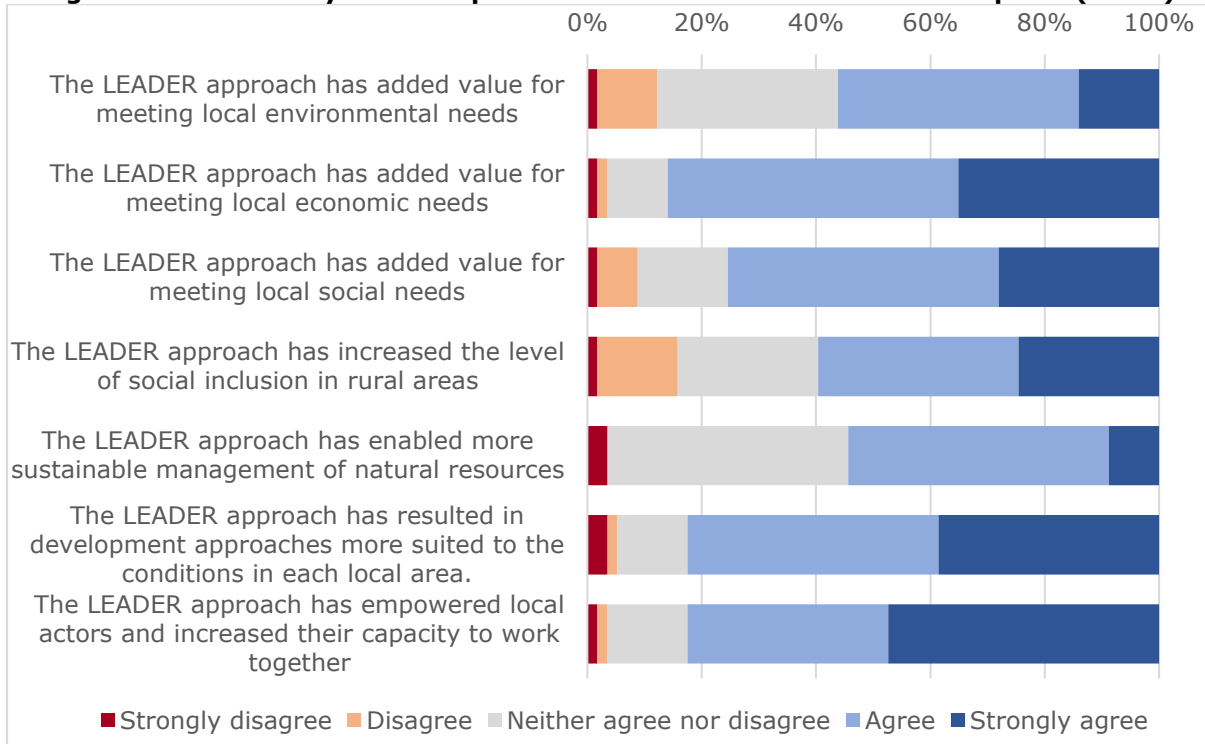
Figure 3.3: LAG Survey: Perceived effectiveness of LAG activities in meeting needs (%)



Source: Study team, LAG survey data set 2021

The MA survey, which focused on added value created by LEADER but included several judgements on impacts, presented similar responses (Figure 3.4). A total of 82% of respondents agreed or strongly agreed that 'the LEADER approach has empowered local actors and increased their capacity to work together' (in other words, achieving improvements in governance), and 83% agreed/strongly agreed that LEADER had 'resulted in development approaches more suited to conditions in each local area' (i.e. appropriate development). MA responses in relation to LEADER's effects in meeting local economic, social, and environmental needs (same question) is also similar to LAG survey findings: the highest level of agreement is on the point that LEADER has been significant for meeting economic needs (86%), and less so for environmental needs (56%). The MA survey also reveals the lowest levels of agreement in regard to the statement that LEADER has 'enabled more sustainable management of natural resources' (55%), and LEADER has 'increased the level of social inclusion' (60%).

Figure 3.4: MA Survey: LEADER perceived added value and selected impacts (N=57)

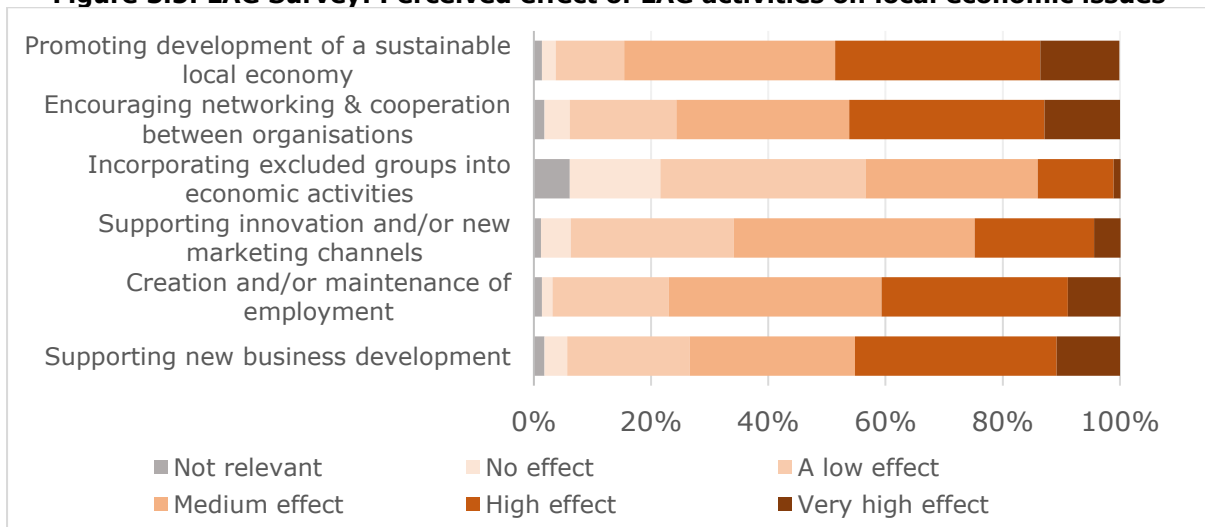


Source: Study team, MA survey data set 2021

Questions 19, 20 and 22 of the LAG Survey explored the extent to which LAG activities had impacts on economic, social, and environmental issues. Statements asked respondents to indicate a level of effect on a 1 – 5 scale (where 5 represented the highest effect). These three questions were repeated in the MA survey asking respondents to rate LEADER effectiveness across the MS/Region (i.e. the relevant RDP area). The pattern of responses between the MA and LAG surveys is broadly similar for each topic.

Effect on economic issues: The pattern of LAG survey responses is shown in Figure 3.5. Larger proportions of responses indicated high or very high effects for new business development, creation/maintenance of employment networking and cooperation and promoting sustainable development; the lowest proportion of high/very high responses was for ‘incorporating excluded groups into economic activities’. For this latter activity 50% of LAG responses and 52% of MA responses indicated low or no effect.

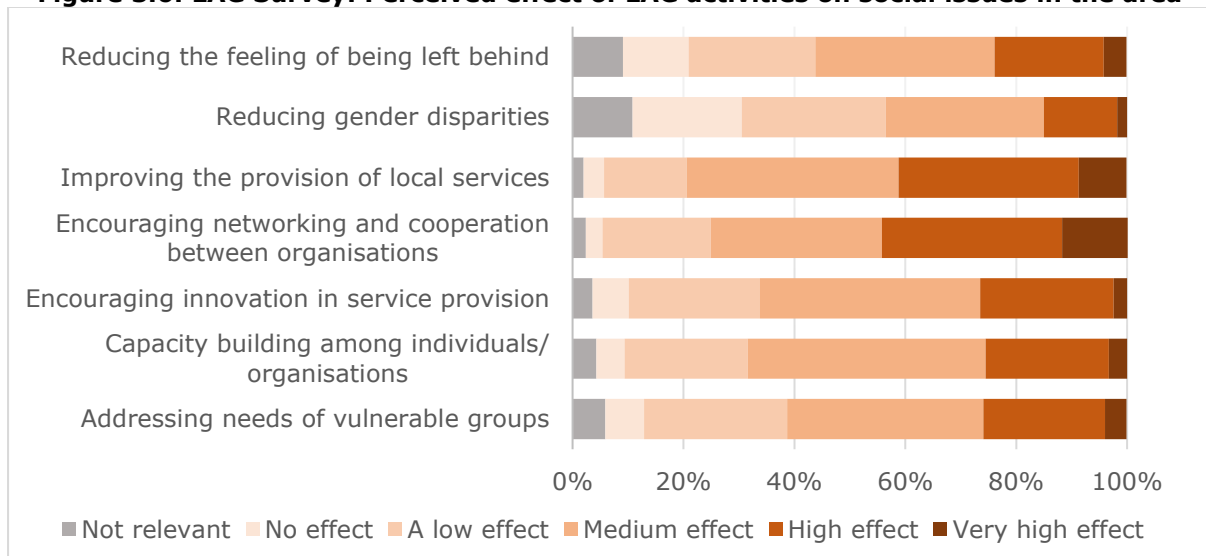
Figure 3.5: LAG Survey: Perceived effect of LAG activities on local economic issues



Source: Study team, LAG survey data set 2021

Effect on Social issues: the largest shares of respondents scoring high/very high were for 'improving the provision of local services' (41%) and 'encouraging networking between organisations' (44%). Lowest effectiveness was 'reducing gender disparities' (only 15% scoring high/very high) and 'reducing the feeling of being left behind' (23%); in each case about 10% judged this not relevant for their LAG (Figure 3.6). MA survey responses showed a similar pattern with 'encouragement for networking' (55%) and 'improving the provision of local services' (38%) identified as highest effect. Issues with lowest effect were 'reducing gender disparities' (51% limited/very limited or no effect) and addressing needs of vulnerable sectors of the population (34% limited or no effect; 8% not relevant).

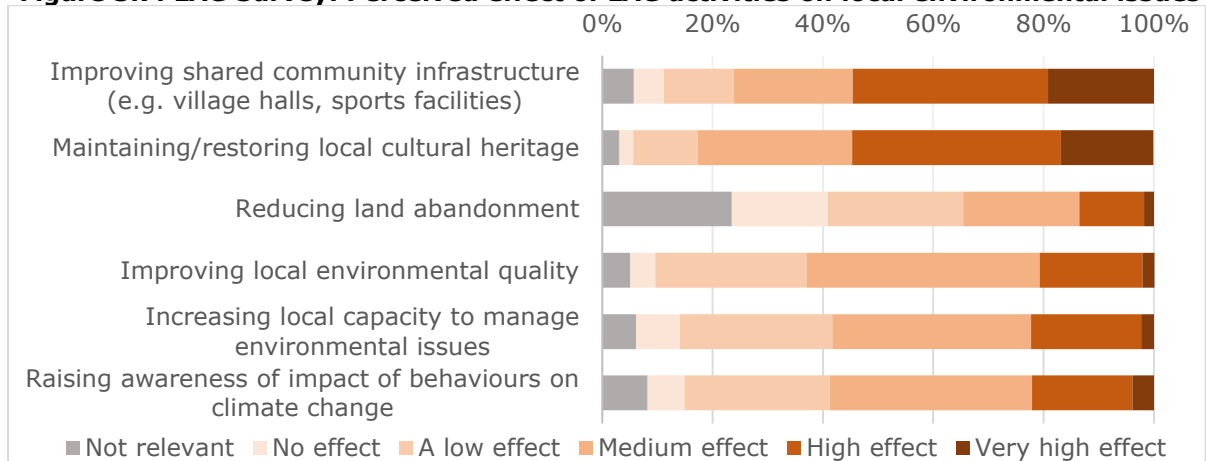
Figure 3.6: LAG Survey: Perceived effect of LAG activities on social issues in the area



Source: Study team, LAG survey data set 2021

Effect on environment and cultural heritage: of the six issues presented, the highest share of respondents indicated high/very high effect of LAG activities on 'maintaining/restoring cultural heritage' (54.6%) and 'improving shared community infrastructure' (54.6%) (Figure 3.7). Lowest effect was 'reducing land abandonment', where only 13% of respondents indicated high/very high effect and 17.4% no effect. Land abandonment is not an issue in all LAG areas (see relevance section), which may explain low response. The MA survey recorded similar scores on 'maintaining/ restoring cultural heritage' (61% high/very high effect) and 'improving shared community infrastructure' (54%). 50% of respondents indicated no effect or low effect on 'raising awareness of behaviour on climate change' with a lower share for 'increasing capacity to address climate issues' and 'improving local environmental quality'; 23% judged land abandonment was not relevant.

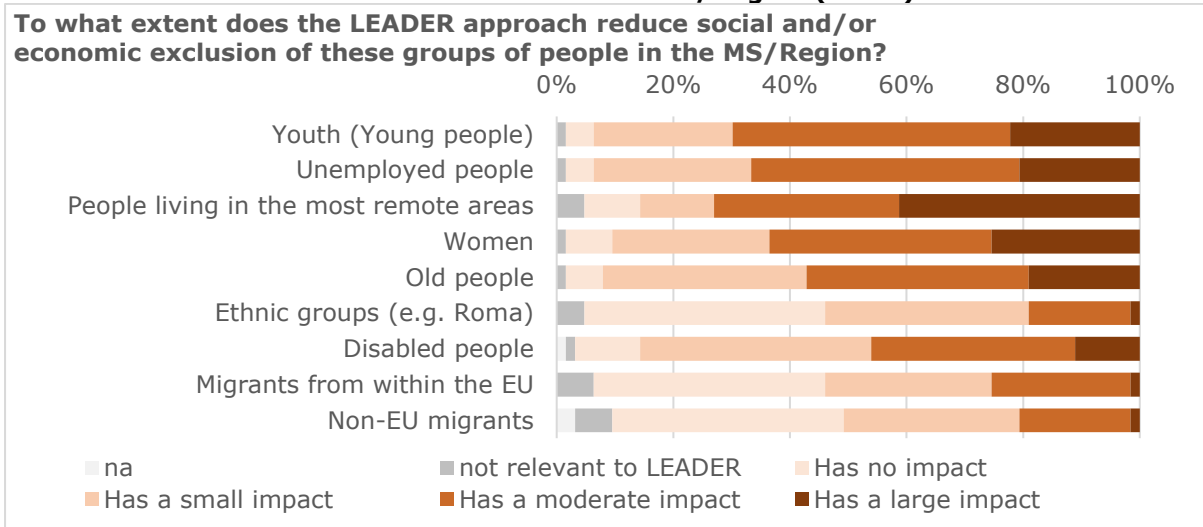
Figure 3.7: LAG Survey: Perceived effect of LAG activities on local environmental issues



Source: Study team, LAG survey data set 2021

The MA Survey also asked respondents to consider the impact of the LEADER approach on reducing social or economic exclusion across their MS/Region (Figure 3.8). The strongest impact of LEADER was identified for 'people living in the most remote areas' (41% indicated large impact), and 'women' (25% indicated large impact). Lowest impacts were on 'ethnic groups (e.g. Roma)' where 76% of respondents indicated small or no impact, and migrants both within and external to the EU (40% indicated no impact in both cases).

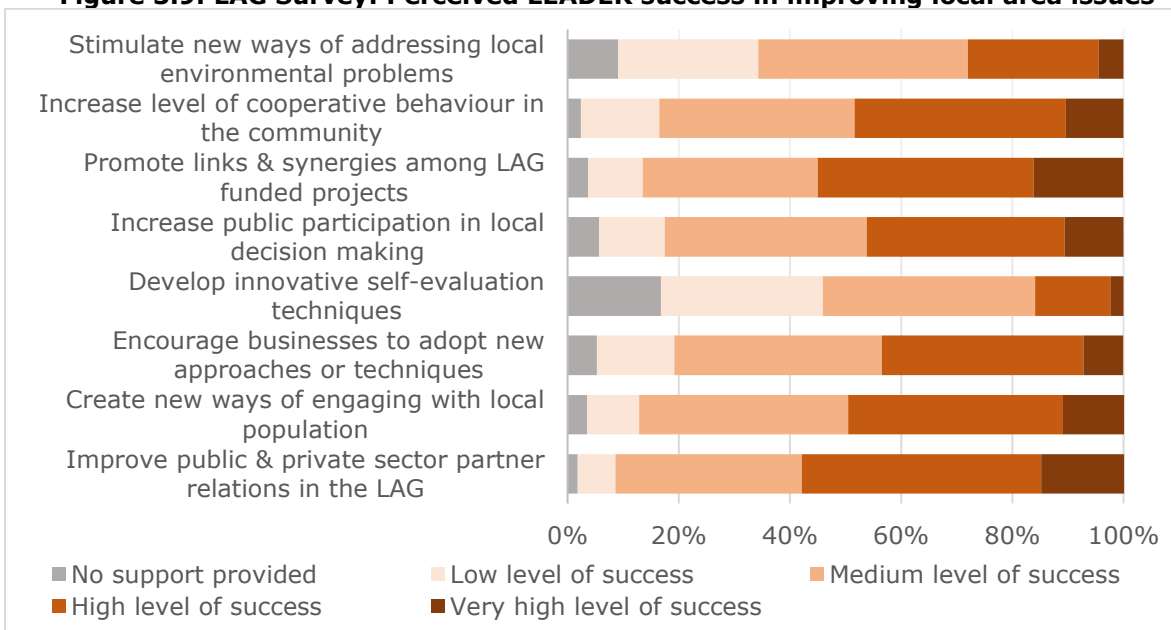
Figure 3.8: MA survey: Perception of impact of LEADER in reducing social and/or economic exclusion in the MS/Region (N=63)



Source: Study team, MA survey data set 2021

The LAG survey explored the contribution of LAG activities to a range of issues in the local area (Figure 3.9). Respondents indicated high/very high levels of LAGs successfully 'improve relations between public and private sector partners' (58%), 'create new ways of engaging with the local population' (50%), 'increase public participation in local decision making' (46%), and 'increase cooperative behaviour within the community' (48%). Lowest success was 'developing innovative self-evaluation techniques' (16% success, 16.8% indicating no support for this), and 'stimulating new ways of addressing local environmental problems' (28% high/very high success, 9% no support).

Figure 3.9: LAG Survey: Perceived LEADER success in improving local area issues



Source: Study team, LAG survey data set 2021

An aggregate scale was calculated to compare LAG scores, illustrating differences between MS. Table 3.1 compares the mean scores for case study MS and for the EU28.

Table 3.1: Measures of significance: LAG effectiveness in meeting local needs (CS MS)

Member state (N=509)	LAG activities a significant factor in meeting local economic needs	LAG activities a significant factor in meeting local social needs	LAG activities a significant factor in meeting local environmental needs	LAG activities have promoted sustainable development	LAG activities improved Co-ordination between levels of governance
AT	3.64	3.96	3.60	4.52	4.12
BE	3.67	4.00	3.33	3.67	4.00
CZ	3.80	4.00	3.60	4.20	4.00
DE	3.49	4.12	3.11	4.45	4.31
ES	4.45	3.88	3.85	4.46	4.18
IE	3.33	3.83	3.83	4.17	3.33
IT	4.21	3.67	3.83	4.18	4.27
RO	4.50	4.33	4.21	4.71	4.33
SE	4.00	4.08	3.75	4.25	4.17
SI	4.00	4.17	3.67	4.67	4.17
EU28	4.10	3.84	3.64	4.32	4.15

Source: study team LAG survey dataset, 2021

Note: Number of LAG responses varies across MS. [LAG scoring scale: 1 = No support to 5 = Very high level]

Lowest overall score was for the significance of LAGs in meeting environmental needs, and highest for 'promoting sustainable development', where Austria, Germany, Spain, Romania and Slovenia all had mean scores above the EU28 average. For governance, Romania, Germany and Italy had highest scores and Ireland lowest, perhaps reflecting changes with Ireland's LEADER in the 2014-2020 period, placing LAGs much closer to local authorities. In meeting economic needs, seven CS MSs scored below the EU28 average while Spain, Italy and Romania scored above. For significance of LAGs in meeting social needs, eight case study MS exceeded the EU28 value, only Ireland and Italy were lower.

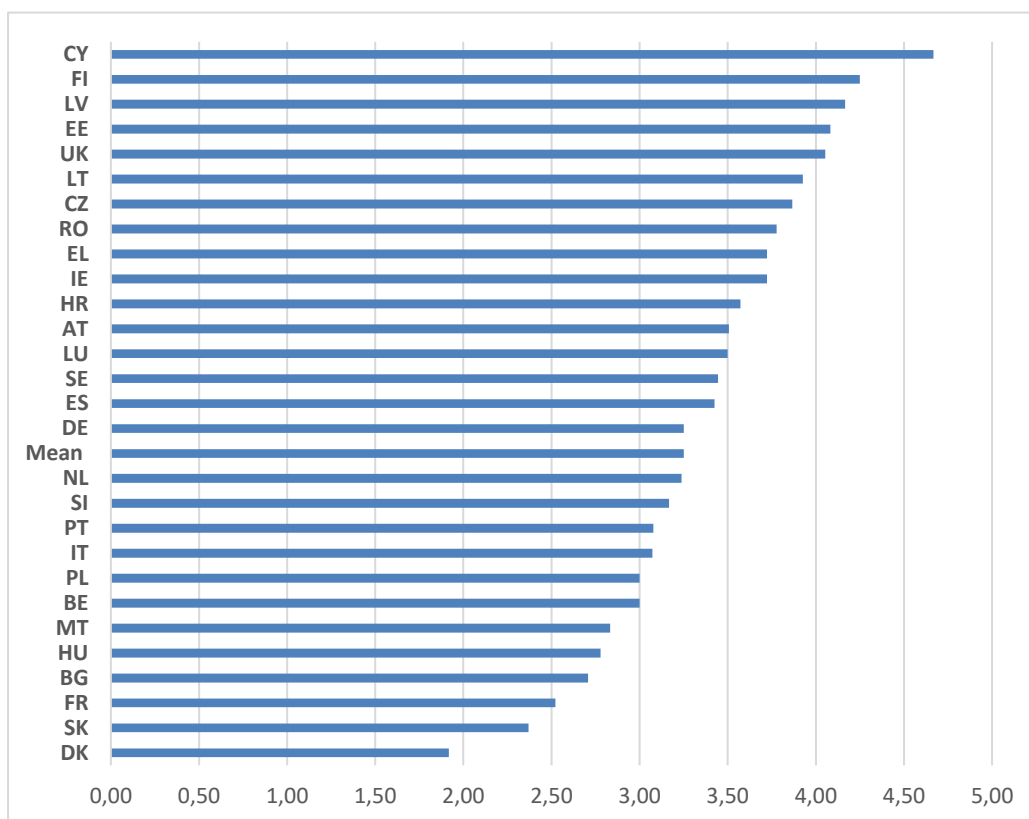
3.2.4 Theme 2: Efficiency

A LAG Efficiency Scale was developed based on the mean score of three statements in Question 18 (ii, iii, iv):

- (ii) There are sufficient administrative and managerial personnel providing support at LAG level;
- (iii) The majority of projects are assessed and processed within the required time frame;
- (iv) The majority of projects are paid within the required time frame.

Statements were scored 1 – 5 (where: 1 = Strongly disagree; 5 = Strongly agree) and averaged. The mean value scores provide a measure of perceived level of LAG efficiency.

The EU28 mean value for the efficiency scale was 3.25 (Figure 3.10). MS with highest mean scores included the UK, Finland, Estonia, and Latvia (note Cyprus was only one LAG response). The lowest scores were for Denmark, Slovakia, France and Bulgaria.

Figure 3.10: LAG Survey: LEADER operational efficiency by Member State (N=507)

Source: Study team, LAG survey data set 2021

Data from the LAG survey on the impact of use of Standard Cost Options was limited, but indicated efficiency gains, where these were applied. 157 LAGs responded to the question on introduction of SCOs, representing only 30.8% of the total sample. **LAGs in 22 MS applied SCOs in some form to Measure 19.** The majority of LAGs (84%) applied them to M19.4 Support for running costs and animation, with only 24.8% applying SCOs to M19.3 Preparation and implementation of cooperation activities. A significant share of LAGs applied SCOs in more than one sub-measure. A majority of respondents indicated a reduced administrative burden as a result of applying SCOs (Table 3.2). Almost three-quarters (71.8%) of those applying SCOs to M19.4, and nearly two-thirds (62.7%) of those applying SCOs to M19.1 indicated reduced administrative burden for these activities. Very few LAGs reported increased administrative burden, most often (12.8%) for M19.3.

Table 3.2: SCO use: LAGs' change in administrative burden using SCOs, per sub-measure

Change in Administrative Burden	M19.1 Preparatory support	M19.2 Support for implementing operations under the CLLD strategy	M19.3 Implementation of cooperation activities	M19.4 Support for running costs and animation
Decrease	62.75%	46.00%	53.85%	71.88%
No change	33.33%	44.00%	33.33%	21.88%
Increase	3.92%	10.00%	12.82%	6.25%
Total Responses	51	50	39	128

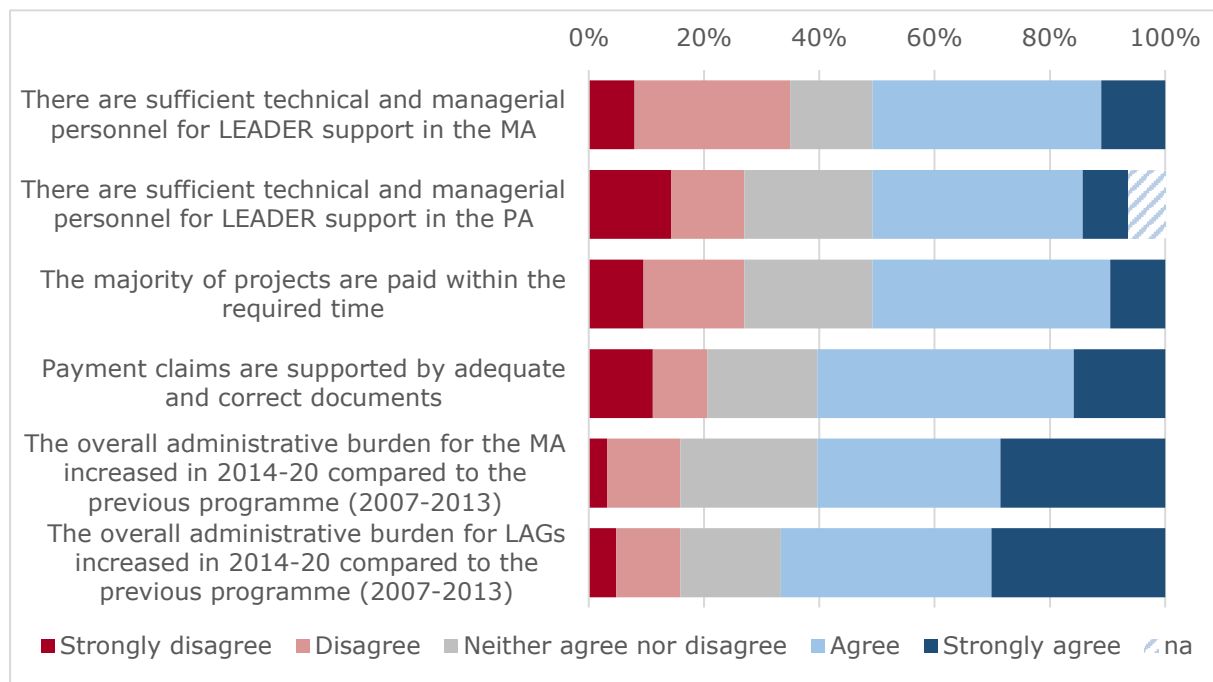
Source: Study team, LAG survey data set 2021

The data suggest that the use of SCOs particularly for preparation, animation and running costs, brings significant efficiencies to LAG operations.

The MA Survey collected perceptions on efficiency of M19 implementation processes across MS and regions. Results (Figure 3.11) indicate that around half of MA respondents agreed

with statements relating to sufficiency of personnel in the MA (51%) and PA (45%), and meeting the timeframe for project payments (51%).

Figure 3.11: MA Survey: Perceived efficiency of LEADER in the MS/Region (N=63)



Source: Study team, MA survey data set 2021

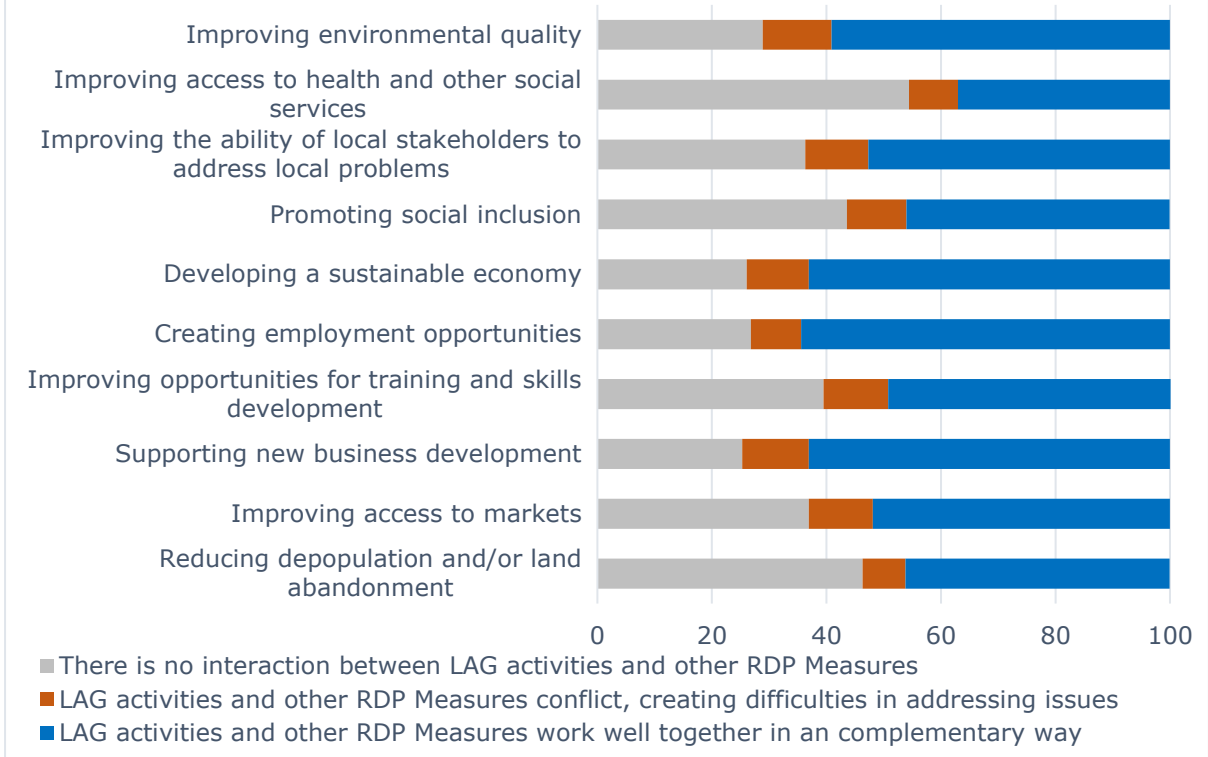
Just over one third (35%) of respondents suggested there was insufficient managerial and technical support in the MA. Survey data also showed that **a majority of respondents agreed or strongly agreed that the overall administrative burden for both MAs (61%) and LAGs (67%)²³ increased in the 2014-20 period, compared to the previous programming period.**

3.2.5 Theme 3: Coherence – internal and external

Internal coherence: only two questions in the LAG and MA surveys addressed internal coherence of LEADER with other RDP measures. Respondents in the LAG survey (Figure 3.12) were asked about the extent to which LAG activities were coherent with other projects / measures supported by the RDP, while in the MA survey the focus of the question was on 'how well LEADER works in complementary way with other RDP measures'. LAG responses indicated issues where RDP Measures and LAG activities worked well together related to economic development, such as: 'supporting new business development' (63%), 'creating employment opportunities' (64.4%), and 'developing a sustainable economy' (63%). In addition, many respondents (59%) indicated measures worked well together improving environmental quality. Issues where many responses reported no interaction between LAG activity and other RDP measures were 'reducing depopulation/land abandonment' (46.3%), 'improving access to services' (54.4%), and 'promoting social inclusion' (43.6%). A small number of responses indicated some conflict between LAG activity and RDP Measures: most common conflicts were in 'improving environmental quality' (12%), 'improving access to markets' (11.2%), 'supporting new business development' (11.6%), and 'improving opportunities for training' (11.3%).

²³ See Figure 3.32 also, for relevant LAG survey data.

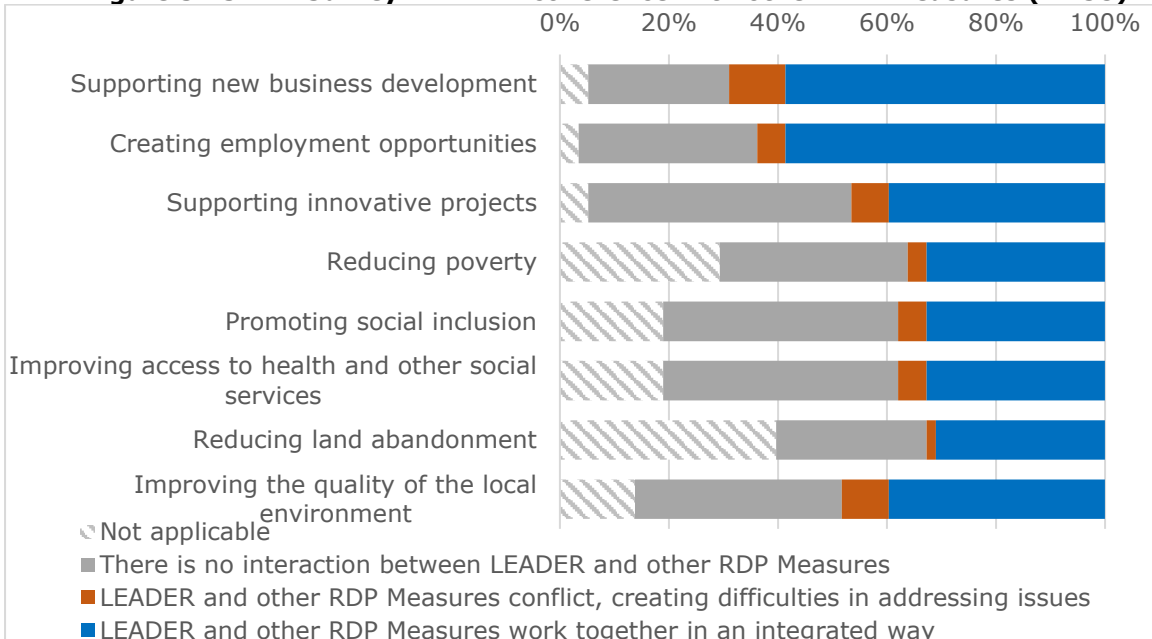
Figure 3.12: LAG survey: Perceived coherence of LAG activities with other RDP measures



Source: Study team, LAG survey data set 2021

MA Survey responses (Figure 3.13) show a similar pattern, but lower levels of reported conflict (<10% of responses). Respondents indicated LEADER and RDP measures worked well together ‘delivering support for new business development’ and creating employment opportunities (both 59%); and coherence in improving the local environment (40%). Some conflict was noted in ‘support for new business development’ (10%) and improving the local environment (9%). Over 60% indicated not applicable or no LEADER interaction with other RDP measures in ‘reducing poverty’, ‘social inclusion’, ‘improving access to services’, and ‘reducing land abandonment’. Land abandonment and rural poverty are not major issues in all RDPs, but it is surprising that coherence for ‘promotion of social inclusion’ was judged ‘not relevant’ by 19%, and lack of interaction reported in 43% of responses.

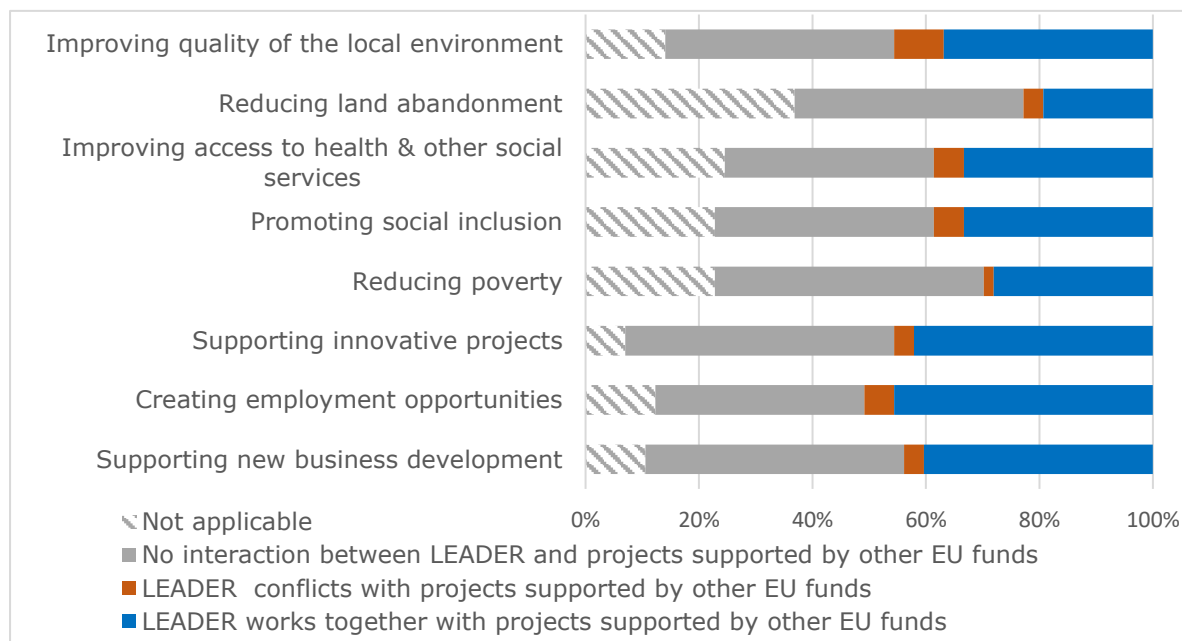
Figure 3.13: MA Survey: LEADER coherence with other RDP Measures (N=58)



Source: Study team, MA survey data set 2021

External coherence: LAG and MA surveys explored external coherence between LEADER and other EU funding. Responses to the LAG survey were not robust to interpret: LAGs were asked to identify names of funds and the level of interaction, which proved too difficult, resulting in a low and incomplete response. The MA survey indicated a similar pattern of coherence between LEADER and EU funds as found for internal coherence, with fewer areas of conflict (Figure 3.14). Economic activity had the highest response rates indicating LEADER and EU funds worked well together, while land abandonment, social inclusion, access to services, and poverty reduction had lower levels of positive response.

Figure 3.14: MA Survey: MA Perceived coherence of LEADER with other EU funds (N=57)



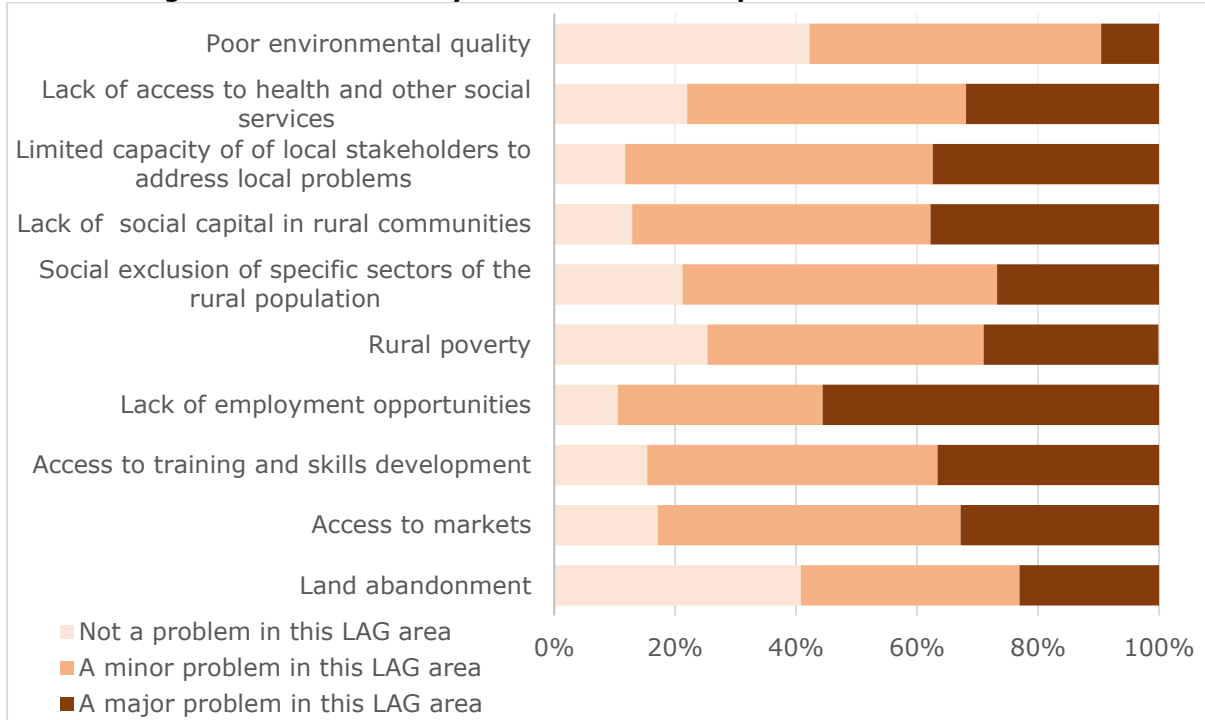
Source: Study team, MA survey data set 2021

3.2.6 Theme 4: Relevance

The LAG survey presented a number of pre-determined rural problems to respondents, asking if they existed in the area, and whether minor or major (Figure 3.15). Lack of employment opportunities was judged a major local problem by most LAGs. 40% said land abandonment was not a problem in their area but 23% judged it a major problem. Poor environmental quality was judged by 42.2% as not a problem; but by 9.6% as a major problem. Social exclusion of certain groups, lack of social capital and limited capacity of local stakeholders were considered major problems by around one-third of LAGs. 59.7% reported eight or more problems in total, suggesting that LEADER operated in areas with many and varied local development needs, indicating its relevance.

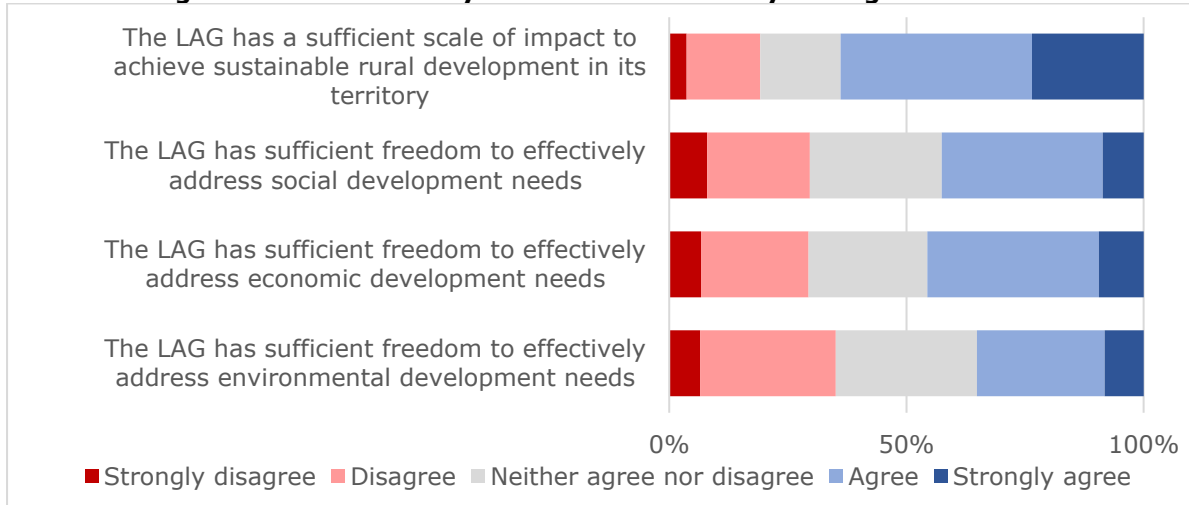
Figure 3.16 shows LAG survey responses regarding whether the LAG has sufficient freedom to address local economic, social, and environmental issues, as a measure of its relevance. Around one-third of respondents disagreed, while slightly more agreed, suggesting clear differences of opinion or experience among different LAGs. However, on whether the LAG has a sufficient scale of impact to achieve sustainable rural development, almost two-thirds (63.9%) agreed, and fewer than 20% disagreed, suggesting that most LAGs judge their scale to be sufficient for that purpose.

Figure 3.15: LAG Survey: Perceived scale of problems in the LAG area



Source: Study team, LAG survey data set 2021

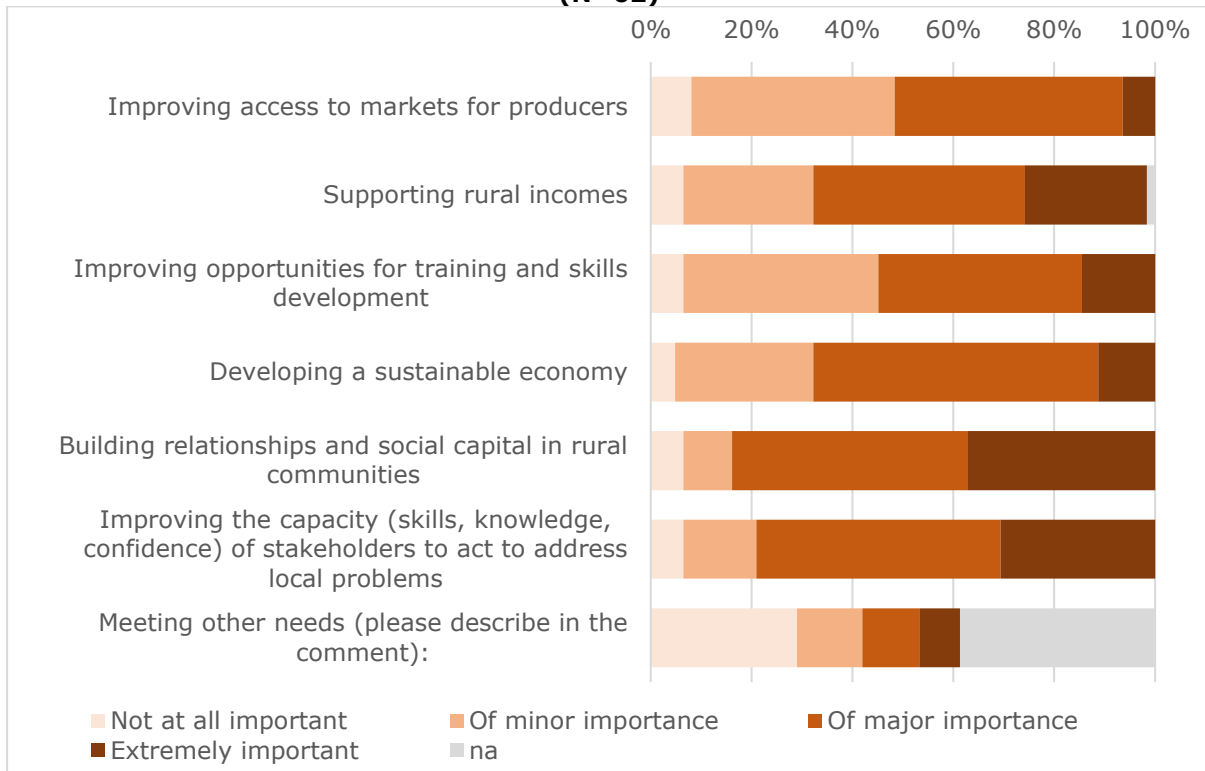
Figure 3.16: LAG Survey: Perceived LAG ability to target local needs



Source: Study team, LAG survey data set 2021

The MA survey also explored LEADER relevance in targeting regional needs (Figure 3.17). Strongest indication of importance was for LEADER’s role in building local capacity. 79% and 84% of respondents indicated it was of major importance or extremely important in ‘improving the capacity of stakeholders to act to address local problems’, and ‘building relationships and social capital’ respectively. Lowest importance was for issues regarded as beyond the role of LEADER: ‘improving access to markets’ (48% indicated LEADER was not important or of minor importance); ‘improving opportunities for training and skills’ (45% indicated LEADER was not important). In ‘supporting rural incomes’ 32% indicated LEADER was not important but two thirds of the sample (66%) judged that LEADER played a role of major or extreme importance, illustrating very different views on this.

Figure 3.17: MA Survey: Perceived importance of LEADER in meeting MS/Regional needs (N=62)

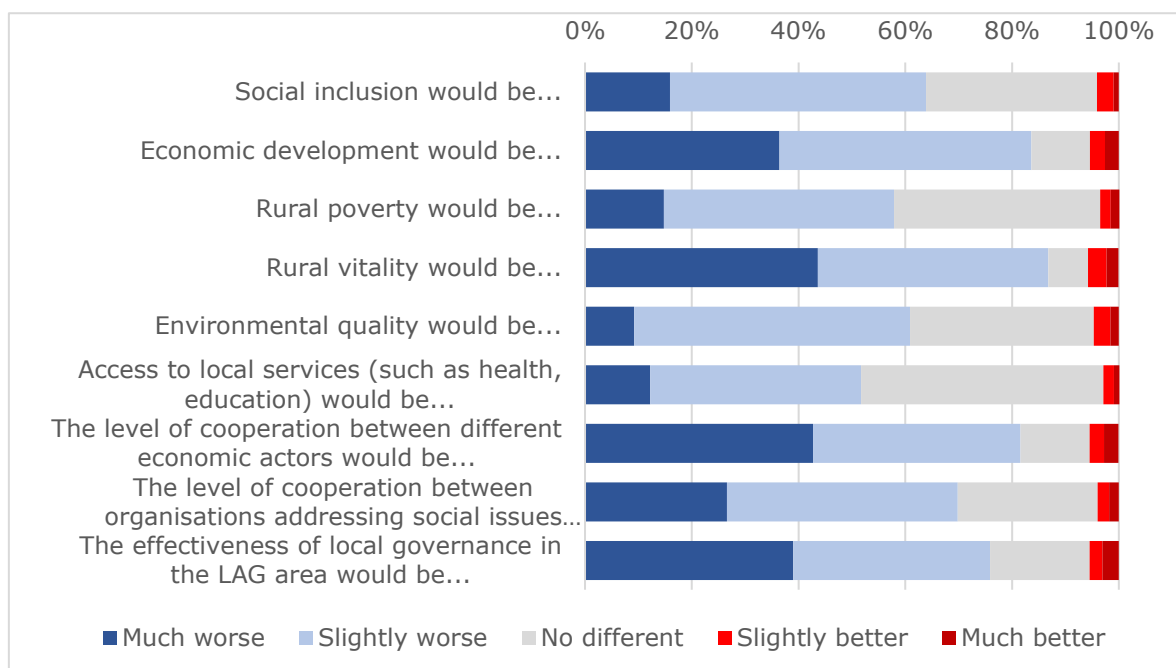


Source: Study team, MA survey data set 2021

3.2.7 Theme 6: EU Added Value

For LEADER’s added value, Figure 3.18 and Figure 3.19 compare LAG and MA Survey data in how far they judged that the local situation would have better or worse economic, social, environmental and governance conditions without LEADER. In the LAG Survey the largest shares of respondents indicated economic development, cooperation among economic actors, and rural vitality would be worse without LEADER. Areas where it was felt LEADER made least difference were rural poverty, environmental quality, access to local services and social inclusion. The data also show that although the perceived impact on economic activity is high, this was not seen as offering added value for rural poverty or local services.

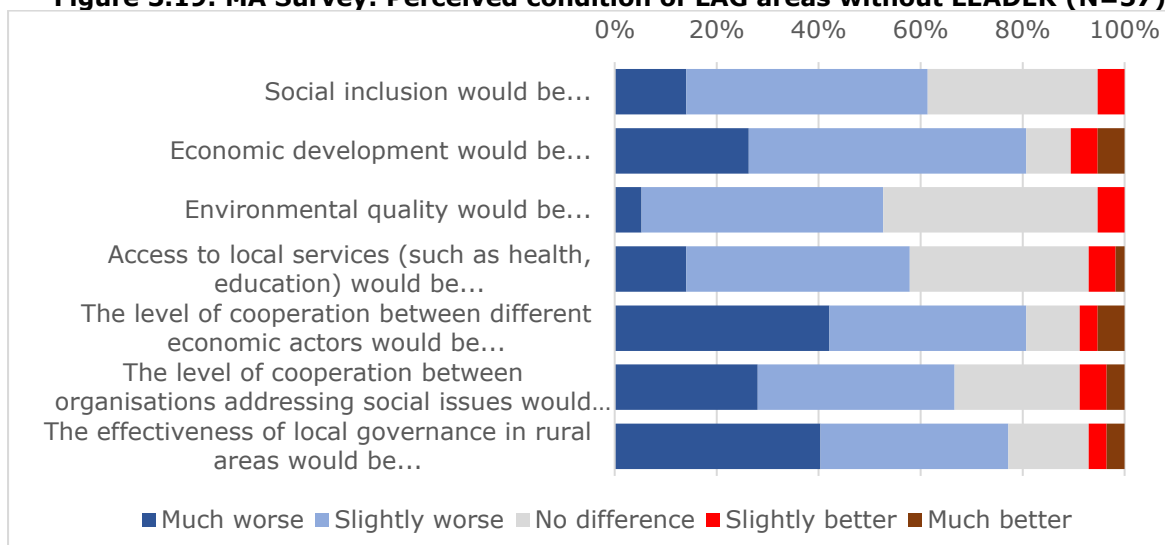
Figure 3.18: LAG Survey: Perceived condition of the LAG area without LEADER



Source: Study team, LAG survey data set 2021

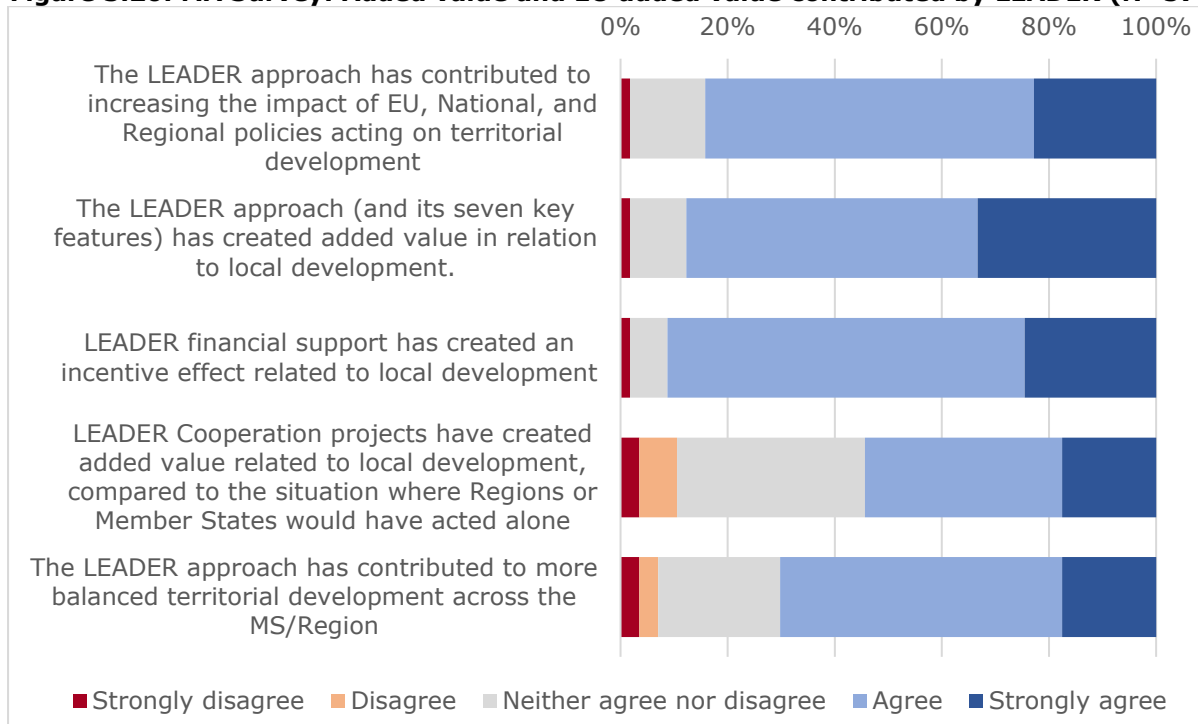
MA survey responses mirror LAG responses: the largest share of respondents said that if LEADER was removed it would be worse for economic development, cooperation between economic actors, and effectiveness of local governance. Areas of least change would be environmental quality, access to local services and social inclusion.

Figure 3.19: MA Survey: Perceived condition of LAG areas without LEADER (N=57)



Source: Study team, MA survey data set 2021

In respect of EU added value, MA respondents were asked directly to indicate the added value contributed by LEADER to broader CAP goals, including its contribution to balanced territorial development (BTD), local development, cooperation, and coherence with other EU and national policies (Figure 3.20). Strongest agreement is indicated in relation to LEADER adding value to local development and contributing to increasing the impact of EU, national and regional policies. The least impact of LEADER adding value is perceived as being in relation to cooperation projects, and contributing to BTD across the MS/region.

Figure 3.20: MA Survey: Added value and EU added value contributed by LEADER (N=57)

Source: Study team, MA survey data set 2021

3.2.8 Causal Mechanisms

LAGs use a wide range of 'mechanisms' to deliver LEADER. One goal of the LAG survey was to use it to test for potential determining factors that have affected LEADER outcomes. The approach was to compare information on

- some key LAG characteristics and context: potential **determinants**
- reported levels of LEADER achievement / success/ impact/ efficiency: measures of **results and outcomes**.

Key potential determinant characteristics were identified from the literature review and included LAG size; the quality of the LAG partnership/leadership and degree of LAG autonomy; the local socio-economic and environmental context; and the experience/maturity of the LAG team and key partners. The literature also emphasised how LAGs' extent of implementation of the seven LEADER features – the LEADER approach – was a determinant of LEADER effectiveness.

Of these factors, LAG maturity and experience proved impossible to identify from survey answers (LAGs often have very complex histories), and the quality of LAG partnership and leadership could only be identified qualitatively in limited ways. Thus, five simple indicators of potential determinants were used:

- LAG Budget size (i.e. the financial support available), as an indicator of LAG size;
- Number of different types of organisation represented in the LAG leadership, as a proxy for possible leadership quality;
- Type and number of territorial challenges/problems, as an indicator of local context;
- To indicate LAG Autonomy, the number of operational tasks for which the LAG had responsibility, in delivering LEADER;
- LEADER features implementation (extent to which the 7 LEADER features were successfully and fully implemented, at LAG level).

Then, single survey questions asking about LEADER effectiveness and efficiency, as well as a number of composite performance indicators developed from individual question

responses to indicate further aspects of LAG effectiveness, were identified as outcome indicators against which to look for simple correlations with determinant variables. The definition of categories for the five potential determinants is described in Table 3.3.

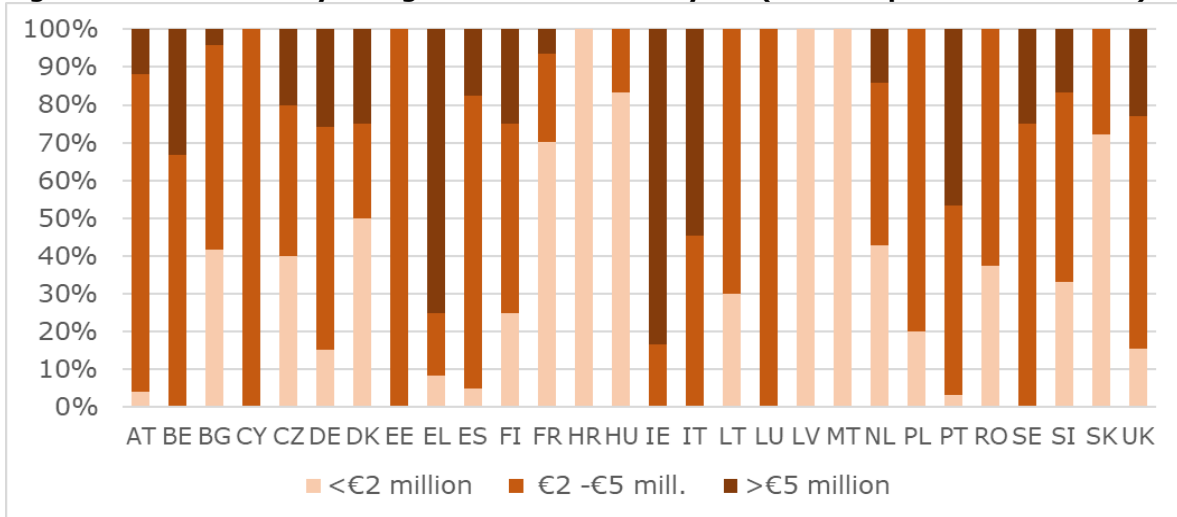
Table 3.3: Definition of categories for the potential determinants of LAG performance

Indicator	Source and categories
Budget size	LAGS were asked to identify their overall LAG budget for 2014-20. LAGs were told this should include EAFRD funding and other sources of EU funding if the multi-fund option applied. Three groups were identified: Small < EUR 2 million; Medium between EUR 2 million and EUR 5 million; Large > EUR 5 million
Types of group in LAG leadership	Responses indicated how many different types of group (local municipalities, private businesses, third sector bodies) were represented in LAG leadership. These were classed in 3 categories: 1-4 types, 5-8 types; and more than 9 types of group.
LAG Autonomy	12 delivery tasks were identified and LAGs were asked if they undertook them or if the task was the responsibility of the MA or PA or someone else. Responses were scored = 1 if the LAG undertook the task; 0 otherwise. The sum of scores for each LAG was divided by 12 to provide an indicator between 0 and 1 of level of autonomy of the LAG (more tasks undertaken implying higher autonomy). Scores were classed in 3 autonomy ranges: Low= <0.4; Medium= 0.4 – 0.75; High= >0.75.
Implementation of the LEADER features	The LAG survey listed the seven LEADER features in eight statements (networking was divided into internal & external networking). LAGs scored each statement on a 1 to 5 scale where: 1 = Not implemented at all; 2 = Implemented at a low level; 3 = Implemented at a medium level; 4 = Implemented at a high level; 5 = Fully Implemented. Scale is the average (mean) value of each LAG's scores, all features.
Magnitude of local problems	LAGs were asked to assess how far these problems existed in their territory: <ul style="list-style-type: none"> i. Land abandonment ii. Access to markets iii. Access to training and skills development iv. Access to health and other social services v. Lack of employment opportunities vi. Rural Poverty vii. Social exclusion of specific sectors of the rural population viii. Poor environmental quality ix. Lack of social capital in rural communities x. Limited capacity of local stakeholders to address local problems All items were scored: 1 = not a problem; 2 = a minor problem; 3 = a major problem; summed for each LAG and divided by 10 to give a mean score.

LAG budget size

Figure 3.21 illustrates the variation in LAG budget size across the EU-28. Croatia, Latvia, and Malta only have LAG respondents in the small group while Cyprus, Estonia, and Luxembourg only include LAGs in the middle budget group. Hungary, Netherlands, Poland, Romania and Slovakia responses do not include any LAGs in the large budget group. Budget size clearly affected resources available for animation and funding for projects across the LAG area. However it did not reflect the level of administrative support from local authorities, partnership working with local organisations, or access to alternative sources of funding.

Figure 3.21: LAG Survey: Budget size distributed by MS (% of responses in each MS)

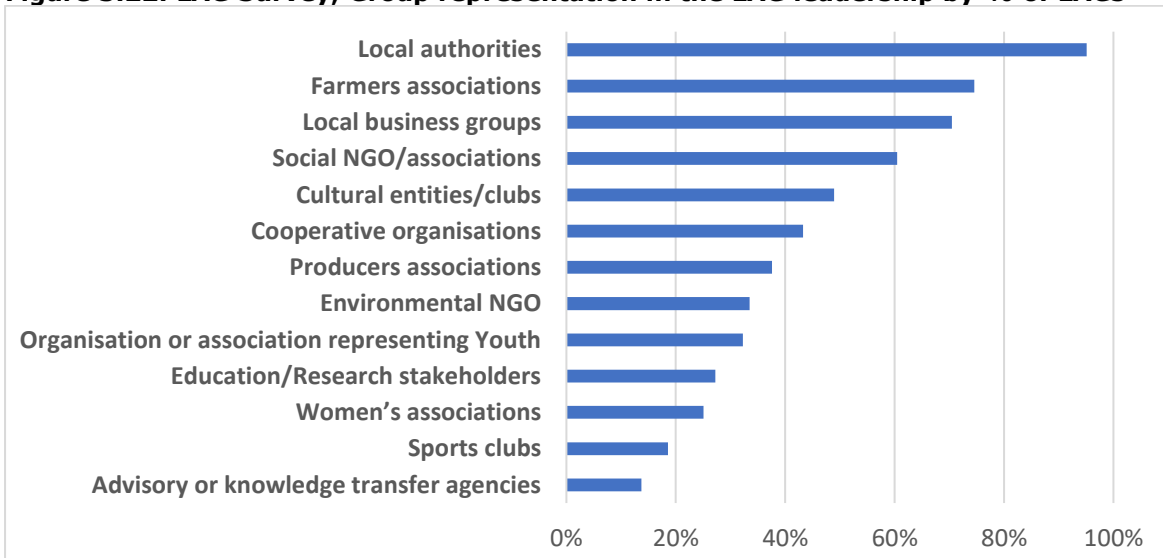


Source: Study team, LAG survey data set 2021

Local organisations and interests represented in the LAG leadership

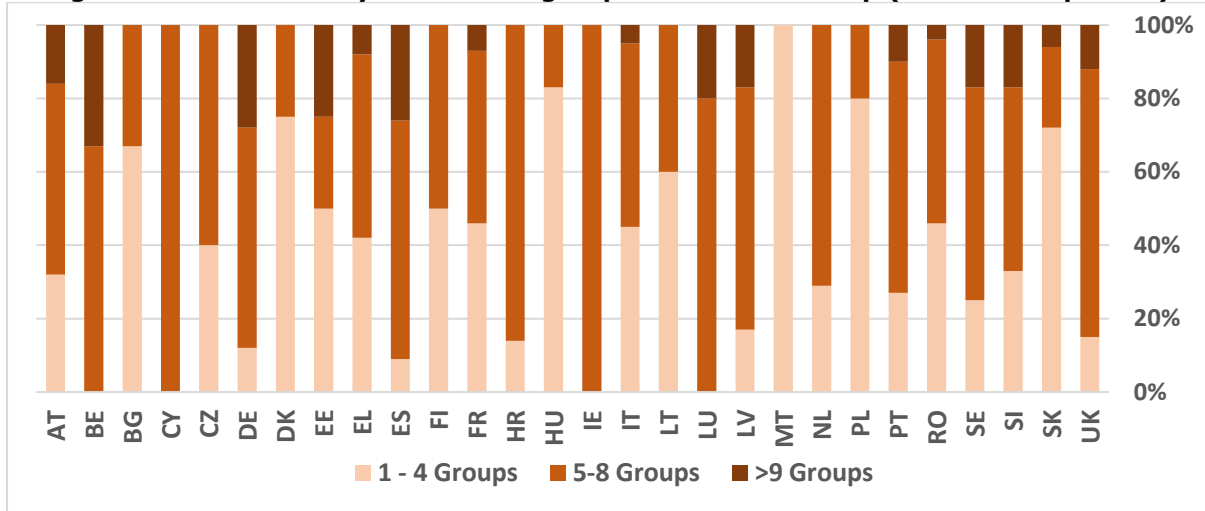
Question 4 of the LAG Survey aimed at understanding the nature of groups participating in LAG leadership. Data presented here relate to groups ‘represented’ in LAG ‘leadership’, which is not the same as those involved in ‘decision making’. The type of organisation most commonly participating in the leadership was local public authorities (95% respondents). Local business groups were present in 70.5%, and social NGOs/associations in 60.5% of LAG respondents’ leadership. A majority of LAGs (54.52%) indicated 4-8 groups in their leadership, while 32.6% indicated three or fewer, and 12.8% more than nine groups. Figure 3.22 and Figure 3.23 illustrate this variability within and across MS.

Figure 3.22: LAG Survey, Group representation in the LAG leadership by % of LAGs



Source: Study team, LAG survey data set 2021

Figure 3.23: LAG Survey: Number of groups in LAG leadership (% of MS responses)

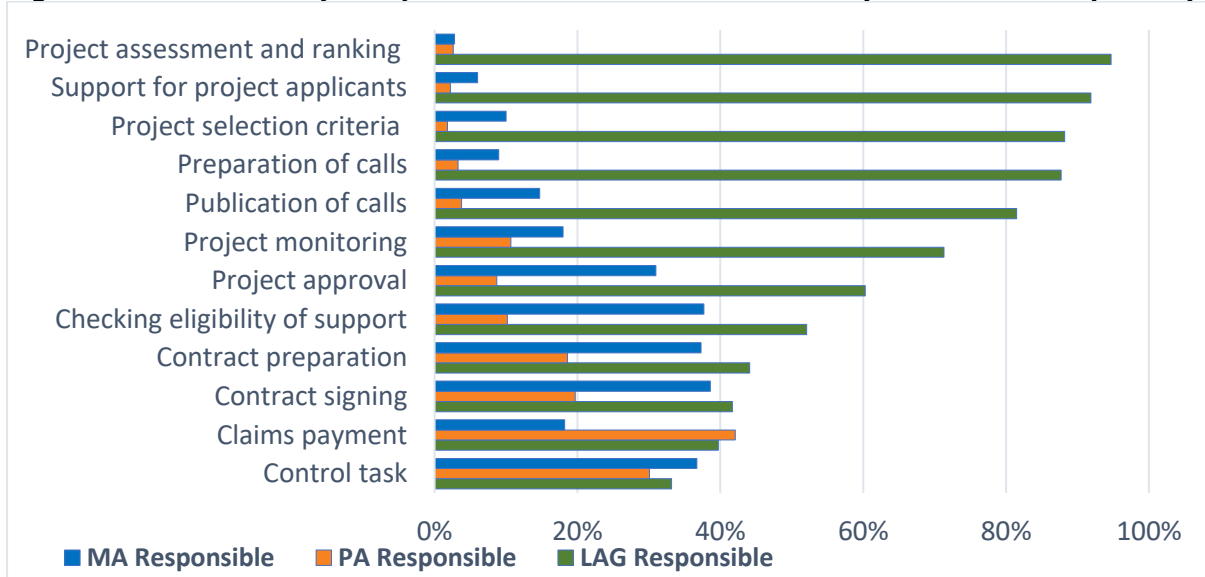


Source: Study team, LAG survey data set 2021

LAG Autonomy

Question 10 of the LAG Survey explored responsibility for 12 key tasks among LAGs, MAs and PAs. Results (Figure 3.24) indicated more than 90% of LAGS were responsible for project assessment and ranking, and most LAGS were responsible for project monitoring and checking eligibility. PAs had greater responsibility for payment claims and controls (42% and 30%), while MAs had more responsibility for checking eligibility for support, contract preparation and signing, also payment claims and controls. The majority of LAGs (63%) were responsible for between four and nine of the 12 tasks in the question²⁴.

Figure 3.24: LAG Survey: Responsible bodies for LEADER tasks (% of all LAG responses)



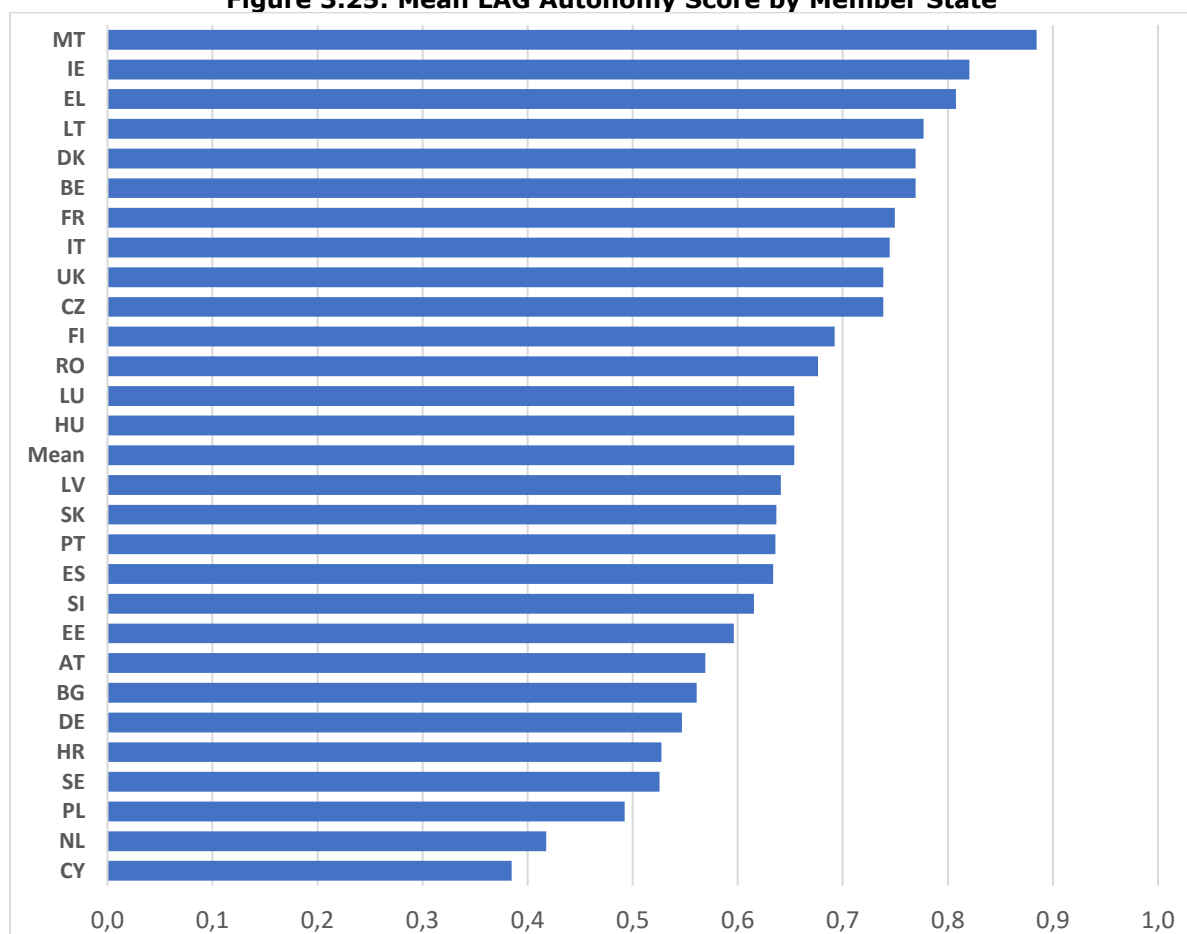
Source: Study team, LAG survey data set 2021

An 'Autonomy indicator' was derived as described in Table 3.3: this is an imperfect measure as it does not reflect the level (or significance) of responsibility associated with different tasks, which was higher for some than others, and does not account for situations where responsibility for a task was shared. Nevertheless, Figure 3.25 illustrates the

²⁴ The 12 specific LEADER tasks carried out by LAGs, MAs and/or PAs were identified as: Control task; Claims payment; Contract signing; Contract preparation; Checking eligibility of support; Project approval; Project monitoring; Publication of calls; Preparation of calls; Project selection criteria; Support for project applicants; Project assessment and ranking.

autonomy index of LAGs by Member State. The average index for all LAGs was relatively high (0.654) indicating **a majority of LAGs had responsibility for most tasks.**

Figure 3.25: Mean LAG Autonomy Score by Member State



Examining potential causal relationships between determinants and LEADER performance

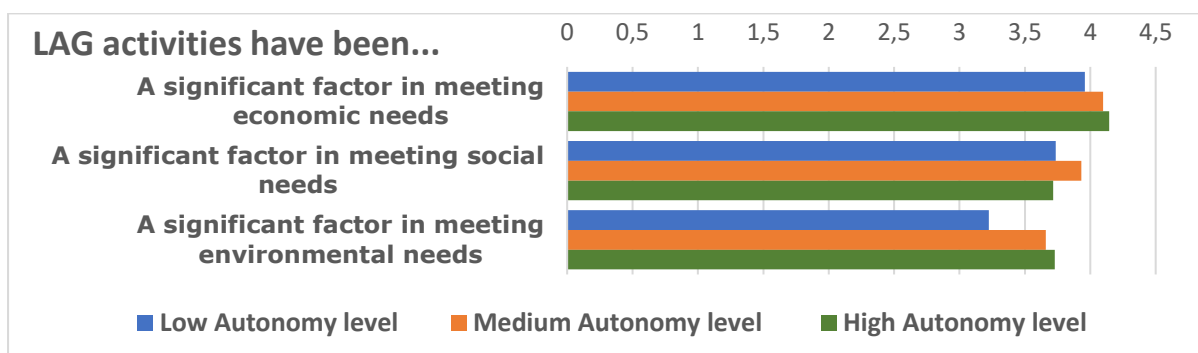
The influence of LAG leadership

The analysis showed no significant differences in effectiveness of LAG activities (in relation to economic, social and environmental impact) based on the number of different types of group represented in the LAG leadership. This suggests that the number of different organisations involved in LAG leadership was not a simple factor influencing LAG effectiveness. Since effectiveness depends also on how well organisations work together, local capacity for action, and power relations, it is perhaps unsurprising that more groups represented does not necessarily mean more knowledge or better decision-making.

The influence of Autonomy

Comparison of LAG autonomy levels (Low/Medium/High) across LAG performance revealed modest but inconsistent outcomes between types of effect, suggesting that the level of autonomy has a varied influence on LAGs' performance. Figure 3.26 shows the results for the question on LAG effectiveness in meeting needs, measured on a 5-point scale (where 1 = Strongly disagree; 5 = Strongly agree), compared to autonomy index values grouped into three categories: low, medium and high. The conclusion is that the level of LAG autonomy (in this sense) does not consistently influence LEADER effectiveness.

Figure 3.26: LAG Survey: LAG scores for effectiveness in meeting economic, social, and environmental needs by level of LAG autonomy (N=509)



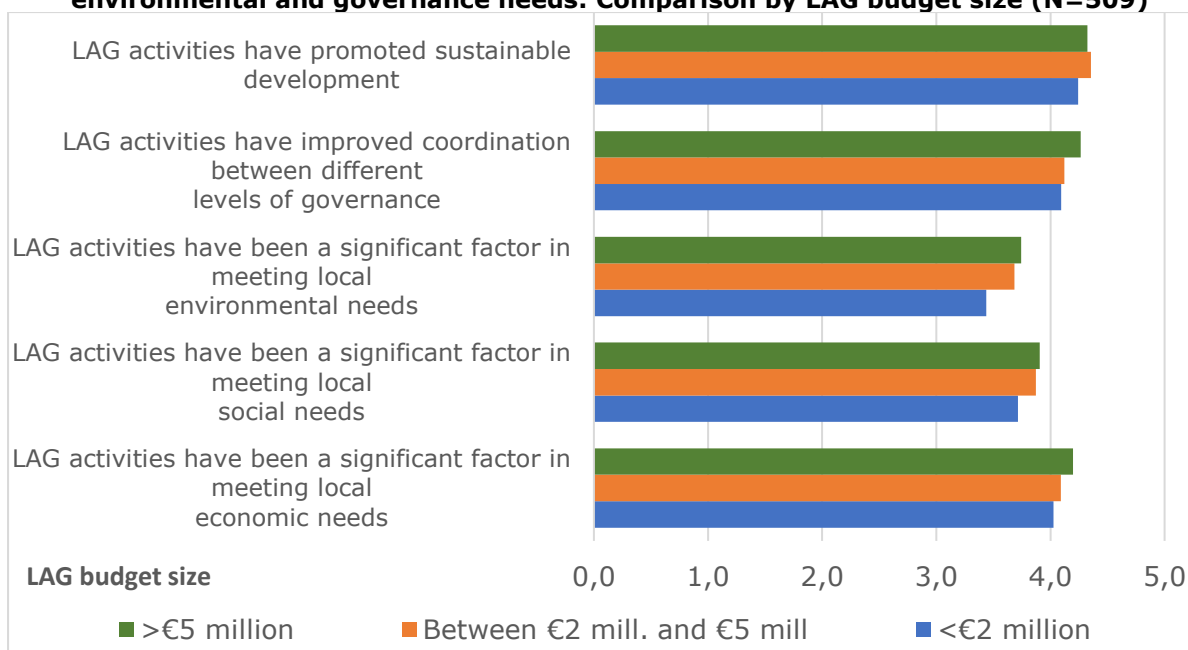
Source: Study team, LAG survey data set 2021

The influence of budget on LAG performance

Budget size may have influenced LAGs' reported effectiveness in respect of economic, social and environmental outcomes. When compared against LAGs by budget size (low, medium, and high) the scores for a range of questions assessing LAG effectiveness suggests that **larger LAG budgets were associated with higher levels of outcomes in respect of economic, social, environmental goals, and governance**. The differences in scores between budget sizes are small, but the pattern is fairly consistent across most of the outcome indicators examined here.

In Figure 3.27, the pattern of scores for meeting social, environmental and governance needs is similar. These suggest that successively higher LAG budgets resulted in higher outcomes from LAG actions, although not so for promoting sustainable development.

Figure 3.27: Significance of LAG activities in meeting local economic, social, environmental and governance needs: Comparison by LAG budget size (N=509)

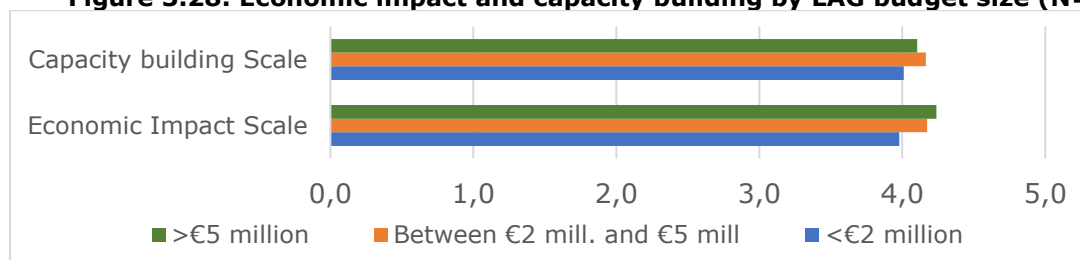


Source: Study team, LAG survey data set 2021²⁵.

²⁵ Statements are drawn from Q26 which asks respondents to indicate their agreement with a set of statements on the significance of LAG activities in meeting local needs (using a 1 to 5 scale where 1 = Strongly disagree; 3 = Neither agree nor disagree; 5 = Strongly agree).

Figure 3.28 presents a comparison of LAG budget size against two composite indicators of performance, suggesting that larger budgets were associated with higher levels of economic impact and capacity building. The difference between the two higher budget sizes was not consistent, whereas for the small budget size, apparent impacts were lower.

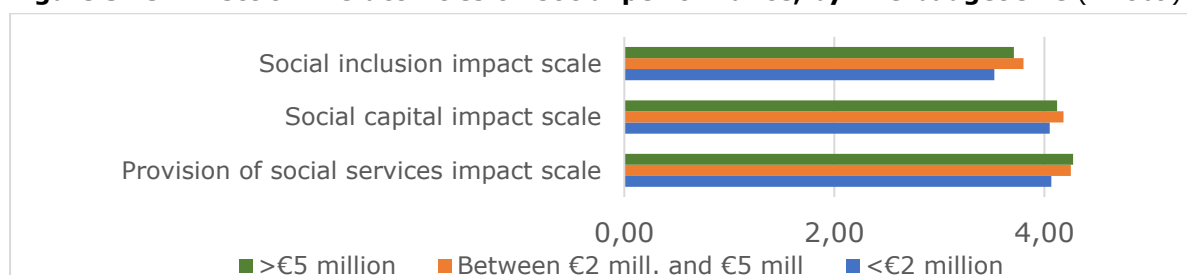
Figure 3.28: Economic impact and capacity building by LAG budget size (N=509)



Source: Study team, LAG survey data set 2021²⁶

Figure 3.29, Figure 3.30 and Figure 3.31 examine possible effects of LAG budget size on further outcomes assessed using composite indicators. Figure 3.29 illustrates that the pattern between budget size and social outcomes as measured by social inclusion, social capital and social services provision scales, was inconsistent.

Figure 3.29: Effect of LAG activities on social performance, by LAG budget size (N=509)



Source: Study team, LAG survey data set 2021²⁷

Figure 3.30 illustrates the relationship between budget size and environmental outcomes (cultural capital, natural capital, and environmental capacity-building). As in Figure 3.29, LAGs with 'medium' budgets reported higher outcomes in some instances than those with larger budgets. However, Figure 3.31 illustrates the comparison between LAG budget size and governance, indicating a significant difference in perceived impact of LAG activities on local governance, as budget size increased from small to medium and then to large.

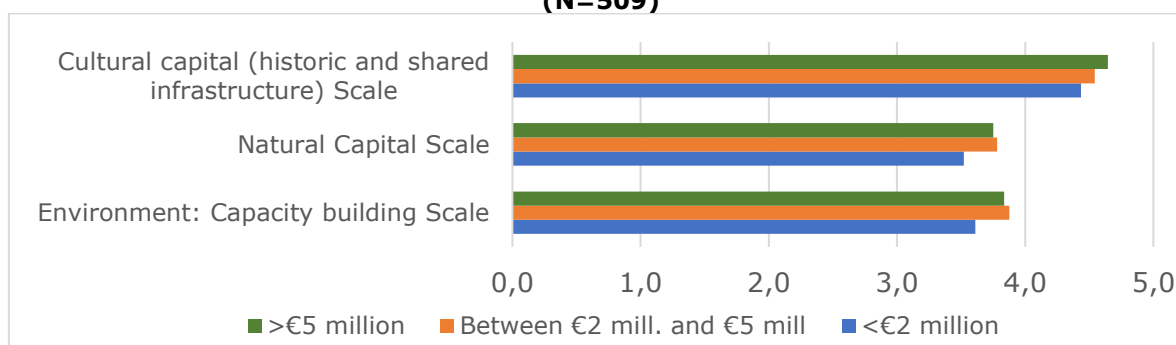
²⁶ **Economic impact scale:** The mean of LAG scores on three Q19 statements measuring the effect of LAG activities (Scored on a 1 – 5 scale where 1 = No effect; 3 = Medium effect; 5 = very high effect): Supporting new business development; Creation and/or maintenance of employment; Supporting innovation and or new marketing channels.

Capacity building scale is the Mean scores for four statements in Q20. Scores are assessed on a 1 – 5 scale where 1 = No effect; 3 = Medium effect; 5 = very high effect): Capacity building among individuals/ organisations; Encouraging innovation in service provision; Encouraging networking and cooperation between organisations; Improving the provision of local services.

²⁷ **Social inclusion impact scale** uses 3 statements from Question 20: Addressing needs of vulnerable groups of population (e.g. youth, minorities, women, elderly, migrants...); Reducing gender disparities, and Reducing the feeling of being left behind.

Social capital impact scale: uses 2 statements from Question 20: Capacity building among individuals and organisations, Encouraging networking and cooperation between organisations

Provision of social services impact scale: Uses Question 20 statement (v) as a measure: 'Improving the provision of local services'. Statements are scored on a 1 – 5 scale where: 1 = no effect; 3 = medium effect; 5 = very high effect.

Figure 3.30: Effect of LAG activities on environmental performance by LAG budget size (N=509)Source: Study team, LAG survey data set 2021²⁸**Figure 3.31: Effect of LAG activities on local governance by LAG budget size (N=509)**Source: Study team, LAG survey data set 2021²⁹

LAG efficiency does not appear consistently influenced by size of LAG budget. In Figure 3.32, indicative scores for a range of administrative measures are presented together to illustrate the pattern of reported LAG performance in relation to budget size. The composite efficiency scale indicates perceived LAG efficiency for three tasks, and delays in implementation indicates delays arising from seven different tasks. In theory, lower LAG budgets might mean a higher administrative burden due to limited personnel, and/or higher administration costs because of fixed overheads, but on the other hand, higher budgets could imply a higher administrative burden due to increased complexity, with more projects and personnel to manage. The results suggest that budget size did not have a significant influence on administrative performance as there was no consistent pattern evident between budget size and these efficiency indices.

In terms of the administrative burden, larger budgets appear to be associated with higher perceived levels of burden, while for the change in administrative burden between 2007-13 and 2014-2020, this was reportedly greater for those LAGs with larger budgets.

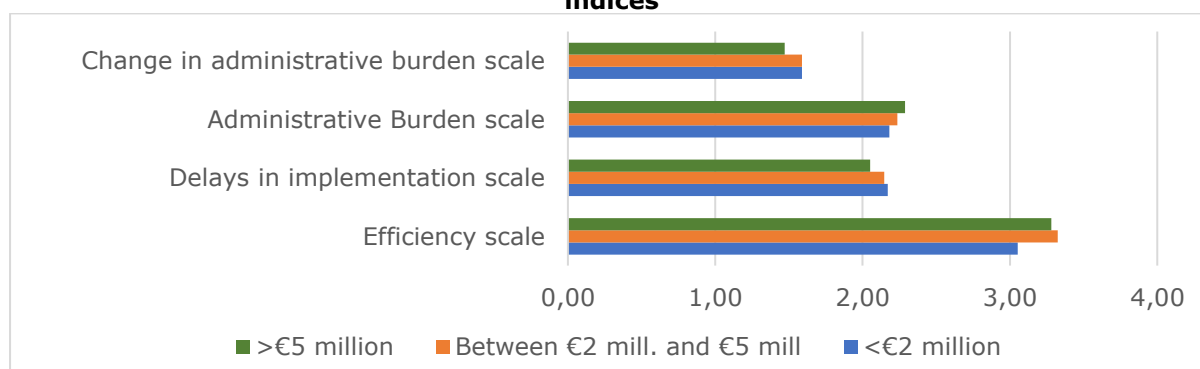
All sizes of LAG indicate a 'change in administration' composite score below 2, suggesting that overall, their perceived administrative burden increased in 2014-2020 compared to the previous programme period.

²⁸ **Environment: Natural capital** is based on a single statement from Q22 'Improving local environmental quality'

Environment: cultural (built) capital (historic and shared infrastructure) is based on 2 statements from Question 22: Maintaining/restoring the local cultural heritage, Improving shared community infrastructure (e.g. village halls; sports facilities)

Environment: capacity building (social) uses 2 statements from Q22: Raising awareness of the impact of behaviours and practices on climate change; Increasing local capacity to manage environmental issues. Q22 is scored on a 1 – 5 Scale where 1 = No Effect; 3 = Medium effect; 5 = Very high effect

²⁹ The **Governance Scale** is developed from the mean scores of 4 statements: Improving relations between public sector and private sector partners in the LAG; Creating new ways of communicating or engaging with the local population; Increasing public participation in local decision making; Increasing the level of cooperative behaviour within the community. Statements are drawn from the LAG Survey Q23 which asks respondents to indicate "the extent to which LAG activities have contributed to improvements in the LAG area". Statements are scored on a 5-point scale (where 1 = No support provided; 3 = Medium level of success; 5 = Very high Level of success).

Figure 3.32: Comparison of LAG performance by size of budget: LEADER efficiency indices

Source: Study team, LAG survey data set 2021³⁰

The influence of LEADER features implementation on LAG performance

The LAG survey explored the extent to which LAGs had been able to implement the seven LEADER features. This was identified as a potential aspect that could affect LEADER performance, so establishing the extent to which the seven features were successfully implemented in different LAGs and LEADER programmes was examined as a determinant variable for causal analysis. Figure 3.33 and Figure 3.34 show the initial survey findings.

The feature considered by most LAGs to be fully implemented was 'bottom-up approach with decision making power for LAGs to elaborate and implement their Local Development Strategy', with 37.3% reporting it fully implemented and 38.1% implemented at a high level. This is followed by 'Area based LDS', with 32.4% fully implemented and Local public-private partnership with 29.7% fully implemented. The feature considered by the highest proportion of LAGs as not implemented at all is 'Cooperation projects' (15%).

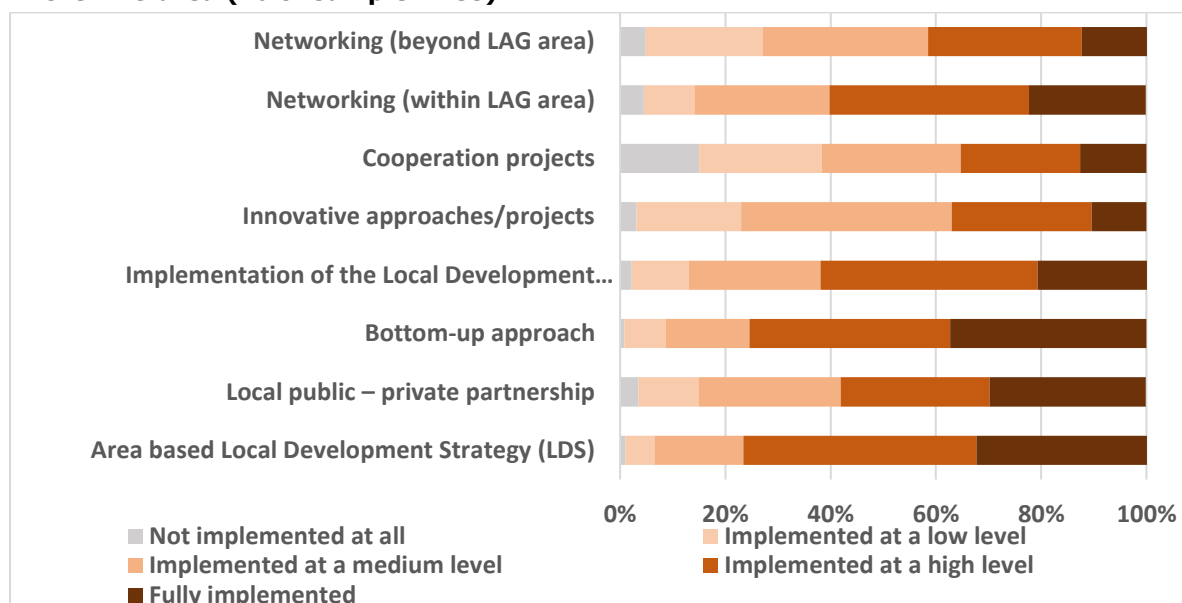
A similar pattern of response was obtained from the MA survey, which asked respondents to consider the proportion of LAGs in the MS/Region that implemented the LEADER features. A majority of respondents (more than two-thirds in each case) indicated that the 'Area Based LDS', 'Public-Private partnerships', and 'A bottom-up approach to decision making' were implemented by a large number of LAGs in their RDP areas. Cooperation (35%) and Innovative approaches/projects (28%) were indicated as the LEADER features least widely implemented. A small proportion of respondents also indicated that Cooperation, Innovative approaches/projects, and Networking features were either not implemented or only implemented by a small number of LAGs (22%, 19%, and 16% respectively) in their RDP areas.

³⁰ **Efficiency scale:** based on three statements from Q18 of the LAG survey: There are sufficient administrative and managerial personnel providing support at LAG level; The majority of projects are assessed and processed within the required time frame; The majority of projects are paid within the required time frame. Statements are scored on a 1 – 5 scale where: 1 = Strongly disagree 2 = Disagree; 3 = Neither agree nor disagree; 4 = Agree; 5 = Strongly agree.

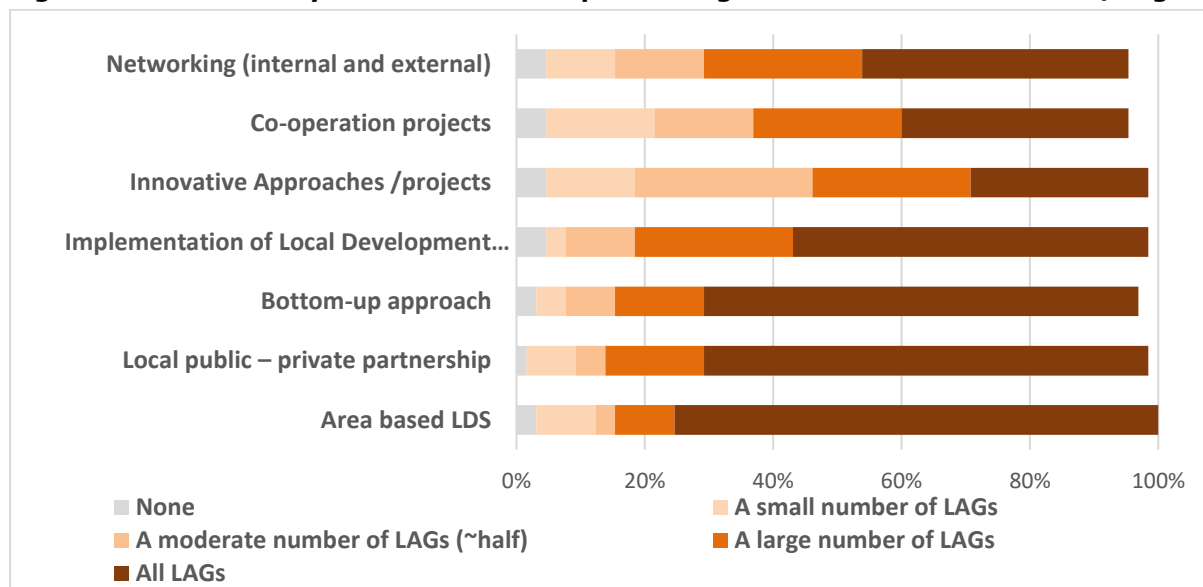
Implementation delay Scale is based on delays reported for seven actions from Q14 of the LAG survey: Development of the Local Development Strategy (LDS); Selecting LAGs at the start of the programme period; Appointing LAG personnel; Project selection; Project approval; Making payments to beneficiaries; Engaging in cooperation projects. Items are scored as follows: 1 = no delay; 2 = short delay; 3 = long delay, thus higher scores indicate more and/or longer delays at LAG level.

Admin burden Scale: Uses Part 2 of Q10 to assess the perceived administrative burden of 13 tasks: 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. Items are scored 1 – 3 where: 1 = Low burden; 2 = Medium Burden; 3 = High burden.

Change in the Admin Burden Scale: Respondents were asked to indicate the scale and direction of change in the perceived administrative burden in 2014-20 compared to 2007-13, for 6 key tasks. Scored on a 1 to 3 scale where: Increase = 1; No change = 2; Decrease = 3. Thus, a low score (<2) indicates an increase in the administrative burden and a high score (>2) represents a decrease.

Figure 3.33: LAG survey: The extent to which LEADER features have been implemented in the LAG area (% of sample LAGs)

Source: Study team, LAG survey data set 2021

Figure 3.34: MA Survey: Share of LAGs implementing LEADER features in the MS/Region

Source: Study team, MA survey data set 2021

It is possible to compare the results shown in Figure 3.33 with results from an ENRD 2017 survey of LEADER LAGs, relatively early on in the implementation period. A similar pattern is seen in respect of the three elements of the LEADER features that LAGs thought they could fully implement in 2017³¹. The highest ranked feature was 'the bottom up approach ensuring decision making power for LAGs to design and implement their Local Development Strategies (LDS), with 60% of respondents³² rating it fully implemented, followed by "Area based LDS" (51%) and "bottom up approach" (48%). The extent to which LAGs said they were able to fully implement the LEADER features was higher in 2017, compared to that reported in this 2021 LEADER evaluation study survey, suggesting significant obstacles or barriers had arisen in respect of LAGs' ability to implement them,

³¹ ENRD (2018) LEADER LAG Survey 2017 Findings at European Level.

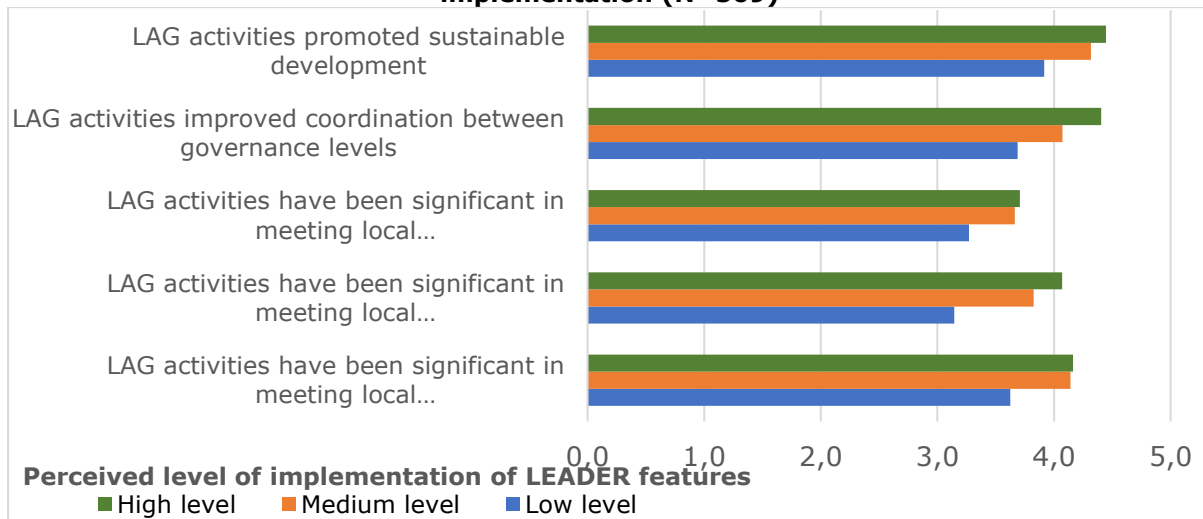
³² 710 responses received from 27 EU Member. LAGs from 19 national and 70 regional Rural Development Programme (RDP) 'territories' responded.

between the 2 surveys. The LEADER features that LAGs in the ENRD survey most frequently reported they were able to implement only 'Slightly' or 'Not at all' were Innovative approaches (19%), Cooperation projects (27%) and multi-sectoral LDS (29%), again mirroring the outcome of this evaluation study survey. Cooperation projects fell furthest in implementation ability (from 27% to 15%) between 2017 and 2021.

In respect of potential causal linkages, **the LAG survey shows an apparent consistent relationship between the degree to which LAGs perceive that they have been able to implement the seven features of the LEADER approach, and their relative impact in meeting the needs of the area and bringing wider beneficial impacts** (Figure 3.35). This suggests that the greater the success in implementing the LEADER features, the stronger the positive impacts of LAG actions on the local territory.

Figures 3.35 to 3.40 compare LAG outcomes on a range of composite scales – most previously detailed in footnotes on pages 45-46 - across three different levels of LEADER features implementation, assessed by a composite scale derived from mean LAG scores of data in figure 3.33, ranging 0 to 5 (Low = <2.74; Medium = 2.74 – 3.84; High=3.85-5.0).

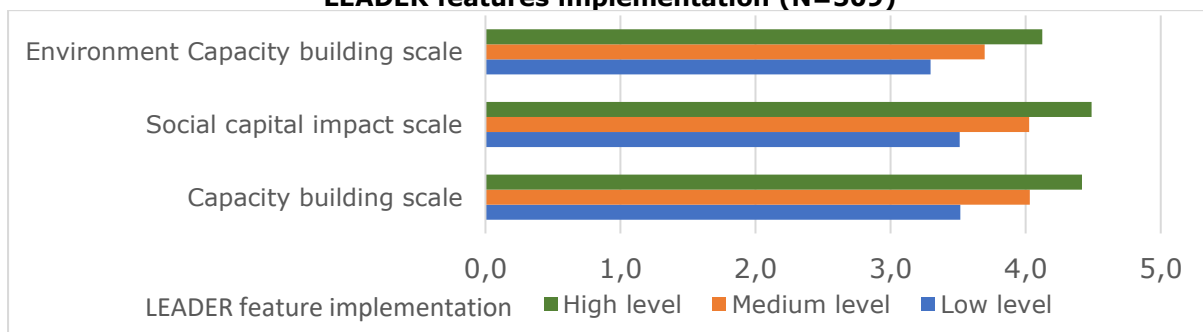
Figure 3.35: Significance of LAG activities in meeting local economic, social, environmental and governance needs, by LAG perceived extent of LEADER features implementation (N=509)



Source: Study team, LAG survey data set 2021³³.

Figure 3.36 compares capacity building outcomes across the LAGs based on their level of LEADER features implementation. For each composite indicator, LAGs with higher scores for implementing LEADER features indicate higher level outcomes.

Figure 3.36: Impact of LAG activity on Capacity building, by LAGs' perceived extent of LEADER features implementation (N=509)



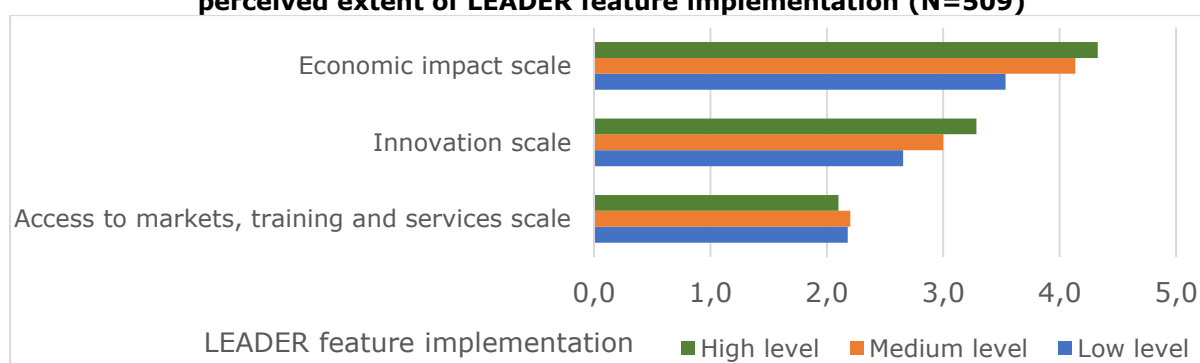
Source: Study team, LAG survey data set 2021³⁴

³⁴ see footnotes pages 45 and 46 for details of how these composite scales were calculated.

Figure 3.37 illustrates economic outcomes, also showing that where LEADER features are more successfully applied, reported outcomes are greater, except in 'access to markets and training', which, as a contextual factor, is independent of LEADER characteristics. The comparison for social outcomes illustrates a similar pattern with higher outcomes on the composite scales (

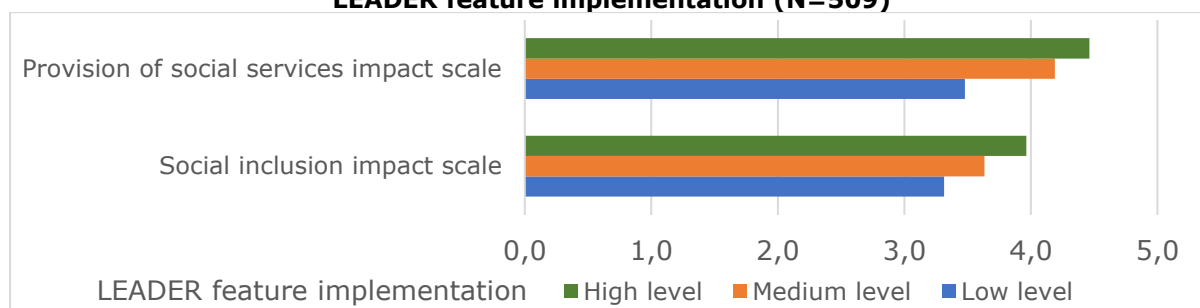
Figure 3.38) when LAGs are more successful applying LEADER features.

Figure 3.37: Effect of LAG activities on the local economy: Comparison by LAGs' perceived extent of LEADER feature implementation (N=509)



Source: Study team, LAG survey data set 2021³⁵

Figure 3.38: Effect of LAG activities on social performance, by LAGs' perceived extent of LEADER feature implementation (N=509)



Source: Study team, LAG survey data set 2021³⁶

³⁵ Economic impact scale as per previous footnote, page 45.

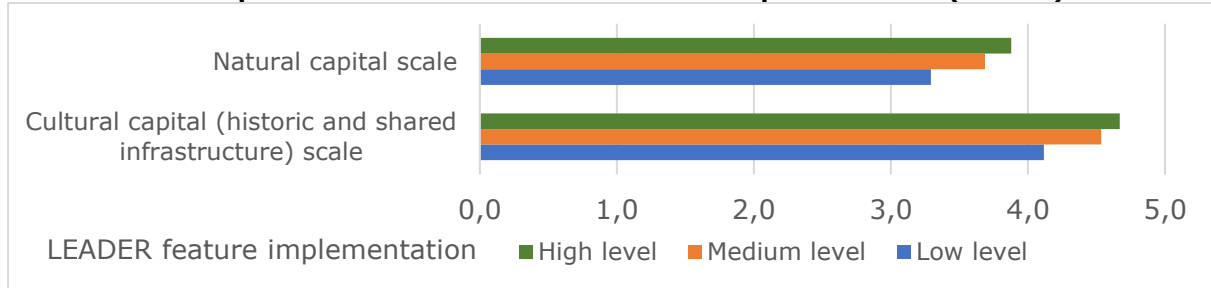
Innovation Scale takes four statements from Q23 which asks for the extent to which LAG activities have contributed to improvement on a range of issues. LAG residents score the statements on a 0 – 4 scale (where 0 = No support; 1 = Low level of success; and 4 = Very high level of success). The Scale score for each LAG is derived from the mean of scores on the four statements: Encouraging local businesses to adopt new approaches or techniques in their project design; Developing innovative self-evaluation techniques; Promoting links and synergies among the LAG funded projects; Stimulating new ways of addressing local environmental problems.

Access to markets/training/services scale: Uses the mean scores on 3 statements in Q9 (ii, iii, ix) which address the level of access to markets, training and skills development, and health and other social services. Statements are scored on a 1 – 3 scale where: 1 = not a problem; 3 = a major problem).

³⁶ Provision of social services impact scale and Social inclusion impact scale as per explanations in footnote on page 46.

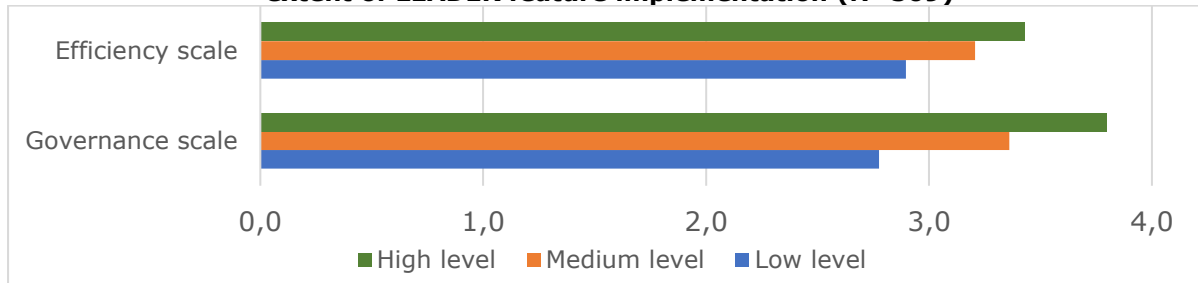
Environmental and governance outcomes show a similar pattern, in that the LAGs more successful at implementing LEADER features indicate higher scores on the composite scales (Figure 3.39 and Figure 3.40).

Figure 3.39: Effect of LAG activities on environmental performance: Comparison by LAGs' perceived extent of LEADER feature implementation (N=509)



Source: Study team, LAG survey data set 2021³⁷

Figure 3.40: Effect of LAG activities on local governance: Comparison by LAGs' perceived extent of LEADER feature implementation (N=509)



Source: Study team, LAG survey data set 2021³⁸

These data also suggest that LAGs with a high level of LEADER feature implementation are also more efficient in terms of their administrative capacity.

Conclusions on causal mechanisms analysis

Whilst this analysis should be regarded as initial and indicative, it appears to suggest that LEADER and LAG performance are higher for both effectiveness and efficiency in cases where the seven LEADER features are more fully implemented. In addition, there is some evidence that LAGs have a greater effectiveness (especially in respect of economic and governance outcomes), where their budgets are in the medium or high categories – i.e. above EUR 2.5 million per LAG, whereas no consistent relationship was suggested between budget size and efficiency indicators.

³⁷ Natural capital and cultural capital scales as per explanations in footnote on page 46.

³⁸ Efficiency Scale as per footnote on page 47; Governance scale as per footnote on page 46.

3.3 Consolidated analysis of secondary data sources

3.3.1 Introduction

This section presents analysis of total Measure 19 expenditure data as reported by DG Agri for September 2021; analysis of expenditure broken down by sub-measures as reported in the AIRs 2020 (which includes data to the end of 2019); as well as consolidated indicator values for all M19 output indicators and selected result indicators, also compiled from the AIRs 2020³⁹. Finally, specific context indicator data on rural depopulation across the EU between 2011 and 2018 is presented, as an indicator of low rural vitality or important socio-economic needs. These data and indicators help to build a picture of LEADER outputs, some results, and its operating context, which help to inform judgements of its relevance.

Data limitations and implications for the analysis

The AIR data is subject to gaps and inconsistencies which mean that the figures presented do not give a robust and comprehensive picture of LEADER implementation across the EU28. For AIR 2020 data, based on the O19 number of LAGs indicator, data were missing for 4 countries: Cyprus, Hungary, Latvia, Romania and for some regions in other MS - Azores and Madeira in Portugal; Rheinland-Pfalz in Germany; Guadeloupe, Reunion, Bourgogne, Franche-Comte, Midi-Pyrenees and Corse in France; and Campania in Italy.

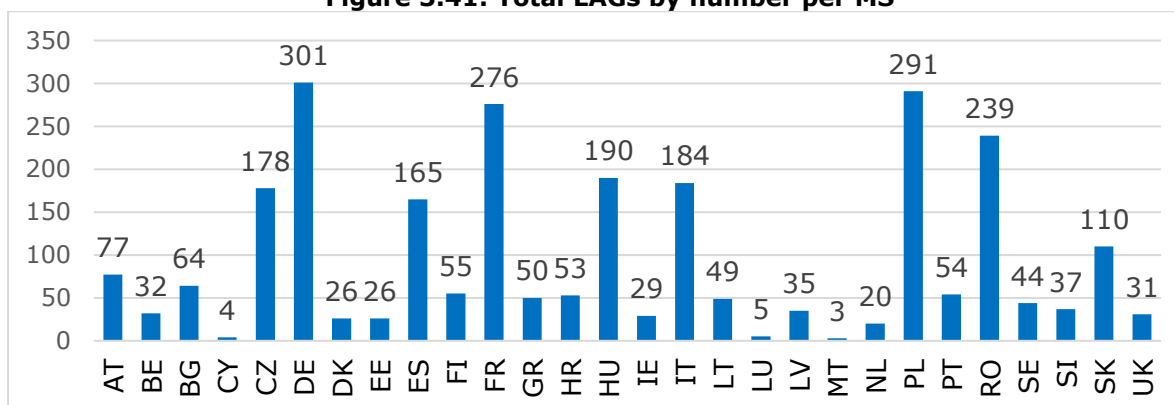
For AIR 2019 data all entries were missing for Croatia, and for UK - England and Wales; also two regions in Spain and one in Italy. Bulgaria, Cyprus and Slovakia have gaps for several key indicators; and Malta, Ireland, Romania, Netherlands and two French regions are missing data for population, cooperation and/or Focus Area funding (varying in each case).

Specific missing values, and instances where AIR 2019 data are used to fill AIR 2020 gaps, are noted in the explanatory text below individual figures. Overall, they will have a minor effect upon EU totals for most indicators but there will be significant impacts when examining patterns at MS or regional level.

3.3.2 Results of the analysis

Considering the total LAGs by number per MS (Figure 3.41) indicates where across the EU, most LEADER groups were selected, up to the date of the AIR (2020, meaning data mostly covers the period up to the end of 2019). Countries with the largest number of LAGs were Germany, France and Poland, followed by Romania, then Spain, Czechia, Hungary and Italy, and Slovakia.

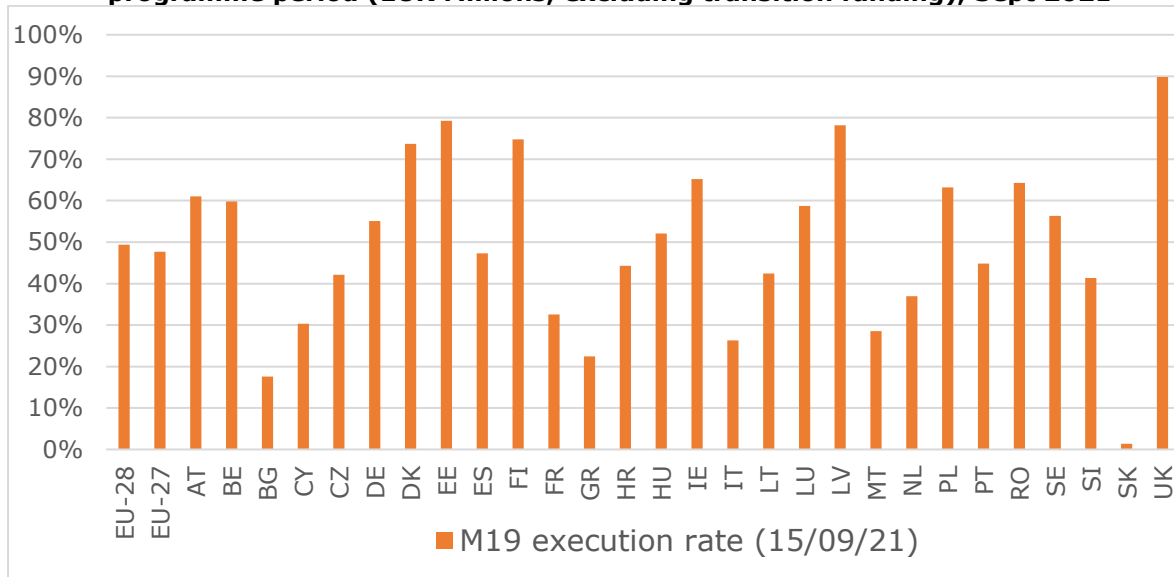
³⁹ Where there were data gaps in the AIR2020, figures from the AIR 2019 have been used if relevant: this was particularly for the indicator '% of rural population covered by LAGs', which should not change between individual years of the programming period.

Figure 3.41: Total LAGs by number per MS


Source: Study team compiled mainly from AIRs 2020, with CY, RO, HU and LT data from AIRs 2019⁴⁰.

Figure 3.42 shows the reported expenditure by LAGs, by September 2021, expressed as a proportion of the total planned expenditure (termed 'execution rate') by LEADER groups over the full programme period up to April 2021 (prior to extensions to cover the transition year resulting from late agreement on the new CAP funding framework). From this we see that despite the relatively late stage of programmes, most LEADER groups had spent under half their total planned spending, amounting to just 49% on average (EU-28).

Exceptions to this general pattern are seen in UK, where spending is near to target, also Denmark, Estonia, Finland and Latvia where expenditure is over 70% of the target, and Austria, Belgium, Ireland, Poland and Romania where it is over 60%. Some LAGs have been so delayed in implementation that they report very low commitment of funds: notably Slovakia and Bulgaria under 20% and Greece, Italy, Malta and Czechia under 30%.

Figure 3.42: M19 total Actual Spend compared to total M19 planned spend over the full programme period (EUR Millions, excluding transition funding), Sept 2021


Source: Study team, data supplied by DG Agri, September and October 2021

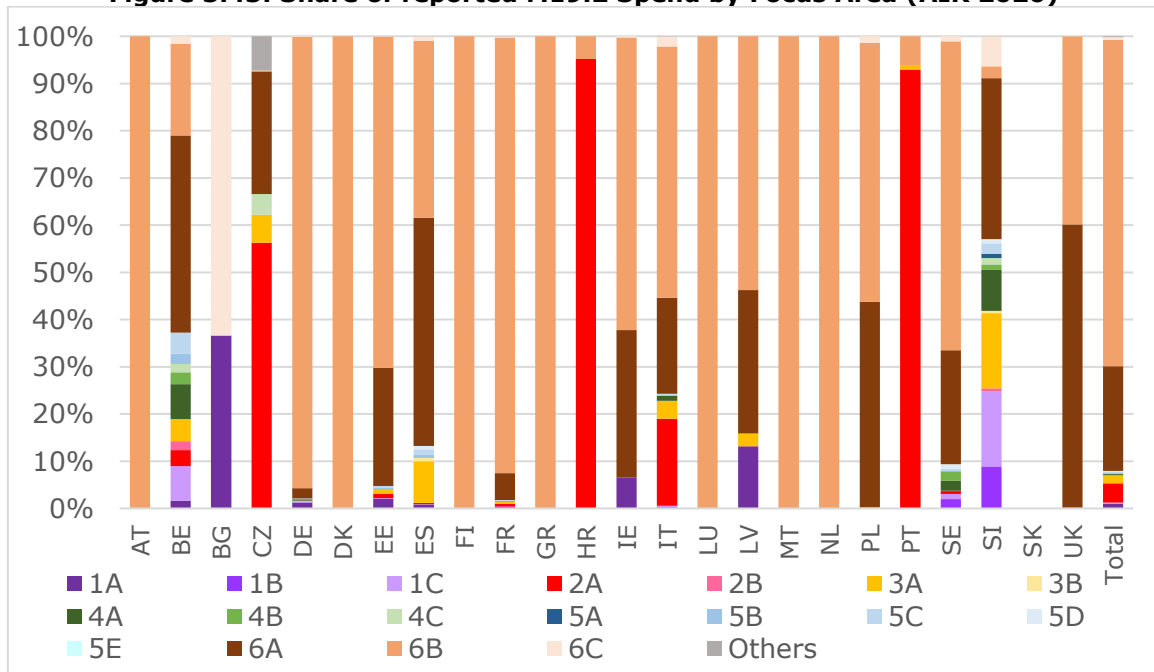
Sub-measure spending is not available in the expenditure data from DG Agri, so analysis at this more detailed level is only possible using AIR 2020 data which is from the end of 2019: three years after most LAGs began operations. Measure 19.2 LAG spend on projects is broken down by focus area in Figure 3.43. Figures are given as a percentage of total 19.2 spend at that point, to allow comparison of relative priorities.

⁴⁰ ENRD LAG database suggests the following differences in respect of LAG numbers: DE 321, IT 192, FR 314, PT 60, ES 250 and UK 127

As can be seen, in many RDP areas a decision was made to record all LEADER project spending only under Focus Area 6B *fostering local development*, which thereby skews a full interpretation of LAG targeting towards different objectives, across the EU.

For those countries and regions with data available which chose instead to divide projects according to their main goals as differentiated within LDSs and reflecting the strategic goals identified for LEADER in their RDPs, it is apparent that the most common priority after FA 6B is 6A *diversification, creation and development of small enterprises and job creation*, but several other FAs are significant in particular national or regional contexts. For example, Czechia, Italy, Portugal and Croatia have a strong focus on 2A *farm restructuring and modernization*, while Belgium, Sweden and Slovenia target a notable share of project funding to FAs 4A *biodiversity and landscapes* and other 'environmental' FAs 5A to 5E, also to 3A *farm supply chain integration and adding value*, the second of which is also a goal among Spanish and Italian regions, for Czechia and to a lesser extent Latvia. Latvia also appears to use LEADER particularly to promote FA 1A *innovation and cooperation*, which is also significant in Bulgaria, Ireland and to a lower extent Estonia and Belgium. In Slovenia and Belgium, FAs 1B and 1C *fostering links with research and promoting lifelong learning*, respectively, are highlighted: also in Swedish LAGs' priorities.

Figure 3.43: Share of reported M19.2 Spend by Focus Area (AIR 2020)



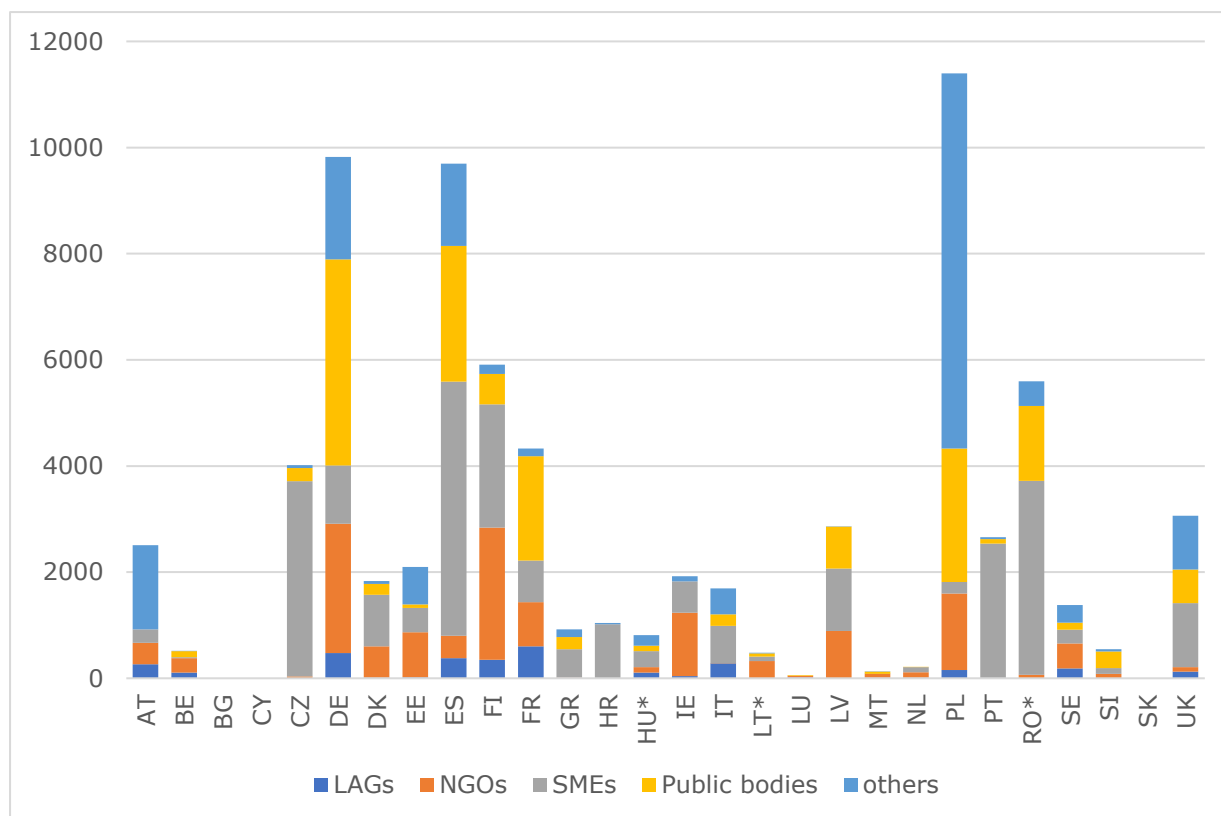
Source: Study team, taken from AIRs 2020: no figures were available for RO, HU, LT and CY

In general, these patterns are all consistent with legitimate goals of local sustainable development in a European context. The differences between countries and regions shown here are also consistent with those revealed through the examination of LDSs and activities of LEADER within the Case Studies, and those identified in LAG and MA surveys. For LAGs operating with multi-fund CLLD, this data does not show the priorities for projects funded by other ESI funds, alongside EAFRD (e.g. Czechia).

Reported project spend is analysed in Figure 3.44, disaggregated by beneficiary type. It is interesting to note from this chart that LEADER projects across the EU are led by a good mix of different types of beneficiary organisation, including private businesses, non-profit organisations, local public administrations and LAGs themselves (as convenors of new partnerships, in many cases). Between countries and regions, a notable predominance of SME promoters is apparent in Portugal, Romania, Spanish regions, Croatia, Greece and Czechia as well as to a lesser extent in Finland, Latvia, Italian regions, Netherlands, UK and Denmark. Public bodies are the most common beneficiaries in German and French regions, also Slovenia, Luxembourg and Malta; while NGOs are prominent in Ireland, Finland, Sweden, Belgium and Estonia. Other bodies are notable as the most common

recipients of funds in Poland and Austria. No countries appear to give the major share of LEADER funds to LAGs as beneficiaries, although this is possibly a choice made at regional level in MS that have regional RDPs – e.g. Belgium-Wallonie (as confirmed in the CS), Germany, France, Spain and Italy, and among Austrian provinces.

Figure 3.44: M19.2 Number and type of project promoters, AIRs 2020 and 2019

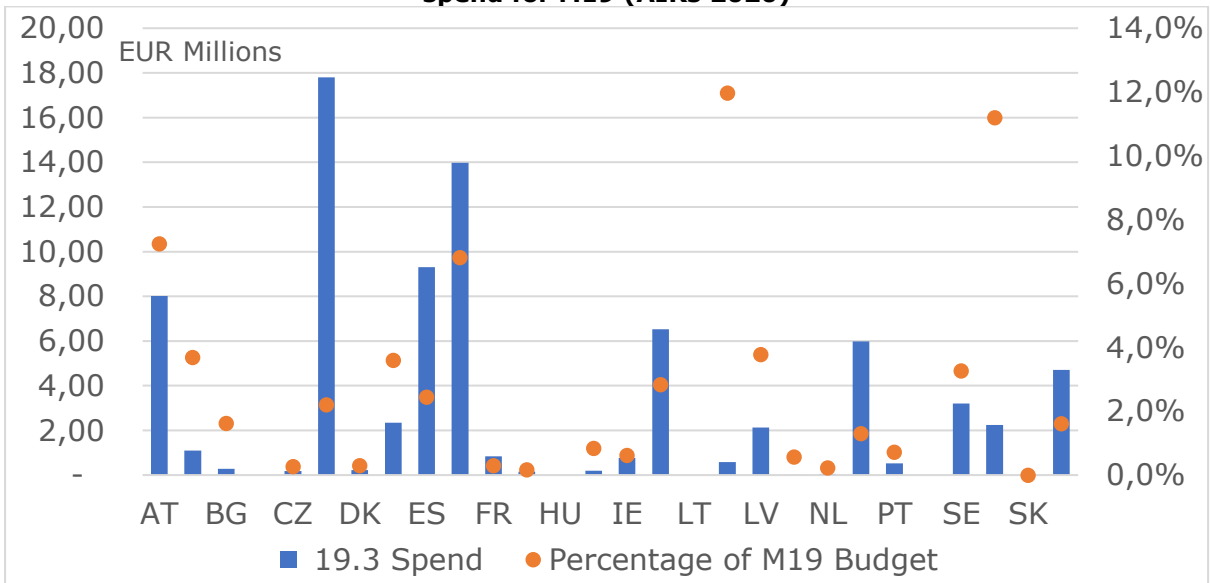


Source: Study team, taken from AIRs 2020. *Data is taken from AIRs 2019 where 2020 data is unavailable

The next two figures show data on cooperation projects, across the MS. From the expenditure data we see a significant variation in levels of spending on cooperation projects between MS, with German regions and Finland reporting relatively high spend in absolute terms. However, when seen as a percentage of the total M19 budget, Luxembourg, Slovenia, Austria and Finland had the highest shares spent⁴¹ on cooperation. Nevertheless, the overall picture indicates that LAGs in many territories have not established a significant number or scale of cooperation projects, even though this is one of the seven key features of LEADER. This evidence is supported by the results of the LAG survey, which also indicated that LAGs perceive they have implemented cooperation less fully than the other six key LEADER features.

⁴¹ Note that the total of the 4 output indicators (EUR 3.5 billion) in this table is higher than the amount of expenditure reported as at 15/9/2021 (EUR 3.15 billion), even though the monitoring data is missing for some RDPs. It is likely that this data records project commitments, rather than expenditure actually out-turned, by the end of 2019.

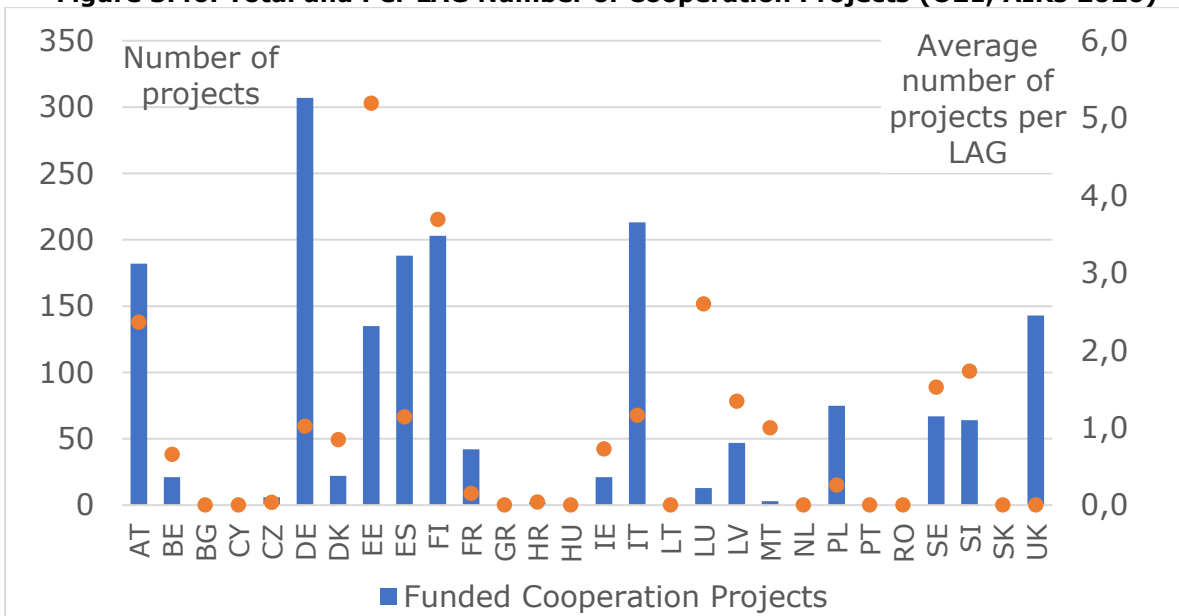
Figure 3.45: M19.3 (cooperation) spend at MS level, absolute and as % total planned spend for M19 (AIRs 2020)



Source: Study team, DG Agri compiled from AIRs 2020

When analysed by number of cooperation projects (output indicator from the 2020 AIRs), the variation is rather different, with Germany, Finland, Italy and Austria reporting the largest number of cooperation projects funded, among MS (note there were several gaps in this data, however). When put into context against the number of cooperation projects per LAG in a MS, Estonia, Finland, Luxembourg and Austria have the highest frequency of projects reported.

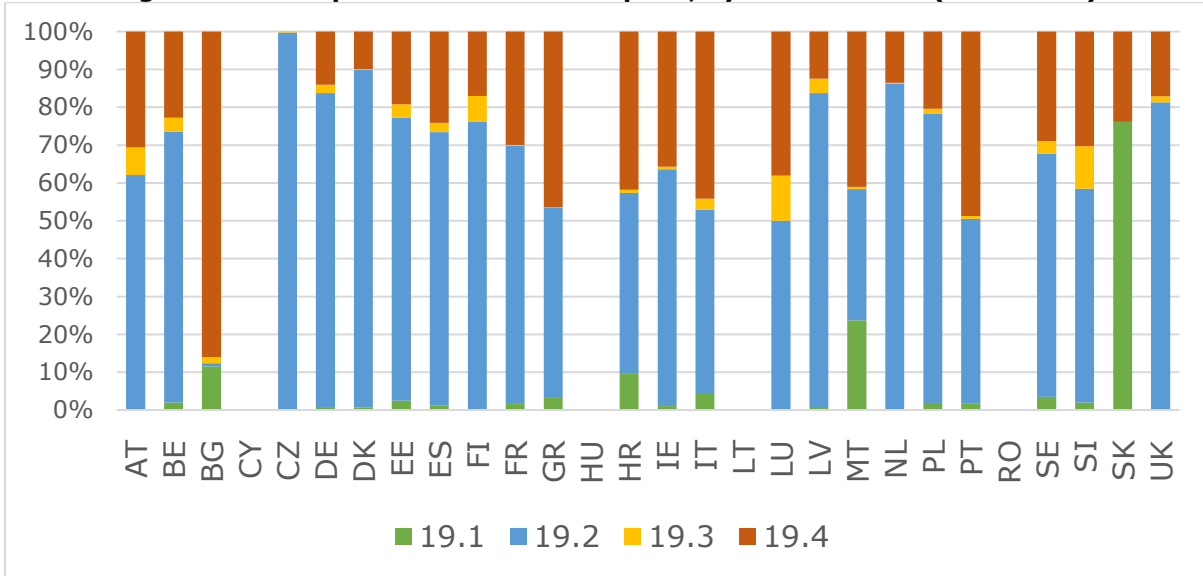
Figure 3.46: Total and Per LAG Number of Cooperation Projects (O21, AIRs 2020)



Source: Study team, taken from AIR 2020

Looking at the proportionate spend of LEADER on sub-measures between MS, this largely reflects their relative state of implementation, and their funding sources – whether mono- or multi-fund. The slowest implementers generally indicate much spend to date on running costs and the start-up measure (where used), whereas those establishing LAGs more quickly have spent the majority of their funds on projects and cooperation projects. Further, for CLLD multi-fund cases where the bulk of LAG running costs are being funded under ERDF or ESF, sub-measure 19.4 is not used (Czechia).

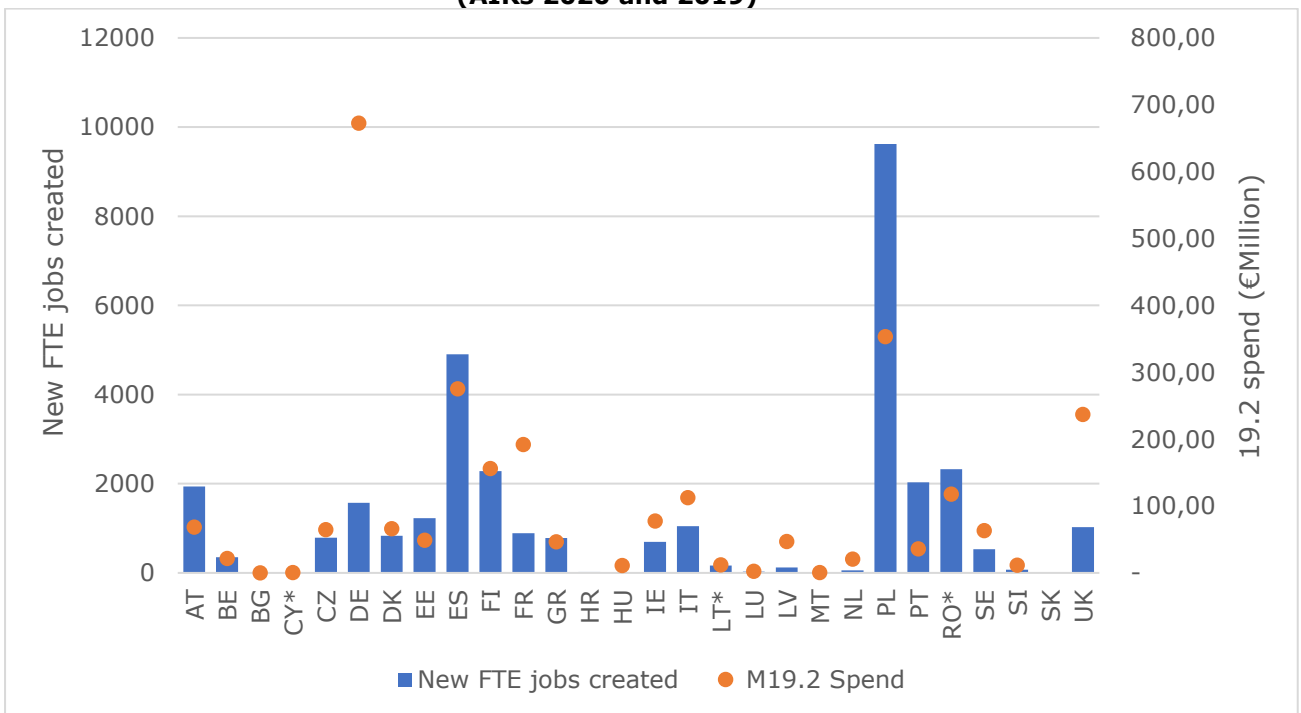
Figure 3.47: Proportion of total M19 spend, by sub-measure (AIRs 2020)



Source: Study team, taken from AIR 2020

In Figure 3.48 the results indicator for jobs created by LEADER in 2019 and 2020 AIRs show significant variation between MS. Poland and Spain appear to have created the largest numbers of new jobs with LEADER funding, while Finland, Portugal and Austria also show significant creation of new jobs. Notably, however, Germany shows comparatively low job creation relative to a large level of project (19.2) spending. Unfortunately, targets for job creation are not reported in these AIR data but it seems likely that the relative priorities for job creation vary a lot between RDPs and Member States.

Figure 3.48: Number of Created Jobs and Sub-Measure 19.2 Spend (AIRs 2020 and 2019)

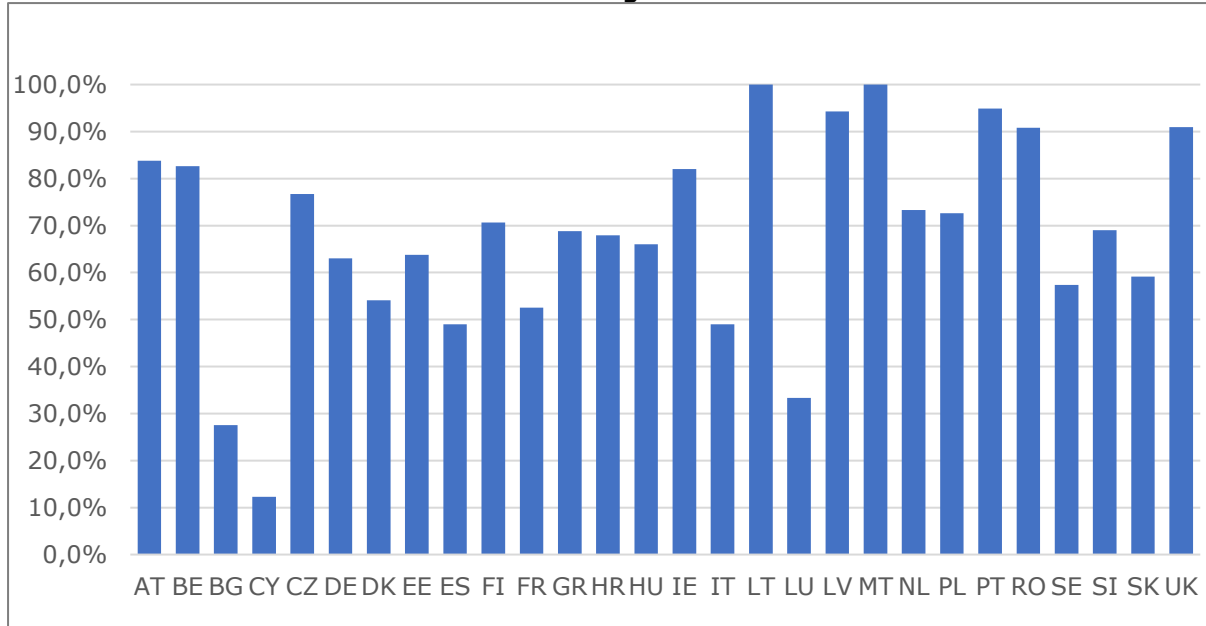


Source: Study team, taken from AIR 2020. *Data is taken from AIRs 2019 where 2020 data is unavailable

The percentage of the rural population covered by a LEADER LDS is presented in Figure 3.49 (results indicator R22). For the percentage of MS with more than one RDP, a mean was taken of all RDPs: while useful to produce an easily comparable country average, it

hides considerable variety between RDPs in these cases. A key message from this chart is that with the notable exceptions of Bulgaria, Cyprus, Italy, Luxembourg and Spain, LEADER groups now cover almost 50% or more of the rural population of EU MS, and in 13 (over 45%) of MS they cover more than 70% of that population.

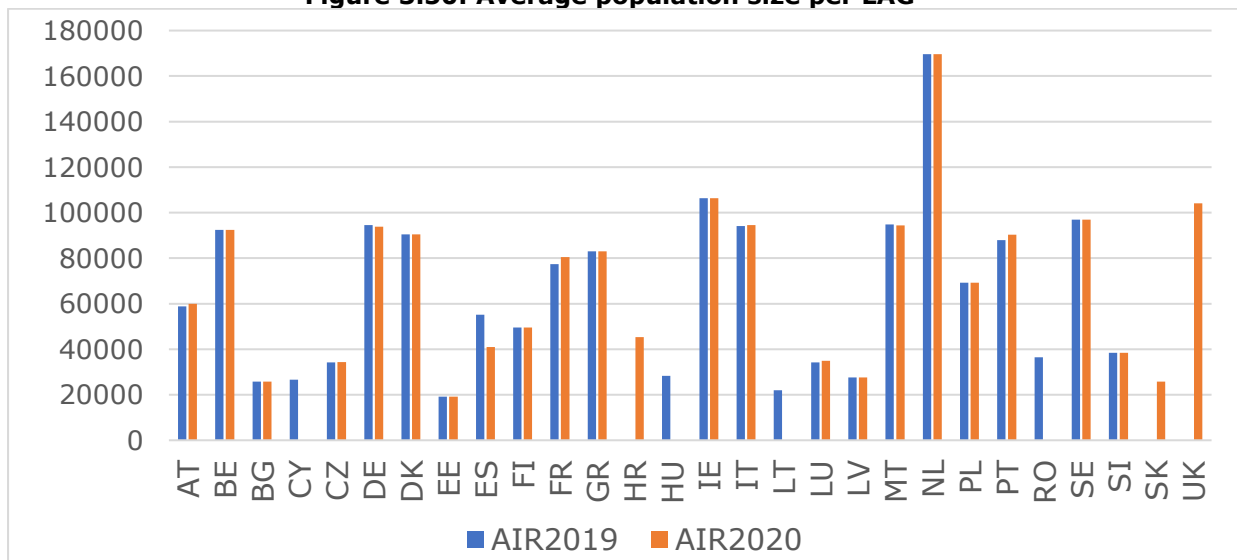
Figure 3.49: Percentage of total rural population covered by local development strategies



Source: Study team, taken from AIRs 2020 and 2019

The spread of average population covered per LAG is shown in Figure 3.50. It is large, indicating that despite guidance seeking to standardise the scale of population covered per LDS, MS have chosen to scale their LAGs very differently. A few Member States apparently expect LAGs to deal with populations of over 80 000 each, while others cover about a quarter of that number.

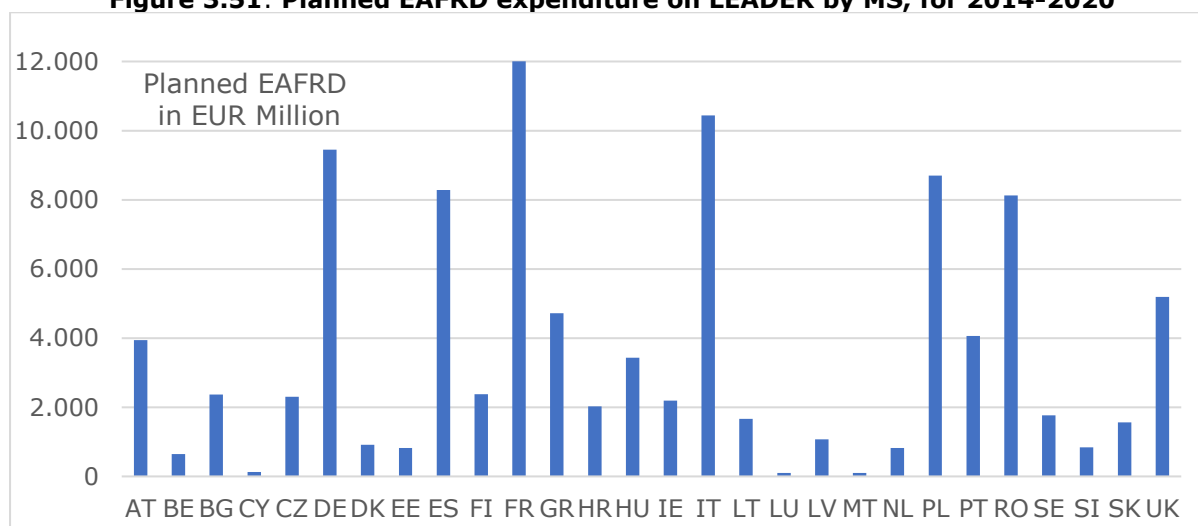
Figure 3.50: Average population size per LAG



Source: Study team, taken from AIRs 2019 and 2020

The map (Figure 3.52) represents an attempt to use fine-grained context data to indicate some measure of relative need for expenditure on local development, across the EU, for one of the few types of data that can be mapped at such a fine grain that it can be relevant to LAGs' scale of operation. This shows clearly that the phenomenon of rural decline, as indicated by continuing rural depopulation in the current period (2011-2018) is not universal in rural areas of the EU. On the contrary, there are many rural areas in some MS which experience population growth, such as rural UK, Benelux, Denmark and the southern parts of Germany and Sweden. In other MS, rural population growth areas are located in very close proximity to other areas with population decline. This mixed pattern is evident in much of France, Ireland, southern Germany, Czechia, rural Greece and Slovakia. Slightly larger clusters of declining versus growing rural regions can be identified in Poland, Estonia and Slovenia. Elsewhere, there is a clear relationship between less accessible areas – such as mountainous terrain – and rural depopulation; in Italy and Austria, but there are also whole countries where depopulation in rural areas is marked, including Spain and Portugal, Bulgaria, Croatia and Romania, and the Baltic states of Latvia and Lithuania. Most of rural Finland, northern Sweden and the eastern region of Germany, also experience largely declining rural populations.

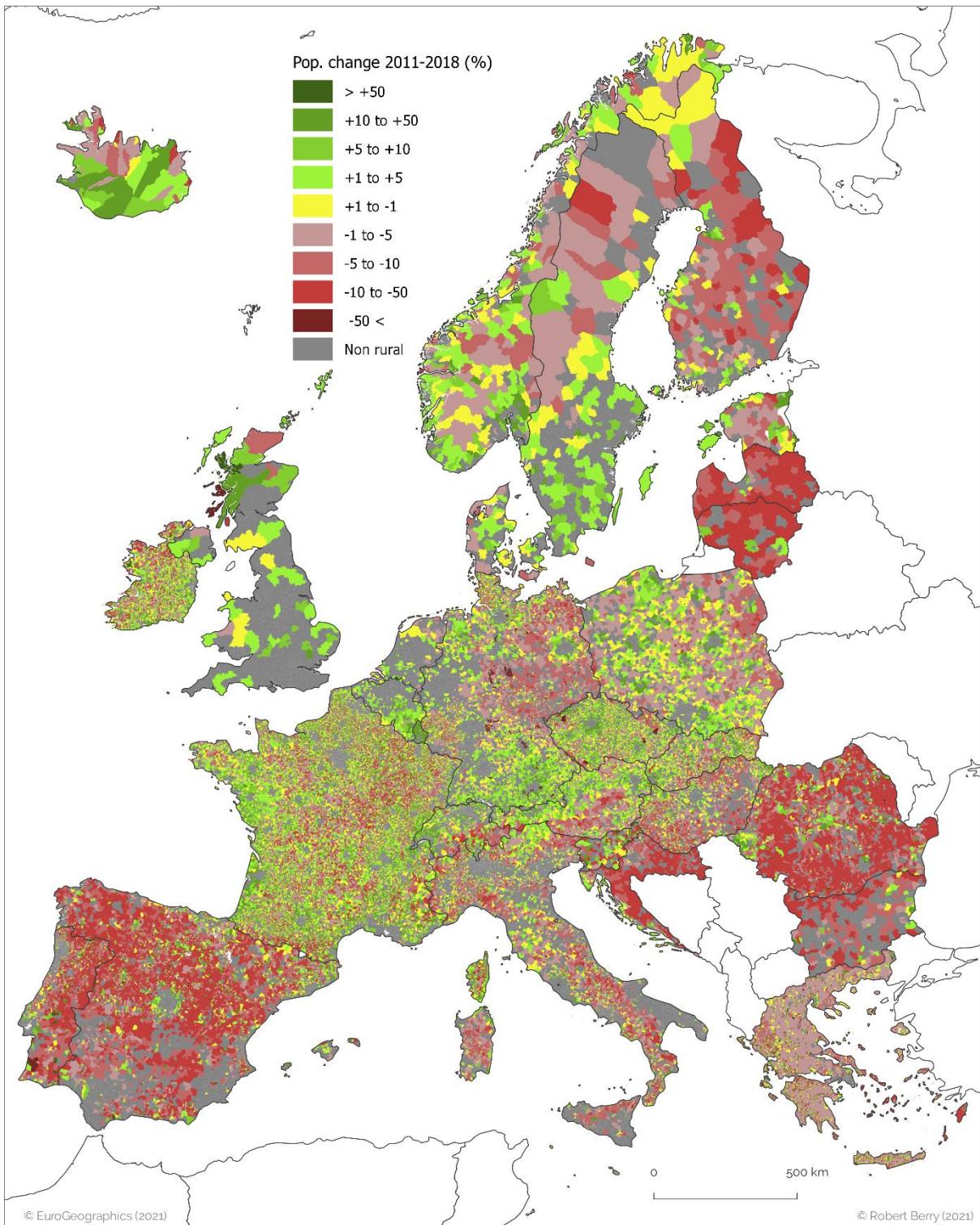
Figure 3.51: Planned EAFRD expenditure on LEADER by MS, for 2014-2020



Source: Study team, figures from DG Agri Sept 2020

By making a simple visual comparison between these patterns and the pattern of resource allocations to LEADER (see Figure 3.51), it is possible to note countries where a relatively large planned spend on LEADER matches high rates of rural depopulation – e.g. Spain and Portugal; but also other countries where a high depopulation rate is combined with a relatively modest allocation to LEADER, such as Bulgaria.

Figure 3.52: Map of rural areas' population change between 2011 and 2018, EU-28



Source: JRC Degurba project data, map created by CCRI

3.3.3 Commentary on the AIR indicators and their use for LEADER evaluation

This analysis highlights a number of limitations to the use of the common indicators for LEADER, in the context of an evaluation of its performance. These may be summarised as follows.

Gaps in indicator coverage: To date, the indicators include none which can be used to assess LEADER results other than the number of jobs created, and the recording of project spending by EAFRD Focus Areas. As an instrument and an approach which aims to achieve economic, social and environmental benefits relevant to local development, results indicators should ideally include measures covering each one of these goals. At the same time, indicators collected for EU reporting should, as far as possible, be measures which LAGs themselves find relevant to monitor so as to ensure high quality recording.

In respect of economic goals, a measure of the number of businesses supported by size class (micro, SME, larger) would appear useful.

In view of LEADER's significance for strengthening social fabric, also networking and social inclusion, some indicators of social benefits and governance improvements are needed. From the literature, it is evident that many LAGs devise such indicators within the scope of self-evaluations (e.g. numbers of events held with numbers of participants, numbers of new groups or networks formed, etc.). This experience offers a key source from which to identify robust social indicators that could be relevant to all LAGs.

In respect of environmental goals, being able to record projects delivering environmental awareness, and projects delivering environmental enhancement, would be useful.

Allowance for multi-functional projects: Because of the integrated nature of projects in LEADER, allowance should be made for projects and funding simultaneously delivering against more than one goal, in the way in which results indicators are recorded. If projects are only scored against one goal (as in the current situation), a wide range of benefits will not be accounted for (e.g. expenditure on a renewable energy project to improve energy efficiency of a community centre might be allocated as an environmental project, while at the same time it may reduce running costs and make the centre more user friendly, thus providing both economic and social benefits that should also be captured. Such multi-goal indicators should be monitored and reported for projects under sub-measure 19.2 as well as for cooperation projects under sub-measure 19.3.

Enhanced indicators for LEADER efficiency should also be considered. From the analysis in this report, turnaround times for key processes appear to be a useful measure that could be defined and monitored in a standardised way.

More appropriate indicator granularity to enable meaningful context indicator analysis. The local focus of LEADER actions means that any assessment of relevance will face challenges comparing the distribution of LAGs and LEADER funding against indicators of social, economic or environmental need, since the latter are overwhelmingly only available across all EU MS at much higher territorial unit scales than would be important for LEADER. The Degurba data mapped in Figure 3.52 represents one of the first outputs of valuable new geospatial analysis at JRC which should enable this kind of more fine-grained examination of relevant context indicators for LEADER and LAG activities and targets. Ideally, this level of granularity would be needed for basic demographic, economic and environmental datasets, to enable contextualisation of the three aspects of LEADER's pursuit of sustainable local rural development.

4 CASE STUDIES – COMPARATIVE ANALYSIS

4.1 Case Studies – comparative analysis

LEADER/CLLD overview of architecture

The case study sample was carefully chosen in order to capture a good range of LAG, MA and contextual variation whilst also offering sufficient depth of interrogation and analysis illuminating causal relations between the different facets of LEADER implementation and the LEADER approach, and performance on the ground.

In the 2014-2020 period there were changes in LEADER implementation. Following the EU regulation, LAGs benefited from more freedom in choosing measures both from the general menu (even outside RDP measures) and beyond Reg. 1305/2013, by selecting specific actions and promoting integrated actions as beneficiaries of LDS support. One of the most significant changes was the opportunity to extend the LEADER method to other ESI funds under Community-Led Local Development (CLLD). Although LEADER was only compulsory under EAFRD, a project or initiative could be supported under two or more of the four EU Funds through the concept of multi-funded CLLD. This enabled LAGs to comprehensively integrate local needs and solutions.

In most case study MS/regions, LEADER was implemented using EAFRD funding only; a number implemented multi-fund rural CLLD using predominantly ERDF, and to lesser extent ESF and EMFF, with EAFRD, to fund integrated LDSs. Czechia, Slovenia and Sweden used multi-funded CLLD, although a few Swedish LAGs used EAFRD only and in Austria, only Tyrol region adopted multi-fund CLLD. In Czechia LAGs could fund projects via four Operational Programmes (OPs; three ESI funds), which was welcomed by LAGs. However, management responsibilities for OPs remained split, each OP had its own guidelines and eligibility requirements. LAGs were thus operating in a complex environment, reporting to four different MA and PAs, with ERDF the main LEADER/CLLD fund.

In Slovenia incorporating other ESIF through CLLD gave LEADER a wider perspective due to the significant increase of funds available as well as more thematic scope. It enabled implementation of integrated and complex operations, not strictly limited to rural areas but also including small urban, fishing and aquaculture areas. Interestingly, CLLD in Slovenia covered 11 towns, where rural areas within town boundaries are eligible for LEADER. The main fund is EAFRD. Two MAs and PAs are involved, one for EAFRD and EMFF and one for ERDF. However, project selection criteria are harmonised across the funds.

In Sweden LEADER was implemented in a multi-fund approach involving all four ESIF. The RDP and EMFF are managed by the Swedish Board of Agriculture (Jordbruksverket, JBV). The JBV also acted as the managing authority for the CLLD components of the ERDF and ESF. Thus, CLLD implementation is integrated under one MA. The National Rural Network and the PA were housed within the JBV, enhancing synergies. LAGs were free to tailor their funding sources from the ESIF. Strategy implementation was devolved to a significant extent to LAGs, particularly the application processes.

Tyrol region was the only region in Austria implementing comprehensive multi-fund CLLD. All EU and national programmes related to local development were managed through local partnerships according to the principles of CLLD. During 2014-2020 the role of regions in Austria was strengthened and LEADER increased scope for regions to focus on local needs. The increase in regional autonomy led to increased decision-making and responsibility at regional level. Austria implemented one RDP with centralised MA, however Federal Provinces ["Bundesländer"] played an important part as intermediary bodies and have taken on many responsibilities of MA/PA. The federal bodies were principal bodies in respect of LEADER implementation (i.e. the central PA only transferred money, all other activities related to payment were undertaken by regional bodies).

The focus and implementation of LEADER between the individual provinces varied and was tailored to their needs and specificities. In 2014-2020, the focus was on social innovation and a stronger strategic orientation than in the previous period.

All three Italian CS regions, also BE-Wallonie, Spanish and German CS regions supported LEADER/CLLD through EAFRD, although Germany- Sachsen had eight LAGs implementing a multi-fund strategy combining EAFRD and EMFF and recognised as LAGs/F(fisheries)LAGs simultaneously. EAFRD acts as the main fund and LEADER-LAGs take over the responsibilities and carry out tasks of FLAGs, ensuring better complementarity with EMFF.

In terms of LEADER funding (M19 as a share of total RDP public funds), allocations in the range of 5- 6% were prevalent in the case study sample, with notable exceptions for German regions, Sachsen dedicating 41.45% and both Spanish regions with M19 allocations over 10%. Significant funding cuts by comparison to 2007-2013 affected Ireland (cut from €425 million to €250 million), Austria (cut from €504 million to €246 million, mostly due to reduced national co-financing), and IT- Veneto where the significant decrease (-30%) in LEADER resources was linked to a reduction from 14 to nine LAGs.

Table 4.1: M19 funding level and variations in CS countries and regions (all data from CSs)

RDP	Number of LAGs	LEADER funding EAFRD (EUR million)	Mono/multi fund; ESI funding amounts if known (EUR million)
Austria	77	EAFRD: 198.55, National Co-financing: 49.64 Total: 248.19	Mono for most regions; Multi - ERDF and EARFD (Tyrol only) ERDF OP 5.5 ERDF programme 13.1
Belgium- Wallonie	20	31.47	Mono
Czechia	178	159.00	Multi - EAFRD, ERDF, ESF ERDF Integrated Regional Operational Programme: 313.00 ERDF Operational Programme Environment: 18.00 ESF Operational Programme Employment: 86.00 [87.80 from ERDF - for LAG running costs and animation (including preparatory support)]
Germany- Rheinland-Pfalz	20	71.19	Mono
Germany- Sachsen	30	455.42	Mono for most LAGs; 8 LAGs multi - EAFRD and EMFF
Ireland	29	250.00	Mono
Italy-Abruzzo	8	26.89	Mono
Italy-Toscana	7	57.10	Mono
Italy-Veneto	9	71.07	Mono
Romania	239	572.36	Mono
Slovenia	37	56.40	Multi: ERDF 37.5, EMFF 6.70
Spain- Castilla-La-Mancha	29	121.22	Mono
Spain- Extremadura	24	83.25	Mono
Sweden	48	173.00	Mono and Multi LAGs; for all CLLD ERDF 8.49 ESF 8.05 EMFF 7.82

Source: Study team, compiled from CS reports, July 2021

LEADER implementation/delivery choices

LEADER delivery altered considerably between the 2007-13 and 2014-2020 programming periods due to EU-level changes and changes at national/ regional level. One of the most significant changes occurred in Ireland, due to local government reform and the development of 28 'sub-regional administrative areas', each of which had a Local Action Group (LAG) to manage LEADER delivery. 24 areas delivered LEADER through a new governance structure, the Local Community Development Committee (LCDC), created in the 2014 Reform Act, while four areas used the structure developed for the 2007-13 programme. For those with new LCDCs, the Local Development Companies which acted as LAGs in the previous programming period became Implementing Partners delivering project and animation actions associated with implementation of the LDS.

Compared to the 2007-2013 period, the 2014-2020 governance framework implemented in Germany provided greater autonomy to LAGs in designing and selecting measures under M19.2, in accordance with regional needs. Austria strengthened the role of regions in LEADER delivery. Wallonie (Belgium) is an interesting and quite unique case in respect of implementation where the preparation of LDS includes indicative project selection, with an intermediary body to support LAGs and a strong LAG self-evaluation culture.

Level of responsibility/autonomy

As described in Chapter 3.2, a typology for LEADER implementation was developed based on 12 key tasks undertaken by LAGs, Managing Authorities (MAs), Paying Agencies (PAs) or via some form of collaborative arrangement. The twelve tasks are listed below in order of increasing decision-making / financial responsibility.

- i. Support for project applicants – develop project idea and project application
- ii. Project selection criteria
- iii. Preparation of calls
- iv. Publication of calls
- v. Project assessment
- vi. Project ranking
- vii. Final eligibility check
- viii. Project approval
- ix. Contract preparation
- x. Contract signing
- xi. Claims payment
- xii. Control task

Tasks **i – vi** These tasks were most often undertaken solely by LAGs, although there are some RDP areas where these were delivered in a joint arrangement with the MA, or even solely by the MA/PA (or rarely, contracted out to an external agency or intermediary body).

Sole LAG responsibility for Tasks i-vi was documented in the cases of Austria, Ireland, Italy- Toscana, Germany- Rheinland-Pfalz and Sachsen, and Sweden, where the LAG supported beneficiaries in the initial stages of project proposal development; however, applications were submitted to MAs via a central system. Assessment was performed by respective LAGs. In Ireland, while LAGs retained strong autonomy and had sole responsibility for these tasks, the new LAG structure represented by LCDC operated within a new governance system, where these tasks were shared by different bodies within the LCDC: the Local Development Companies as Implementing Partners (IP); LAG manager (as a County Council employee); local councils in their capacity as LAG Financial partner (also responsible for Article 48 checks); and the LAG Evaluation Committee.

In Belgium-Wallonie projects were developed in the LDS by the LAGs and validated via the selection of the LAG by the MA, together with other operational elements. In Spain, LAGs in both CS regions had a high level of autonomy, but needed MA approval for some steps. In Extremadura, projects with investments of more than EUR 300 000 were evaluated and classified by the MA. In Czechia, LAGs needed formal approval from the PA.

Tasks **vii** and **viii** concern decision-making over which projects will be funded (i.e. project selection and approval). While LAGs in Sweden, Ireland and, to a certain extent, Spanish CS regions had relatively high autonomy in these tasks, formal responsibility was shared with MA/PAs which rubber-stamped LAG decisions. In Castilla-La-Mancha a final eligibility check in cases of non-productive projects and projects in municipalities with more than 10 000 inhabitants was made by the MA. In Extremadura projects with an investment of more than EUR 300 000 were approved by the MA. LAGs in Czechia, Slovenia and Romania had few of these responsibilities as the final eligibility check and approval was by MA/PAs.

Tasks **ix – xii** concern project implementation (drawing up and signing contracts with beneficiaries, checking payment claims and transferring funds to beneficiaries), and represent the highest level of financial responsibility in LEADER implementation. In the CS sample, only LAGs in Ireland and Spanish CS regions had responsibility for these tasks. However, intermediary bodies played an important role in Irish LAGs, namely the agency Pobal (Art.48 checks) and local councils in LCDCs (Art.48 checks and payments). The four independent Irish LAGs (managed by LDCs) and all Spanish CS LAGs received money from the PA and made payment to project beneficiaries. The regulatory basis in Spanish CS determined that in the case of a refund, the LAG was jointly liable with the beneficiary.

Umbrella projects were fully implemented by LAGs in Sweden, including payment. Municipal co-funding was paid via the LAG, and LAGs undertook project monitoring. This gave high autonomy but payments went through the different operational administrations. LAGs in Belgium- Wallonie managed all contracts (including cooperation agreements with other operators) and the payments to "privileged partners"⁴²; payment to LAGs and other operators (main beneficiaries) was by operational administrations (e.g. CGT (tourism)).

Table 4.2 summarises CS LAGs' levels of responsibilities and autonomy in respect of the 12 tasks. In some CS areas additional organisations play specific roles in different stages.

Table 4.2: LAGs' levels of responsibilities and autonomy

Phases	Tasks	Assignment of Responsibility and autonomy:		
		LAG Sole	LAG/MA/PA	MA/PA Sole
Development	Project identification and assessment	Austria Belgium-Wallonie (LDS) Italy - Toscana Germany CS regions Ireland	Czechia, Romania, Slovenia, Sweden, Italy- Abruzzo and Veneto, Spain -Castilla-la-Mancha and Extremadura	
Decision-making	Final project selection and approval	Ireland	Spain CS regions, Sweden Italy CS regions German CS regions Belgium-Wallonie	Czechia, Romania, Slovenia
Implementing	Managing beneficiaries (Contracts and payments)	Ireland (⁴³ LCDC ⁴⁴ LDC),	Ireland (umbrella projects), Spain both regions IT-Toscana Belgium-Wallonie Sweden (umbrella projects)	Austria, Czechia, Slovenia, Germany CS regions Italy- Abruzzo and Veneto

Source: Study team 2021

⁴² Privileged partners- partner is identified as a key partner of the territory for the implementation of a project. As such, it is associated directly to the LDS without the obligation to follow later the public procurement rules. The partner is not a direct recipient of the subsidy, but the LAG remits part of its payment.

⁴³ Local Community Development Committee- its purpose is to develop, coordinate and implement a coherent and integrated approach to local and community development in each Local Authority area. They have taken on the role of LAG.

⁴⁴ Local Development Company- a multi-sectoral partnership delivering community and rural development, labour market activation, social inclusion, climate action and social enterprise services. Four also act as LAGs.

Calls

In respect of calls, case studies demonstrated a wide variety of approaches. While in Czechia, Slovenia and Romania public/targeted calls, launched and opened for a specific period of time, are the only model; LAGs in Austria, Sweden and Ireland had the opportunity to manage rolling calls, with additional targeted calls in Ireland (one per year, following LEADER guideline revisions). Also, in these cases, umbrella projects implemented by LAGs (thematically focused in Sweden and Ireland) were possible.

In the Italian case study regions, apart from targeted calls and umbrella projects implemented by LAGs, some specific types of call were also developed.

In Toscana Integrated Packages (IP) were implemented. These are collective applications proposed by a group of different beneficiaries, public and private, in a specific municipality or group of municipalities, aimed at a common objective under a shared theme. The rationale of IPs is fostering cooperation between different actors and public and private stakeholders in micro-level contexts, under the assumption that cooperation among different actors and sectors maximises the impact of single initiatives. The IP approach is implemented via unique calls where groups of actors respond by designing and presenting a collective application including several RDP measures. The MA introduced IPs as a general approach for all LAGS in 2020 by modifying the rules for implementing sub-measure 19.2, to foster the adoption of "community recovery projects" with substantial impact on small communities, emphasising the post-Covid need to rebuild local economies.

Similarly, Abruzzo also implemented integrated projects (under the heading of "community projects" and "short supply chain projects"). The main differences with Toscana were:

- a) the local coalition goes through participation to a first stage (expression of interest) and a second stage where the proposal of the project is presented, assessed and finally approved if evaluated positively by the commission of evaluators;
- b) the LAG is the primary beneficiary, which means it is responsible for selecting the providers of services and work needed for each community project or supply chain project, following public procurement rules.

Veneto issued calls for flagship projects, where the LAG has a co-ordination role ("a regia") for integrated packages of measures (in flagship projects or cooperation projects) and public-driven projects, implemented via expressions of interest from potential beneficiaries. Each LAG must integrate different intervention measures (minimum two) into flagship projects (*progetti chiave*), aiming to create synergies and complementarity among actions promoted by the LAG and ultimately enhance the effectiveness of money spent. Every project must ensure participation of both public and private beneficiaries. Each LAG had to propose at least one flagship project in its LDS.

LAGs in Belgium-Wallonie did not issue specific 'calls' in the standard sense of a request for applications, as they implemented projects that were pre-defined in project 'fiches' within their respective LDS. In 80% of projects, the LAG is the beneficiary carrying out the project implementation on behalf of a wider group of beneficiaries/partners. The Managing Authority recommends that the LAGs be the administrative and financial leader of the majority of projects, but the implementation of projects can be entrusted to other bodies in the territory. However, some co-funding bodies will only subsidise operators that they recognize (e.g. the Federation Wallonie Bruxelles recognizes only cultural centres, and the Commissariat General du Tourisme recognizes only tourism offices).

Measures and thematic areas of focus

While LAGs in principle have freedom and full autonomy in respect of needs' identification, case study evidence suggests that many were directed in this task by MA guidelines and/or by a portfolio of measures pre-identified/selected by the MA, to be implemented through LEADER. Thus, the LEADER (M19) focus in different countries and regions has been defined either through thematic priorities/themes and sub-themes/fields of action – as in Austria, Slovenia, Spanish CS regions or through a shortlist of measures defined by Articles from

the EAFRD regulation [1305/2013] – as in Czechia, or by a combination of thematic priorities and relevant RDP measures (Italian cases) and a combination of RDP Focus Areas and measures (Romania).

In the case of Germany- Sachsen, Belgium- Wallonie and Sweden LAGs were free to design their LDS based on the needs in their respective areas and were not guided by thematic focus or measures from the MA. The state of Sachsen refrained from prescribing the content of measures in the LEADER funding guidelines, in order to be able to use local opportunities for a flexible search for solutions to problems and to foster innovation. LAGs in Sweden were free to select a mix of most appropriate ESIF to address the needs in their territories. Germany- Rheinland-Pfalz chose a similar approach to Sachsen but a list of needs to be addressed by the LDSs was nonetheless included in the RDP.

Germany Rheinland-Pfalz RDP – needs to be addressed by LEADER:

- Adapting structures in rural areas to the effects of demographic change,
- securing an attractive services for young people, women and families,
- improving the quality of care and health and nursing care through new concepts,
- adapting public infrastructure and strengthening development centres,
- strengthening the identity of villages,
- reversing the declining trend in some tourist destinations,
- expanding business by integrating regional products and improving accessibility,
- strengthening and stabilising regional development initiatives,
- strengthening value chain partnerships and participation of business actors, and
- strengthening and supporting civic engagement.

Source: Germany case study report 2021

LAGs in Austria (Lower Austria and Tyrol) faced strict rules in designing LDSs, influencing the type of actions which could be supported. In Tyrol, the focus in the period 2014-2020 was on economic development (cooperation between businesses, professionalisation of tourism, new business models for farms). LAGs could address this within four themes [Fields of action] - Rural value creation, Natural resources and cultural heritage, Community structures and functions, and IGW (IBW): Growth and Employment. In Lower Austria the first two themes were also covered by LAGs but additional fields of action were added for "Public welfare structures and functions" and "Common Good".

In Italy and Spain, the National Partnership Agreements (NPAs) 2014-2020 set the general principles for implementing CLLD at regional level. The NPA in Italy strengthened the concept of concentration under its different forms: thematic; territorial; and financial. National guidelines proposed 12 thematic priorities for LDS across the country but indicated that LAGs must select only three, in some form of an integrated approach. This was viewed as helping to avoid LAGs fragmenting their budgets into a series of very small interventions of limited impact. Also, CLLD in rural territories had to be concentrated in only two types of area: lagging (especially mountain and remote regions) and intermediate rural areas (less intensive agricultural areas).

In Toscana the regional guidelines did not impose any restriction on the types of possible actions, but allowed a maximum of 10 measures from the RDP menu..

The LAGs in Abruzzo had to select from RDP measures, but the MA left them free to access any of these. Measures could be implemented jointly through integrated actions - community projects (with the territory as their scope) and supply chain projects (with a product as scope). Both of these are collective applications proposed by a group of different beneficiaries, public and private, in a specific municipality or group of municipalities, aiming at a common objective under a shared theme.

The LAGs in Veneto could select from seven possible priority topics among those listed in the National Partnership Agreement and RDP. Each LAG could choose a maximum of three Priority topics among the seven. The MA selected RDP measures and defined a list of nineteen types of operation consistent with these proposed Priority topics, plus a twentieth

intervention specifically designed for exclusive application by LAGs. However, LAGs have generally preferred to focus on a narrower set of these sub-measures, in their projects. Similarly, the RDP of Extremadura detailed which of the needs identified in the contextual diagnosis would be addressed by the LAGs' LDSs, and defined the priority areas of action.

Spain- Castilla-la-Mancha RDP LDS priority areas:

- Training economic and social agents who develop their actions in the LEADER area.
- Processing, marketing or development of agri-food products (under EUR 100 000).
- Promotion of non-agricultural activities.
- Support for the creation, improvement or extension of infrastructure in rural areas.
- Aid for the maintenance, restoration and rehabilitation of the rural heritage.

Spain – Extremadura RDP LDS priority areas

- Training and information for economic and social actors in areas covered by the LDS.
- Investments in the processing and marketing of agricultural products.
- Investments in the creation and development of non-agricultural activities.
- Creation of enterprises for non-agricultural activities in rural areas.
- Basic services for the rural economy and population.
- Address depopulation in rural areas.
- Maintenance, recovery, and rehabilitation of rural heritage.
- Creation of enterprises for non-agricultural activities in rural areas.
- Support for social innovation, multi-level governance, social and economic dynamism.

Source: Spanish case study report 2021

Slovenia opted to implement multi-fund CLLD, including EAFRD, ERDF and EMFF but its thematic priorities were identical for all funds. By contrast, the MA in Czechia decided to define the demarcation lines between the ESI funds according to thematic areas as defined by reference to specific elements in the Regulations. LEADER could fund actions under just 14 Articles of the EAFRD (with Article 20, Basic services and village renewal, added only after mid-term evaluation at the end of 2019). These pre-defined thematic areas and measures were seen by many LAGs as a barrier to addressing needs in their areas, but were perceived by MA and PA as important, especially to avoid double-funding risks. These measures were complementary to mainstream measures (different preferential criteria, type of beneficiaries).

CZ RDP-Selected Articles [Regulation (EU) No 1305/2013]

- 14 Knowledge transfer and information actions
- 17.1.a) Investments in physical assets of the agricultural holding
- 17.1.b) processing, marketing and/or development of agricultural products
- 17.1.c) Forestry Infrastructure
- 17.1.c) Agricultural infrastructure
- 17.1.c) land consolidation and improvement
- 19.1 b) Investments in the creation and development of non-agricultural activities;
- 20 Basic services and village renewal in rural areas (added 2019)
- 24.1.a) establishment of protective infrastructure -forests
- 25 Investments improving the resilience and environmental value of forest (non-productive)
- 35.2.c) cooperation among small operators- sharing machinery
- 35.2.d) horizontal and vertical cooperation among supply chain actors for creation and development of short supply chains and local markets

Source: CZ case study report 2021

Project selection criteria

Based on the CS evidence, approaches to defining selection criteria varied among the investigated MS and regions. In both German CS regions, also Austria, Sweden, Spanish

CS regions and to certain extent Czechia⁴⁵, LAGs can define their selection criteria, or alter them according to specific calls.

In Italian CS areas, the MAs defined a consolidated “pick and choose” set of standard selection criteria, compliant with their Verifiability and Controllability of Measures (VCM) formats and consistent with State Aid rules. Nonetheless, each LAG could complement the list with their own specific additional criteria that, once approved and submitted to VCM, could be used by all LAGs. The principles for defining selection criteria are specified and described within each LDP and must be consistent with the objectives and priorities of the LDS. Criteria are validated by the MA at the LAG selection stage. In Romania, the MA also plays an influential role in defining the selection criteria.

In Spain- Castilla-La Mancha there are also some specific criteria regarding project support. 75% of the LEADER budget must be committed and implemented in municipalities with less than 10 000 inhabitants; all ‘productive’ operations financed under the LEADER approach must generate or create at least one job and will only be financed at max. 40% of total project cost; for any non-productive operations developed in main urban centres with more than 10 000 inhabitants, they must generate or create at least two jobs.

LAG Budget criteria

The National Partnership Agreement in **Italy** introduced the concept of critical financial mass by setting a threshold of €3 million per LAG as a minimum budget to implement a LDS (and €12 million as a maximum threshold, with flexibility of + 20% in some justified cases). In **Germany**-Sachsen and Rheinland-Pfalz also, financial thresholds were set.

In other cases (e.g. Czechia, Sweden) a funding formula was developed taking into consideration the number of inhabitants and the size of the LAG area. In **Slovenia** the level of development (by reference to the national average) was added as a determinant.

In **Ireland**, LEADER allocations to counties were determined using three criteria: 1. Each Sub-Regional area was allocated €3 million to ensure a viable budget in line with EC guidelines. Cork was allocated €6 million to ensure a viable allocation to each of its three municipal districts. 2. A measure of relative population density was used to distribute half the remaining fund (€69.5m) by reference to an ‘average’ for the 26 counties. 3. The other half of the €69.5m fund was allocated with a Resource Allocation Model (RAM) using information from the 2011 census and a ‘Trutz Haase deprivation index’. The variables of the model include demographic decline, social class and Labour Market deprivations.

4.2 LEADER performance, achievements in the CS areas

The case studies (CSs) provided valuable evidence on LEADER performance in the 36 selected LAG territories, and some documented LEADER achievements at MS/Regional level. These LAGs pursue a wide variety of themes, fields of action or focus areas through which to meet needs identified in their Local Development Strategies (LDSs). Due to significant timespans of selection (from 2015 to end 2017), LAGs were in different phases of LDS implementation in the period of this evaluation (completed July 2021).

The key tools of LEADER are its seven features and the delivery of funded projects. Outcomes include enhanced human, social, economic and environmental capital, and improved governance which add value to the development of LAG areas. This section covers CS achievements based on evaluation themes.

Causal analysis: implementing the LEADER features

LAGs achieved a high level of implementation of the seven LEADER features across the CSs (Figure 4.1), although with considerable variability for different features. While **area-based LDS** scored high across almost all CS LAGs (overall mean score 4.44), LAGs

⁴⁵ CZ- PA checks the criteria before call is launched

in Castille-La-Mancha found the regulatory framework restrictive: *"There have been some actions that we would like to have taken but they are not considered to be actions included in the RDP. Therefore, the LDS presented has not been 100% the one proposed by the agents of the territory, but the part proposed that could enter LEADER."* (Castille-La-Mancha CS interview)

In Italy-Abruzzo the LAGs territory was enlarged without increasing the budget and there were tensions between LAGs and MAs concerning programme design: *"Territorial size was not sufficiently governed by the regional administration, since eligible areas for LEADER have been broadened too much"*. (Abruzzo CS interview). In Czechia, on the other hand, LAGs had a high level of autonomy identifying area needs but were restricted by the measures selected for LEADER/CLLD implementation and funding: *"...it was not possible to implement all interventions listed in the LDS, due to insufficient funding, or lack of funding for some activities"* (Czechia CS interview).

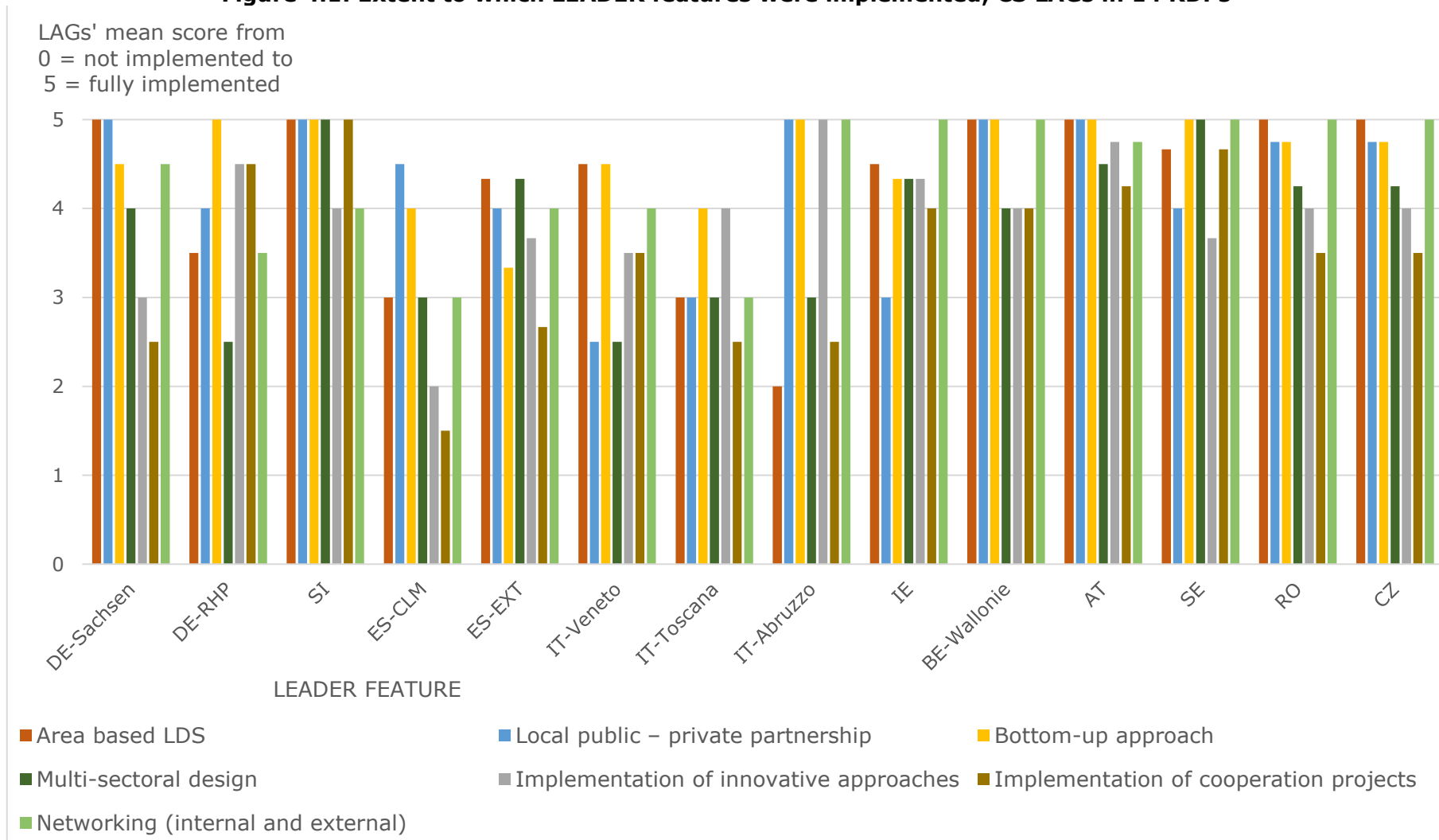
'Local public-private partnership' scored the lowest for implementation in Ireland (Mean score = 3), a result most likely influenced by changes to LEADER implementation for the 2014-2020 period. Newly formed LCDCs took over the role of LAGs (apart from 4 areas) and county councils play a strong role within the partnerships, with LDCs (former LAGs) being relegated to the role of Implementing Partners. LDCs perceive that the change has had negative impact on their Boards as they have lost part of their decision-making power and LCDC partnerships are constituted by different stakeholders. Relationships between LDC and county councillors were also affected in some areas by competitive LDS bids put forward by LDCs and LCDCs. One LAG manager stated there were *"...some limitations due to the competitive RD strategy put in place by Local Government"* (Ireland CS interview).

This feature gained relatively low scores in Italy, where LAGs (apart from Abruzzo) scored this feature 2.5 in Veneto and 3 in Tuscany despite noting: *"the LAG has introduced a more participative method to involve private stakeholders in a cooperative context"* (Italy CS interview). Italian LAGs in the sample are highly experienced and their scoring was influenced by their ability to critically compare LEADER implementation across multiple programming periods. A more cautious, critical assessment of their implementation of LEADER features is evident across all LAGs with previous LEADER experience in the sample apart from the LAGs in Slovenia and Romania.

Application of the 'Bottom-up approach' was allocated the maximum score (5) across CS LAGs in Austria, Belgium-Wallonie, Slovenia and Sweden, followed by Germany, Italy, Romania and Ireland. LAGs in these countries engaged in extensive stakeholder consultations when preparing their LDS, most supported by Measure 19.1. In Ireland, the LDS process was very competitive, with 28 sub-regional areas and 45 separate expressions of interest received. All organisations selected to submit full LDS were given funding. The total amount paid out in preparation support in each LAG was deducted from the overall LDS budget allocation with the remaining funding split between projects and running costs and animation, in areas where multiple LDS bids were submitted, preparation support for the unsuccessful group was deducted from the LDS budget.

LAGs in Spain and Czechia scored this feature lower (mean score 4 and 3.66 respectively), as the regulatory framework has not enabled them to support some needs identified as LDS priorities: *"Although, for the design of the strategy, the bottom-up approach has been the trend, for the application of the strategy, the decision-making power is considerably less, due to the applicable regulations."* (Spain CS interview)

Figure 4.1: Extent to which LEADER features were implemented, CS LAGs in 14 RDPs



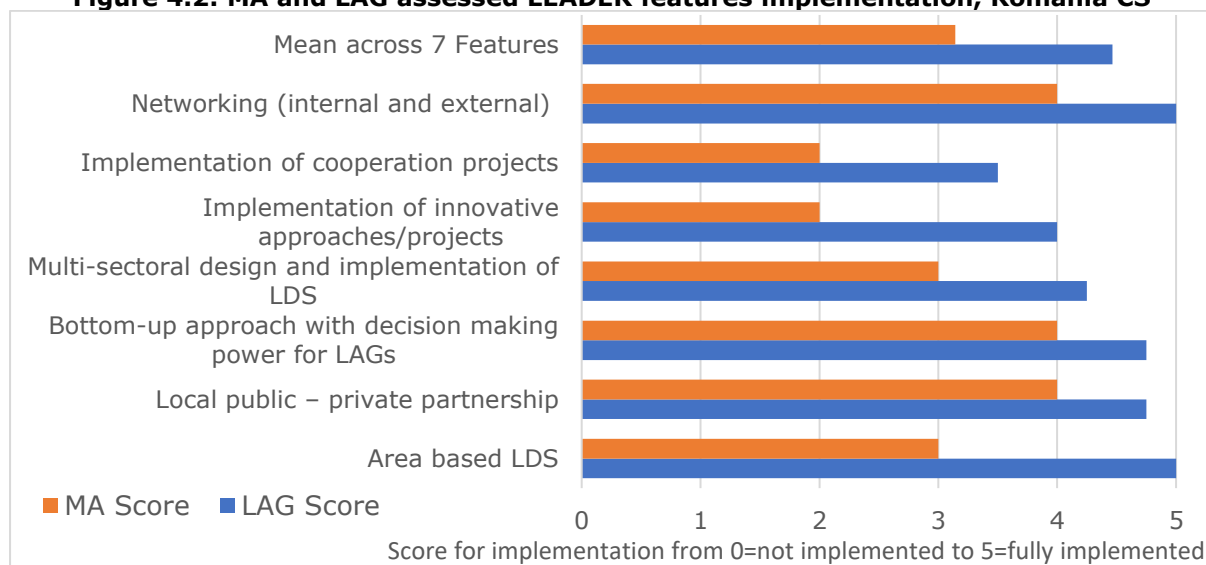
Source: Study team compiled from case study interviews, 2021

Multi-sectoral design and implementation of LDS. LAGs in Sweden and Slovenia assigned the highest score (5) to this feature, followed by Ireland, Austria and Romania. In Slovenia a specific selection criterion was assigned to this feature with one LAG Manager noting: *“Cross-sectoral integration is encouraged in the implementation of projects and in the selection of operational criteria”* and as a result many of the applications made under public calls were partnership projects. In Italy *“Strong linkages between agri-food chains, tourism and forest supply chain”* were pointed out, while in BE-Wallonie *“transversality between projects”* played an important role. On the other hand, limitation was highlighted in Czechia where EAFRD funding offered: *“very limited scope, small financial allocation, especially RDP funded projects, only in relation to diversification”* (Czechia CS interview).

Implementation of cooperation projects scored relatively low across CSs apart from Slovenia, Austria, Sweden, and Germany-Rheinland-Pfalz. It was regarded by LAGs as important with high levels of added value; however, the application process across MS is highly variable and in many CS LAGs report they found the process too difficult. The majority of cooperation projects were implemented within MS, and few LAGs opted for trans-national cooperation, which was regarded as even more difficult. Some LAGs in Italy successfully implemented cooperation through RDP Measure 16.2 EiP-Agri projects. The lowest rating (mean score 0.66) was in Czechia where implementation of M19.3 was judged unsuccessful and LAGs used alternative kinds of cooperation (formal and informal), supported by non-LEADER funding (e.g. INTERREG, LIFE, NRN activities, etc.).

Romanian case study LAGs attributed high scores to implementing all LEADER features apart from innovation and cooperation; however, they noted this was not the case across all LAGs in Romania. External and internal factors negatively affect public-private partnership composition with some LAGs acknowledging political pressures from local authorities and barriers to capacity building and animation. The MA, with a national overview, rated implementation of LEADER Features across the country as lower (Figure 4.2). Highest scores allocated by the MA are for networking, the Bottom-up approach and Public-private partnerships. Innovation and Cooperation received significantly lower scores than the Case Study LAG means, and the overall mean score (3.14) for all 7 features suggested only medium implementation. MA interviewees noted: *“...strategies are complex and include different measures, from investments in agriculture to non-agricultural investments, tourism, social services and integration of local minorities, territorial branding and more. The strategy is partly multi-sectoral due to the limitation only to funds for agriculture and rural development (EAFRD) and funds for human capacity (POCU), other funds being difficult to access.”* (Romania Case Study interview).

Figure 4.2: MA and LAG assessed LEADER features implementation, Romania CS

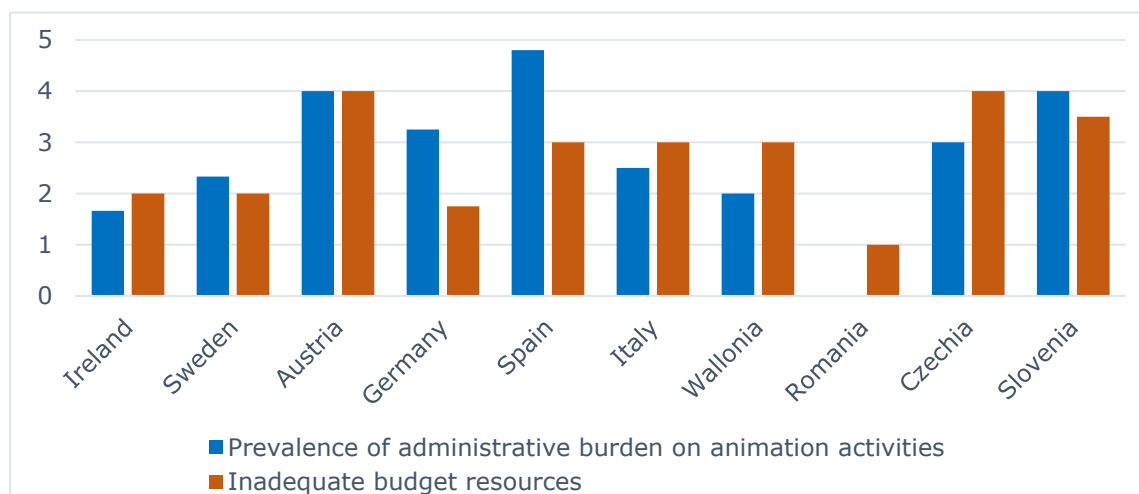


Source: Romania Case Study interviews 2021

Animation is viewed as one of the most important and impactful LEADER activities, which distinguishes LEADER from other funding sources by supporting and enabling access to funding for beneficiaries who would otherwise be "left out", building and enhancing human capacity in the LAG territory. Animation costs were not separated within LAG budgets in 2014-2020 but incorporated under one budget line with running costs.

In all CS LAGs apart from Romania, interviews confirmed that the administrative burden negatively affected the level of animation activities (Figure 4.3). In Ireland, despite a relatively small impact recorded by CS LAGs, there were notable differences in views between LCDCs (acting as LAGs) and Implementing partners that were mostly former LAGs now only responsible for animation and LDS implementation. These almost all noted higher administrative burdens and less time for animation [*"The hidden cost of LEADER implementation has been the loss of project officer time in animation due to increased administrative workload."*], but county councils (on behalf of LCDCs) felt the current governance structure was sounder and more efficient: *"LDCs will always complain the admin burden is too great...but the burden of admin is the same as in the previous period. The difference is that before we did it all at the end – now it is upfront – but by the end of the programme period they were more relaxed...a lot of arguments at the start, but it got better as time went on."* (Ireland CS interview).

Figure 4.3: Impact of administrative burden on animation activities, and inadequate budget resources (N=36 Case Study LAGs in 10 MS)



Source: Study team compiled from case study interviews 2021

Note: Items scored on 0 to 5 Scale where: 0 = No effect; 1 = Very low level of effect on LDS implementation; 5 = Very high level of effect on LDS implementation as a likely cause of failure

A high effect of administrative burdens on animation activities (a potential cause of failure to fully implement the LDS) were noted by LAGs in Austria (Mean score 4) despite indications elsewhere of successful LEADER implementation, and in Germany- Sachsen: *"...administrative exposure was very high during the preparation of (projects) document"*. In Italy a limited budget for animation was seen as a barrier and the administrative burden was deemed high, especially *"very demanding activities for payment claims"* (Italy CS interview), which inevitably reduced resources available for animation. In Czechia the multi-fund CLLD implementation was highlighted as a burden reducing the level of animation. In Spanish CS regions, the administrative burden was criticized as impacting animation (Mean score 4.8), with LAGs noting *"The administrative burden takes a lot of time from the work of animation and management of the LDS"* (Spain CS interview).

Running and animation costs were regarded insufficient to address needs in LEADER areas by a majority of CS LAGs. Only a small number of CS LAGs secured the maximum 25% for these elements. In Ireland the 25% threshold was set, however, the Implementing Partners in some areas had to share these funds with county councils [LCDCs] (e.g. in some areas, three percent of the management budget was for county council support

costs). County Cork was more complex: several implementing partners delivered the LDS and the running and animation budget was split between them according to the size of their territory. In Italy-Toscana, LAGs considered the 15% (or less) for LAG running costs insufficient to implement the programme. In Czechia running costs were covered from ERDF and amounted to 16.5% of the overall implementation budget of multi-fund CLLD. 95% of management costs were covered and LAGs had to secure 5% from other sources: for LAGs with smaller budgets, these were regarded as insufficient. In Romania, although CS LAGs rated the animation budget sufficient, some LAGs noted inability to achieve balanced distribution of LEADER across their territories, due to lack of resources for animation: *"...evaluation has shown that some beneficiaries are applying multiple-times, but there are areas and calls where there is hardly any interest. We have inadequate resources for animation"* (Romania CS interview).

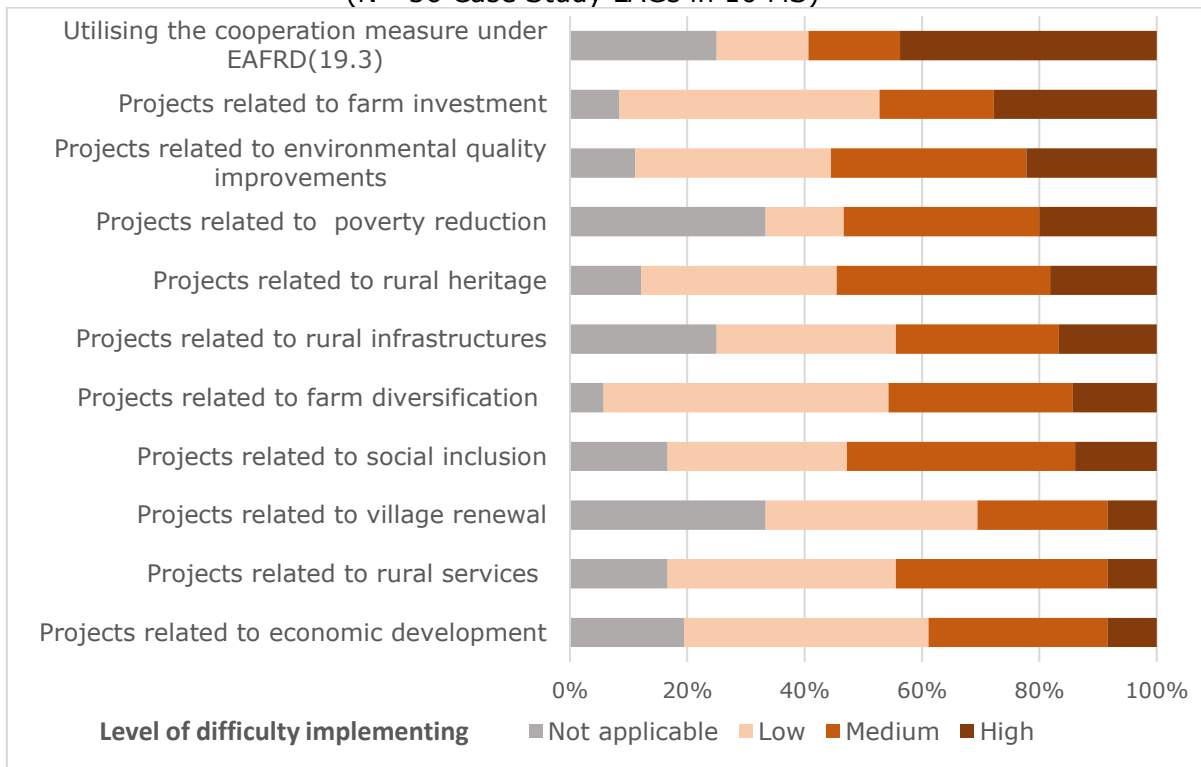
Constraints on LAG effectiveness

Inadequate budget resources (Figure 4.3) were felt to impact negatively on LAG LDSs in all CS LAGs except Romania. In Ireland, the overall score for the inadequacy of resources was 2, with significant differences between LAGs. Highest impact was recorded in Cork where the budget decreased nearly 70% in comparison to 2007-2013. Cork county council secured an additional €3 million from own resources to fund community projects: *"The budget was cut – this had an impact. Towards end of the programme money was running out."* (Ireland CS interview). Swedish LAGs also noted despite implementing multi-fund CLLD *"There is not enough budget to address all needs"* (Sweden CS interview). Czechia, Slovenia, and Austria indicate highest negative impact on LDS implementation from inadequate budgets. Even in Germany- Sachsen, where M19 allocation was highest among all CS MS/regions, respondents noted *"The budget was largely used up. The need of funding is very high in the area of day care centres and schools. These should be supported by specialised funding"* (Sachsen CS interview). CS LAGs in Czechia expressed strong dissatisfaction despite a significant growth in LAG budgets via multi-funding.

LAGs viewed the possibility of transferring unused funds between measures or thematic areas favourably, as providing flexibility and potential to deal with new issues arising over the programme period. Nearly all CS LAGs transferred significant funding allocation between planned measures/themes for reasons such as lack of absorption capacity due to stringent rules (e.g. broadband in Ireland, short supply chains and cooperation in Czechia, mobility and technical infrastructure in DE-Sachsen) or external events (e.g. COVID).

LAG project delivery: For most types of project fewer than 20 per cent of LAG respondents suggested major difficulties in project delivery (Figure 4.4). Farm diversification and economic development projects were viewed as low difficulty by over 40% of respondents. Other types of project (i.e. environmental improvement, rural heritage, poverty reduction, social inclusion) were identified by CS LAGs as more difficult to deliver.

Figure 4.4: LAGs' assessed difficulties with project implementation in the LDS
(N= 36 Case Study LAGs in 10 MS)



Source: Study team compiled from case study interviews 2021

CS data indicate contrasting responses from LAGs in the same region/MS, for similar types of project. Skills, knowledge and experience of LAG personnel are likely to be a key influence. There is a tendency to support 'easy wins' when under pressure to spend to meet national/regional or local targets: LAGs in Ireland said pressure to spend after delayed implementation resulted in lower value for money projects (Ireland CS Interview).

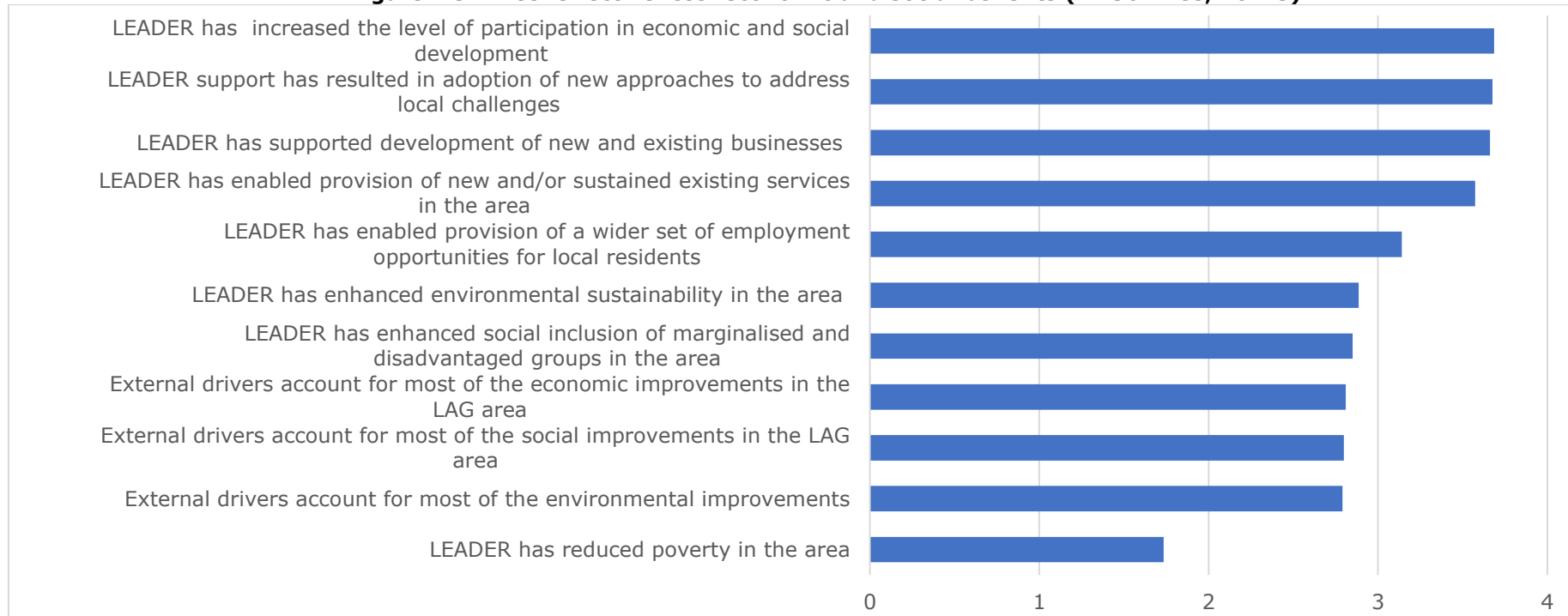
Social Capital, participation and capacity building

Building social capital is a long-term process and key LEADER outcome, particularly from LAG activities that generate or enhance local partnerships, link projects and different sectors and support cooperation and networking. CS LAGs' highest-rated activities influencing improvements in the local economy (Figure 4.5) were 'increased participation in economic and social development'; 'adoption of new approaches to address local challenges'; and 'supporting new and existing businesses', all contributing to social capital.

Generation of other benefits varied across CS and between LAGs (Figure 4.6). Most CS (except Belgium and Spain) gave higher scores to economic development, then participation and inclusion, then environmental sustainability.

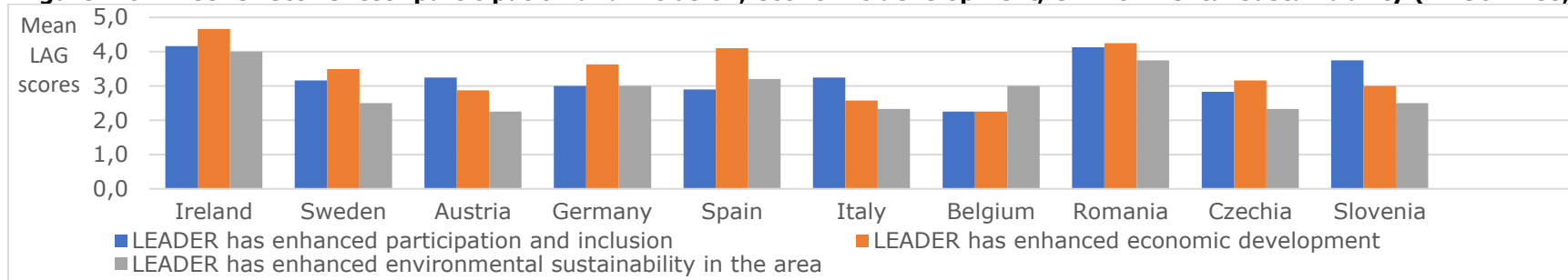
For inclusion and participation, all CS MSs had scores near 3 'medium', with highest in Ireland, Slovenia and Romania and lower levels in Belgium-Wallonie, Spain, and Czechia. In Wallonie, LDS elaboration requires very active participation of actors in the LAG areas to form partnerships to deliver projects, so implementation itself is more straightforward.

Figure 4.5: LAGs' effectiveness: economic and social benefits (N=36 LAGs, 10 MS)



Source: Study team compiled from case study interviews 2021

Figure 4.6: LAGs' effectiveness: participation and inclusion, economic development, environmental sustainability (N=36 LAGs, in 10 MS)

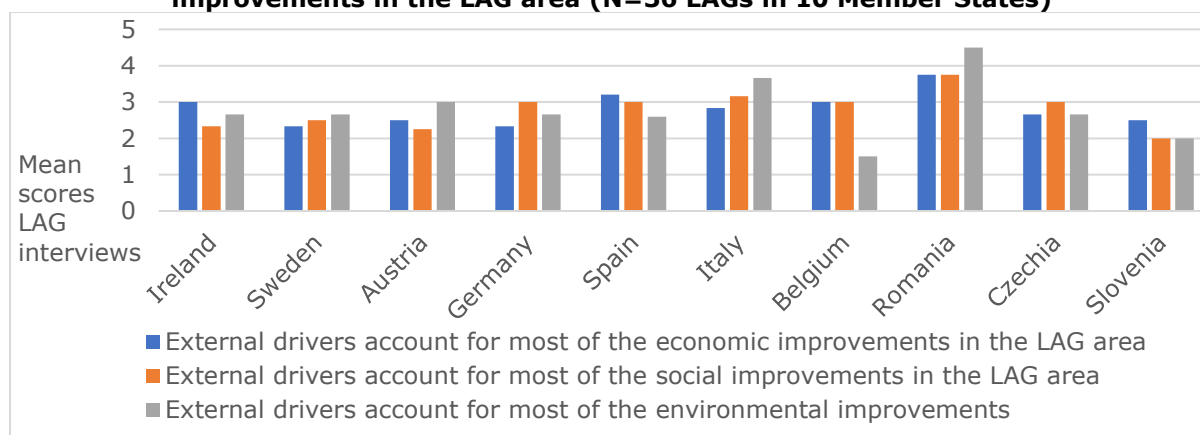


Source: Study team compiled from case study interviews 2021

LAG activities encouraged economic development via support for business networking and supply chain development. Ireland built on forest expansion and tourism to generate economic development. One LAG, for example, established a timber producers' supply chain, the Burren Food trail, and a tourism food & drink network, while another LAG supported new themed adventure trails linking 15 businesses. In Romania CS LAGs farmers were supported to create links with distributors and some linked to a national cooperation project to promote local products through a new online platform. Other CS LAGs developed other activities such as training (a consumer group was created in a LAG using a training workshop), and a new Veterinary Centre (Romania). LAGs in Extremadura (ES) implemented projects targeting young people from poor educational backgrounds combining capacity building and finance. Projects encouraged them to discover their entrepreneurial "feeling", providing resources and promoting personal development.

Considering external drivers (Figure 4.7), Romania CS interviewees judged that external factors account for most economic, social and environmental improvements in the area. Italy and Austria noted this for environmental improvements. Responses suggest LAG Managers distinguish the impact of LEADER from other policy measures, market drivers, and broad influences on social and cultural change. Ireland and Spain CS LAGs noted high influence of external factors on economic improvement, reflecting interviewees' views that LAG resources are insufficient to address widespread or structural economic problems.

Figure 4.7: Comparison of CS interviewee opinions on the effect of external drivers on improvements in the LAG area (N=36 LAGs in 10 Member States)



Source: Study team compiled from case study interviews 2021

Ireland has been particularly successful in building social capital, assisted by synergies with national support programmes (e.g. SICAP). Spanish LAGs successfully enhanced social capital in their territory through training, mentoring, intergenerational workshops and capital grants targeting specific groups: youth, women, disabled, and older people.

The importance of networking and cross-border cooperation in building social capital were noted by LAGs in several CSs. LAGs in German CS regions emphasised 'good cooperation with partners from other regional LAGs' and 'networking with the surrounding regional management, through establishment of a strategy group working on fish and tourism'. LAGs also identified 'regional and transnational cooperation with other LAGs' as key to enhancing impact. One LAG noted how long-term involvement of the LAG in a community over many years led to a gradual increase in participation. Spanish CS LAGs cited informal networks between LAGs in the region, rural-urban networks (e.g. farmers markets) and networks between immigrants, as important. Romanian CS LAGs identified benefits of involvement in a formal body (the National Federation of LAGs), also cooperation projects with other LAGs. Cross-border connections were judged significant in building social capital in Slovenia: "connection was made with projects between LAGs, they got acquainted with good practices by visiting other LAGs in Slovenia and abroad. In this way new partnerships were established and new ideas conveyed to the area." (Slovenia CS interview)

Lack of capacity (Romania) was identified as an obstacle to improving social and economic capital, in particular where external consultants are brought in due to lack of relevant skills: *"The dependence on consultants for LDS preparation is so high that some LAGs have an almost identical strategy... it is clear there was no real input from local stakeholders, only the views of the consulting firm."* (Romania CS Report)

Regional/National support and constraints on action: Where national authorities did not support an activity, there was less impact (Slovenia, Ireland, Czechia, Austria). LAGs in Austria, for example, reported inability to address a number of locally identified needs as these were considered 'out of scope' of LEADER funding, and Slovenia indicated that *"...only job creation is encouraged, while new companies are not created through LEADER"* and new products were not promoted, limiting economic development.

The role of authorities is significant, providing or withholding support for certain types of activity. CS LAGs in Slovenia noted most projects were first financed by municipalities and then upgraded to LAG projects. In Ireland most LAGs are dependent on local authorities for administrative support (County Councils act as financial partner) and project selection, which affects the speed of operation and type of projects funded. Here, *"procurement rules brought in at Department level"* were highlighted as having negative effects on community projects: LEADER-specific guidelines were *"over the top' which terrified community groups and volunteers"* (Ireland CS interview).

Cooperation was identified as a difficult area of LAG activity. CS LAGs noted difficulties with contract design, especially for transnational projects. Implementing cooperation requires high levels of LAG personnel capacity and skills, which were not always available.

Added value

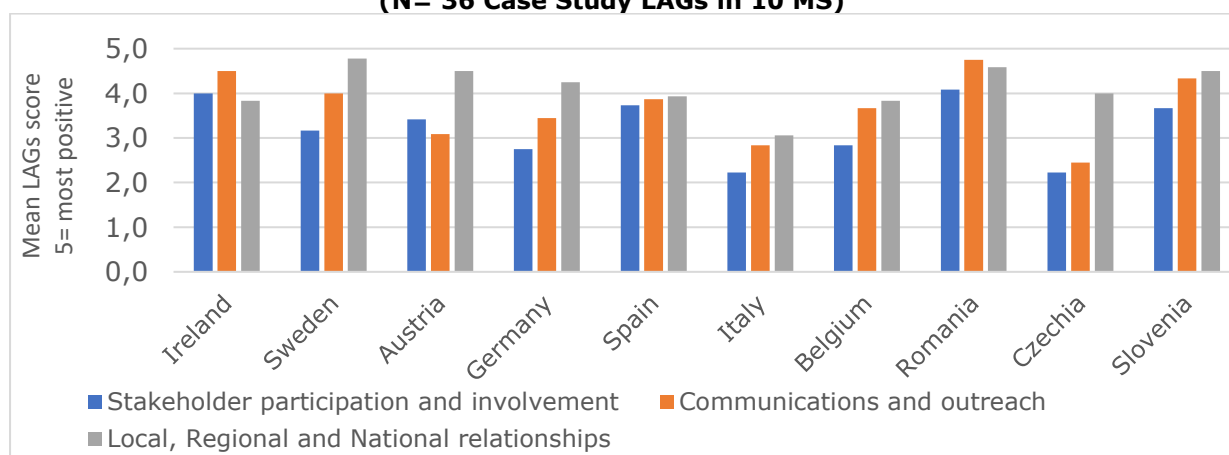
Assessment of added value requires understanding the context and origins of each LAG, its financial resources, local needs and LDS objectives as well as outputs (e.g. number of jobs created, training events held, etc.) and perceived outcomes, i.e. a holistic approach.

Impact of LEADER on local governance: CS LAG Manager interviews reveal that the three highest scoring outcomes from implementation of the LEADER approach are related to development of effective communications and positive relationships: The LAG created effective communication channels with the local population; established positive relationships with regional/national institutions and established positive relationships with local institutions (municipalities, local agencies, etc.). The three lowest scoring outcomes relate to generating trust in public policies and participation in LAG decision making. Eight of the nine items scored have a mean value between 3 and 4.4 indicating medium to high impact on improving governance at local level, from application of the LEADER approach.

LEADER's significant impact on local governance is reinforced in response to questions asking LAG Managers whether certain aspects of their LAG area would be better or worse off without LEADER. The statement with the highest score across all CS LAGs was *'effectiveness of local governance in the LAG area would be slightly worse'* without LEADER (Mean score 4.06).

Comparison across CS MSs (Figure 4.8) reveals a consistent pattern of impact of LAG activities on **social capital**. 'Improvement in relationships' at different scales (local/regional/national) generally had the highest impacts, while 'stakeholder participation and involvement in LAG activities' scored lowest, with 'communication and outreach' activities in between (except Ireland and Romania CS LAGs). Scores across these sets of outcomes were lowest for Italy and Czechia CS LAGs and highest in Ireland, Sweden, Romania and Slovenia CSs, but it is important to bear in mind that there is variability in scores between LAGs within CS regions/MS. Clearly, getting people involved and participating is a much more difficult task than 'communicating' or 'developing a positive relationship'.

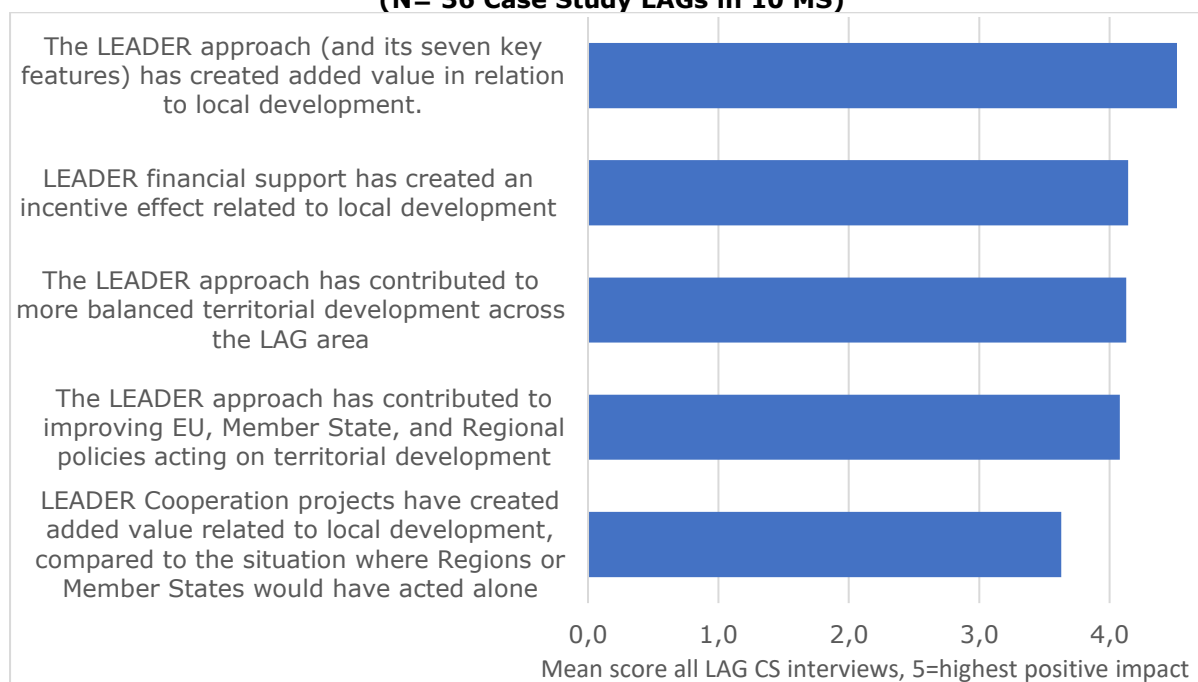
Figure 4.8: Perceived impact of LAG strategy and activities on local governance (N= 36 Case Study LAGs in 10 MS)



Source: Study team compiled from case study interviews 2021

CS responses attribute a high impact of the LEADER approach on **local development** (Figure 4.9). They score it highly (above 4.0) for funding impact on local development, contribution to balanced territorial development (BTD), and improving other policies affecting territorial development: *“The work in the territory, creating a regional partnership that has overcome localities to achieve very important common goals for the entire territory has undoubtedly been possible thanks to LEADER. Support for all sectors of the territory, for innovative projects and the promotion of innovative initiatives from the Group itself, the establishment of alliances and the design of cooperation projects, are inherent to Leader.”* (Spain CS LAG interview). Impact on BTD was summed up by a respondent in a Spanish region: *“The Leader approach has had a rebalancing effect within the territory. Efforts are continually made in favour of municipalities with less socio-economic dynamism so the territory has a balanced development that reaches all people, groups and places”.*

Figure 4.9: LAG assessment of the EU added value of LEADER delivery (N= 36 Case Study LAGs in 10 MS)

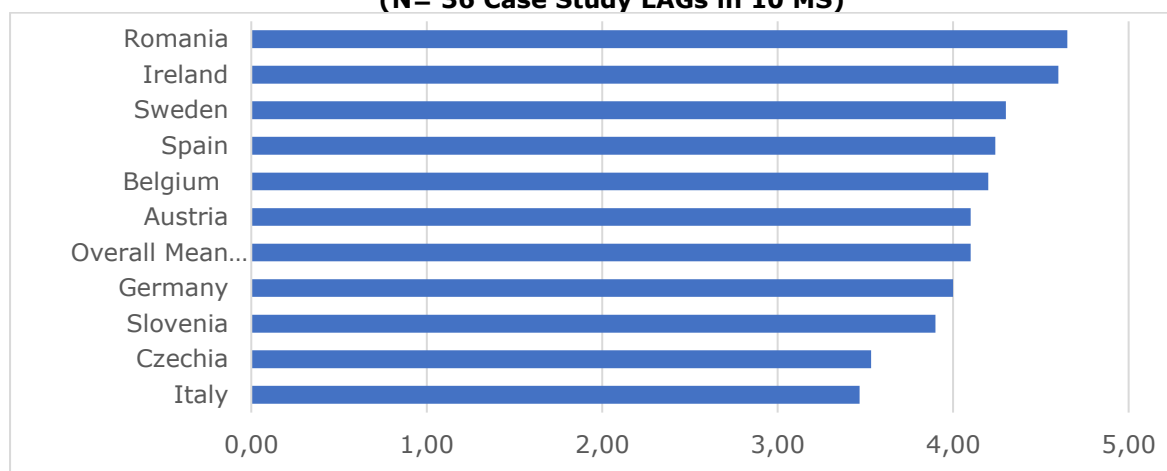


Source: Study team compiled from case study interviews 2021

Comparison of scores for statements in Figure 4.10 indicates that Romania and Ireland CS LAGs give highest scores for **EU added value of the LEADER approach** in their areas

while Czechia and Italy CS LAGs give lowest scores (but still above the mid-point on the scale). Note that Romania CS interviewees also indicated external factors were responsible for most economic, social and environmental improvements (Figure 4.7).

Figure 4.10: LAG assessment of the EU added value of LEADER delivery (N= 36 Case Study LAGs in 10 MS)



Source: Study team compiled from case study interviews 2021

Conclusion

Based on case study evidence the most effective LAGs were those which operate within a clearly defined, but not overly restrictive regulatory framework, as CS findings suggest that lack of flexibility in the regulatory framework (impacting on LAGs autonomy) is hindering LEADER ability to address needs. Inadequate budget resources, insufficient human capacity and lack of adequate skills in LAG management teams were also identified as barriers to effective and efficient implementation. LEADER's participatory operation, addressing local needs by supporting local actors using animation, capacity building and encouraging networking within and beyond LAG territories leads to increased social capital and potential for improved local governance. The availability of multi-annual funding and flexibility to transfer financial allocations between measures to address changing absorption capacity of the LAG area and needs is another important effectiveness enabler.

Key messages from the CS: enablers and barriers for main themes, are summarized below.

Effectiveness:

Enabling factors:

The effectiveness of LEADER in responding to local needs lies in

- its composition (public-private actors, who provide a better understanding of the territory's problems and a pragmatic approach)
- addressing local needs by supporting local actors
- participatory mode of operation
- type of projects financed and their integrated nature- linking projects and funding sources
- multi-annual funding and flexibility to transfer budget allocations between measures
- support provided to project beneficiaries via animation and capacity building
- increasing level of social capital
- encouraging and supporting networking activities
- supporting and participating in collaborative activities – locally, regionally, nationally and advocacy at the regional and national level

Hindering factors:

- insufficient resources human and financial for animation and capacity building
- lack of capacity
- inadequate skillset of LAG management teams
- increased administrative burden taking resources off animation
- lack of awareness and difficulties in motivating the LAG population

- lack of flexibility regarding regulatory framework (impacting on LAGs autonomy and ability to address area needs)
- political pressures within the LAG partnership and /or Board
- imbalanced partnership composition

Efficiency:

Enabling factors:

The efficiency of LEADER is supported by:

- efficient and timely information and guidelines distribution
- technical support and meetings with LAGs
- efficient communication and exchange channels with the authorities (MA, PA)
- user-friendly IT system (e.g. FARMAR in CZ)
- creating a mutual learning environment (MA, PA, LAGs)
- involvement of Rural Network as "technical support for the LAGs", providing advice, carrying out training and capacity building (e.g. Spain).
- LAG working groups – sharing experiences/best practice (e.g. in Extremadura, each LAG has a technician assigned who follows up their approaches)
- implementation of SCOs

Hindering factors:

- insufficient indicators at RDP and LAG levels regarding the relation of resources employed and results achieved
- detailed and complex EU rules on procedure, application, approval, control, sanctioning, publicity
- complexity in implementing the CLLD (multiple funds, different guidelines and timings, etc.)
- interpretation of CLLD guidelines as legally binding by control bodies
- changes of the EC guidance documents during the process of designing LEADER/CLLD
- excessive control regime and requirements to be carried out by PA
- monitoring queries and reporting of indicators time consuming
- lack of staffing at MA, PA and LAG level
- inadequate/too complex IT systems
- more skilled personnel required for M19 compared to other RDP measures
- inefficient and/or lack of communication channels and learning environment
- content and scope of the application process has negative impact on efficiency due to recurrent process steps (e.g. Germany, Ireland)
- long-time of project approval decisions
- complex administrative procedures applied to all types of projects regardless of scale

5 ANSWERS TO THE EVALUATION STUDY QUESTIONS

5.1 ESQ1: How has LEADER improved local economies and promoted participation, social innovation, social inclusion and poverty reduction, and to what extent can it be credited with these improvements?

SECTION 1 – How this question is addressed

ESQ1 is concerned with identifying the mechanisms that have been developed and put in place through LEADER planning and LAG actions that lead to improvements in local economies and society through, for example, wider participation, greater involvement of previously excluded groups, and improved ability to tackle local issues.

Judgement criteria (JCs):

1. There is evidence that LEADER has been effective in one or more of: improving local economies, achieving participation, stimulating social innovation, addressing social inclusion and reducing poverty.
To a large extent, these points are addressed in ESQs 2-6.
2. The assembled evidence provides a convincing narrative of how LEADER has created these effects, in contrasting situations and through varied actions, which links the outcomes to specific features of LEADER programme design and/or the LDS, implementation practices or animation activities of LAGs.
3. It is possible to distinguish the causal effect of LEADER from the background trends and other changes in wider context which can be expected to have contributed to these outcomes, over the period(s) and in the contexts studied.

SECTION 2 – Judgement criteria answers

JC1: There is evidence that LEADER has been effective in one or more of: improving local economies, achieving participation, stimulating social innovation, addressing social inclusion and reducing poverty.

This judgement criterion has been explored in depth in the answers to ESQs 2, 3, 4, 5 and 6. **The combined evidence presented suggests strongly 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. There is also clear evidence of LEADER's effectiveness in respect of participation, social inclusion and social innovation at local level, as well as evidence that LEADER projects and activities help to improve the incomes of some direct and indirect beneficiaries within LAG territories.**

However, LEADER's overall small scale and its local development focus mean that its contribution to poverty reduction is mostly indirect and relatively modest (e.g. by comparison with other policies with greater resources, covering larger territories and/or programmes explicitly targeting this goal). Poverty reduction requires a systematic approach, combining long term investment in soft and hard measures. 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 (e.g. Romania, with the second highest rate of population at risk of poverty or social exclusion in 2018, according to Eurostat).

LEADER has contributed to poverty reduction indirectly by supporting basic services in some regions: supporting investments in community-led social services and advisory bodies, also building organisational capacity on the ground through animation and using specific project selection criteria linked to social inclusion and poverty reduction. Close collaboration with organisations and agencies focusing on social inclusion and poverty

reduction can multiply LEADER effects, e.g. the case of the 'SICAP' programme in Ireland, where LAGs⁴⁶ deliver both LEADER and SICAP programmes and therefore there is higher awareness of poverty in the area. SICAP also helps to build local capacity to enable community organisations to apply for LEADER funding. The multi-fund CLLD approach using ESF funding to address social issues is another example of an integrated, more holistic approach to address these needs in LAG areas (e.g. Czechia, Sweden CSs). An enabling operational framework alongside adequate financial allocation for animation activities are important for LEADER to address poverty reduction at local level. The complexity of the challenge is summed up by the following quotation: "*Poverty reduction projects involve integration into a complex multi-level action circuit. Thus, it is necessary for such projects to contribute to: job creation, investment in infrastructure, health, education, basic needs, improved public services, etc. The complexity stems from the accumulation of factors that contribute to ensuring the well-being of the population and the need to improve several sectors, in order to ensure a good convergence of all actions and activities, leading to an increase in living standards.*" (Romania CS, LAG interview).

Generally, the fact that most MAs did not see LEADER as relevant for poverty reduction implies that the LAG selection process is unlikely to have targeted LEADER to areas with the greatest poverty. However, the bottom-up LDS process means that where LAGs are in territories that experience rural poverty, their economic development actions can help to reduce poverty: evidence of this was found in the Germany- Sachsen case study, arising from investment in rural infrastructure such as housing. Nevertheless, in situations where rural poverty is widespread and severe (e.g. Romanian CS LAGs), interviewees explained that LEADER resources alone were not sufficient to tackle this.

JC2. The assembled evidence provides a convincing narrative of how LEADER has created these effects, in contrasting situations and through varied actions, which links the outcomes to specific features of LEADER programme design, the LEADER approach, and/or the LDS, implementation practices or animation activities of LAGs.

It is clear from the evidence presented that 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. However, in considering in particular the ways in which LEADER works, some key aspects are cited in surveys and all case study reports. These aspects are linked to the seven features of the LEADER approach, but described in various more detailed ways. Together, they combine to produce projects and actions which make a difference to local development in LAG territories.

Bottom up approach

From the literature, the significance of **the bottom-up approach** in encouraging participation is highlighted (Konečný, 2019; Vilké and Šarkutė, 2019, Servillo et al, 2016; ERGO, 2019). It enables and encourages local actors to participate in decision-making about the strategy and in the selection of priorities to be pursued in the local area.

Bottom-up implementation was rated very highly in respect of its degree of implementation across all 36 LAGs and 14 MAs in the ten case study areas. They find that LAGs have had a sufficient level of autonomy to involve local stakeholders in decision-making processes about development strategies. The LAGs' own assessment of their ability to fully implement the seven LEADER features is shown in Chapter 4, (Figure 4.1): this emphasizes the centrality of the bottom-up approach, to the way in which all LAGs in CS areas have worked. 75.4% of LAG respondents indicated a high level of implementation of this approach, which also corresponds with CS findings.

The real advantage of this element within the Leader approach lies in its ability to embrace the complexity of the territorial system *in-situ*, meaning all assets and attributes including

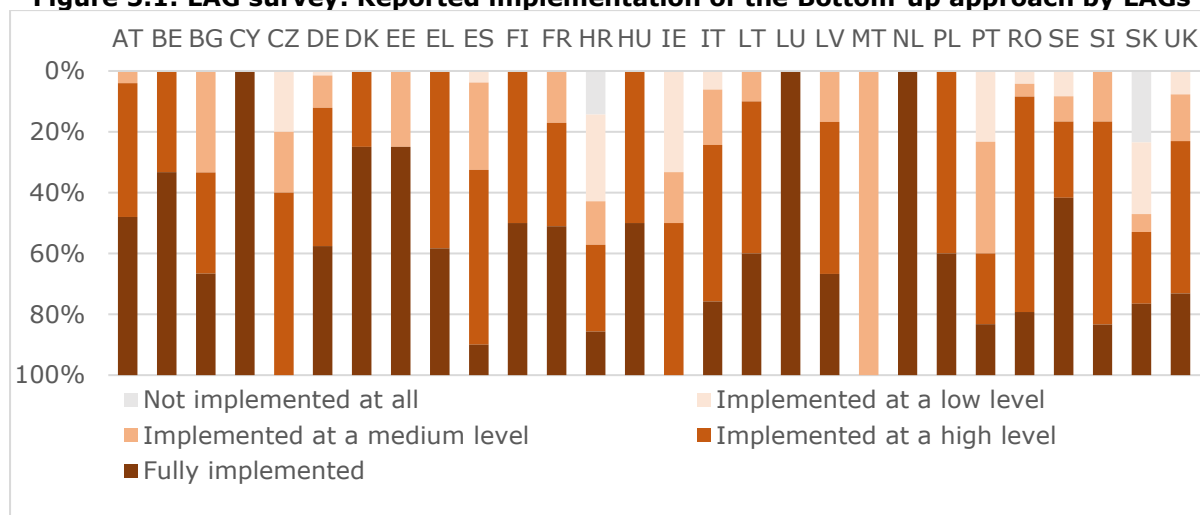
⁴⁶ Actually termed Local Development Companies, in the Irish context, but performing the LAG role, or role of Implementing Partner within LCDCs (LAG).

rural infrastructure, common goods, local and cultural heritage, organizational capacity and knowledge transfer are considered. Bringing together all these elements strengthened territorial coherence and the implementation of integrated and locally-appropriate actions.

The involvement of local actors includes the population at large, economic and social interest groups and representative public and private institutions. **Capacity-building is an essential component of the bottom-up approach**, involving:

- awareness raising, training, participation and mobilisation of the local population to identify the strengths and weakness of the area (analysis);
- participation of different interest groups in drawing up a LDS (design);
- establishing clear criteria for selection of appropriate actions at local level (prioritizing) to deliver the strategy (ENRD LEADER Toolkit, 2021).
- From the LAG survey, comparing responses by MS gives a clear indication of the varying extent of implementation of the bottom-up approach, across the sample (Figure 5.1)

Figure 5.1: LAG survey: Reported implementation of the Bottom-up approach by LAGs



Source: Study team, LAG Survey dataset 2021

While the feature has been successfully implemented across a majority of MS, it is interesting to note that a lower level of implementation has been identified in countries with long LEADER experience such as Ireland (33.3%), Portugal (30%) and Finland (25%). In Ireland, a new governance structure is probably one of the reasons behind the negative perception, where LAGs feel the current structure hinders this approach compared to previous experience. Croatia is the only MS (excluding SK, where LEADER was severely delayed) where the bottom-up approach was judged not implemented (14.3%), or implemented at low level (28.6%) by a significant share of respondents. It has least experience in LEADER implementation: 2014-2020 was its first full programming period.

The MA survey included a similar question on the proportion of LAGs able to implement LEADER features. The bottom-up approach was identified by 70% of respondents as implemented by all LAGs, and by 13% as implemented by a large number of LAGs, in their territories (Figure 3.34 Chapter 3).

Participatory methods

Participation is an intrinsic LEADER principle: although not one of its seven features, it is inherent in how these are implemented (e.g. bottom-up approach, LDS preparation, networking). LAGs in the case studies reported using a variety of participatory tools and mechanisms aligned to area specificities, reflecting LAGs' local knowledge. The majority of CS LAGs applied participatory methods to consult local stakeholders and local people, with

methods including questionnaires, public meetings, online surveys, thematic working groups, and sector round-tables. Effective communication channels between key actors and groups were seen as essential to support participation and increase awareness of LAG activities, demonstrated in Italy and Germany CS regions, Czechia, Slovenia and Ireland.

Participation cannot be assumed, however: despite M19.1 funding having increased the scale and quality of animation and citizen engagement by LAGs in Romania compared to the previous programme period, they reported having major capacity issues and relying heavily upon external consultants to prepare the LDSs. CS evidence shows that some consultants neglected public participation in this process.

While extensive consultations took place as part of drafting the analytical and strategic section of the LDSs, many CS LAGs noted that they were significantly restrained when designing Action Plans, as well as throughout implementation, by methodological guidance and rules attached to choice of, or eligibility for, measures or types of project promoters by Managing and/or Paying Agencies (as cited in Spanish CS regions, Romania and Slovenia), which in some cases had a negative impact on wider involvement of local actors. By contrast, in Ireland the evidence for a participatory bottom-up approach is strong: LDS documents reveal widespread engagement using multiple methods to understand the needs of the local area and gather support for a priority set of objectives. That approach was continued into the delivery phase by encouraging socially excluded groups and communities to engage with LEADER and submit applications for funding.

Participation in the management board or other LAG structures contributed to increased participation in some LAG territories, including all three Italian CS regions, Ireland, Austria, and Germany- Sachsen, where one LAG reported significant positive impacts from LAG structures including private actors, and improved collaborative public-private relations.

In Ireland, major changes in LAG governance (the Local Government Reform Act of 1 June 2014) established a new government structure at county or sub-county level, the Local Community Development Committee (LCDC, described in section 4). This change resulted in closer integration of LEADER with public authorities. Experienced LAG personnel (some with decades of LEADER experience) were relegated to playing the role of LDS implementers, which they question as being inconsistent with LEADER principles. In Czechia CS, one of the three LAGs under investigation noted that members became less active and more distant compared to previous programming periods, as the multi-fund CLLD delivery framework is so complex that that they have had problems understanding it. A similar phenomenon was identified in the Spanish CS related to increased complexity, but not specifically to multi-funding, in the current period compared to the previous.

Capacity building among local actors

This essential component of the bottom-up approach has been an important mechanism to boost participation and increase social capital, helping to ensure LEADER impact. In Germany- Sachsen, according to the MA, LEADER enhanced communities' social capital by networking via local associations, LEADER working groups and importantly, continuous animation of LAGs in the development process, to strengthen their capacity for collective action. In the Italian CS, positive LAG impacts on capacity building of local municipalities were reported in all three regions: LAGs provided support to local municipalities and helped them access national and regional public funds. Similar steps were taken by LAGs in Czechia supporting local municipalities with bid-writing and project management. Thus, LEADER supports local governance capacity-building.

In Sweden the primary vehicle to improve social participation was identified as support for associations. LEADER support acted as an instrument to bridge generational gaps, as suggested by Holmquist and Halmstad (2020), and create new connections for different groups, physically and digitally, to foster cohesion. LAG delivery methods also influenced citizens' and beneficiaries' involvement. All three CS regions in Italy recognised specific LAG delivery methods as important tools building the capacity of local actors and citizens

to increase participation in LAG actions (in flagship projects, involvement in EIP AGRI OPs, and community and short supply chain projects). The process of self-evaluation was noted as effective in involving numerous actors and partners in Belgium- Wallonie CS, building capacity to think strategically about the future and review progress towards shared goals.

What mechanisms/factors hinder or weaken these attributes?

Several factors hindering participation were recognised in case studies. Lack of visibility of LAG activities in the wider environment was noted as a barrier to effective participation in the Slovenia CS. An additional factor was lack of widespread or deep knowledge about the nature of LAGs and philosophy of LEADER. This was also identified by Volk and Bojnec (2014); the work of a LAG and what has been done in the past period is only superficially known by current LAG board members. The Erasmus+ project 'TELI 2' (TELI, 2018), which involves partners from Slovenia, aims to develop models for learning about LEADER, to create an accredited LEADER training programme and implement it at the European level.

The LAG survey Question 4 (Figure 3.22) provides data on the types and number of organisations represented in LAGs' leadership, giving an indication of the extent to which community and civil society organisations are able or willing to participate through representation on a LAG Board. 12.7% LAGs have more than 9 groups while more than half of the sample (54%) have 4 – 8 groups. 60.5% of LAGs have local NGO/association involvement, almost 50% have some form of cultural entity or club, and one third have environmental NGOs representation. Many MS with lower levels of local representation (1 – 4 groups) are in Central and Eastern European Countries – Romania, Poland, Hungary, Bulgaria, Latvia and Slovakia. One of the factors identified here as hindering participation is lack of social capital (see Figure 3.15), which is generally cited as a significant issue in wider rural literature. This is discussed in more detail in answers to ESQ6 and ESQ12.

Animation, facilitation and social innovation

From the MA survey, the role in which MAs perceived LEADER to be most economically effective was encouraging networking and cooperation between organisations. This required animation and facilitation, whereby LAGs invested time and other resources in communication and engagement, helping to bring other actors together through events – in person and online – and meetings, to forge new relationships and identify new common goals and ways of working. This is a form of social innovation.

As analysed in ESQ4, LAGs in many case studies promoted social innovation through a mix of mechanisms and processes, including:

- communication and animation (Ireland, Belgium-Wallonie);
- devising and facilitating multi-actor, integrated measure packages (Italian CS regions);
- identifying and creating new services for the rural population, also new processes that suit local needs or tap into local opportunities (German and Spanish CS regions);
- novel methods and criteria for identifying and targeting the reduction of disparities among the local population (Sweden, Italy-Abruzzo);
- new evaluation methods to better understand how to improve (Germany Rheinland-Pfalz);
- new approaches to cope with immediate and ongoing impacts of the COVID crisis (several CS regions and countries).

LAGs in CS areas as a whole experienced mixed success in promoting social innovation and implementing innovative projects. One recognised barrier was a lack of understanding of innovation as a process, and insensitivity to the potential for innovative approaches, among LAGs or Managing Authorities. The implementation framework between LAGs and

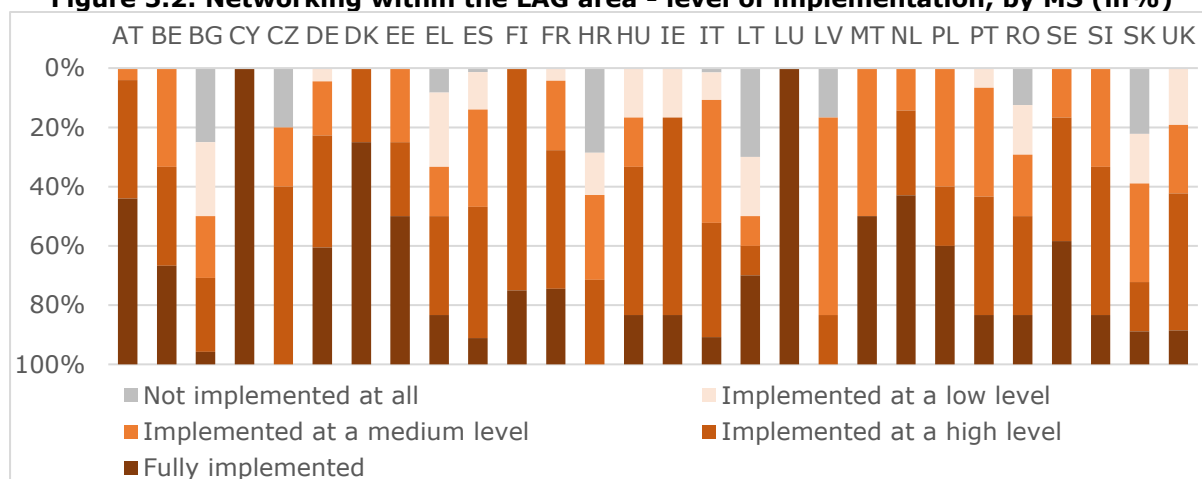
MAs/PAs was sometimes a barrier to supporting innovation, linked to three factors: budget restrictions, complex procedures and measure constraints (ESQ4 gives a fuller discussion).

Networking and information

Networking was recognised as the most relevant and widely used mechanism of LAGs across all CSs, Formal and informal networks established or strengthened by LAGs at local, regional and national level were highly successful in linking actors within their territories and beyond, strengthening local capacity, stimulating cooperation, mobilising resources and facilitating change.

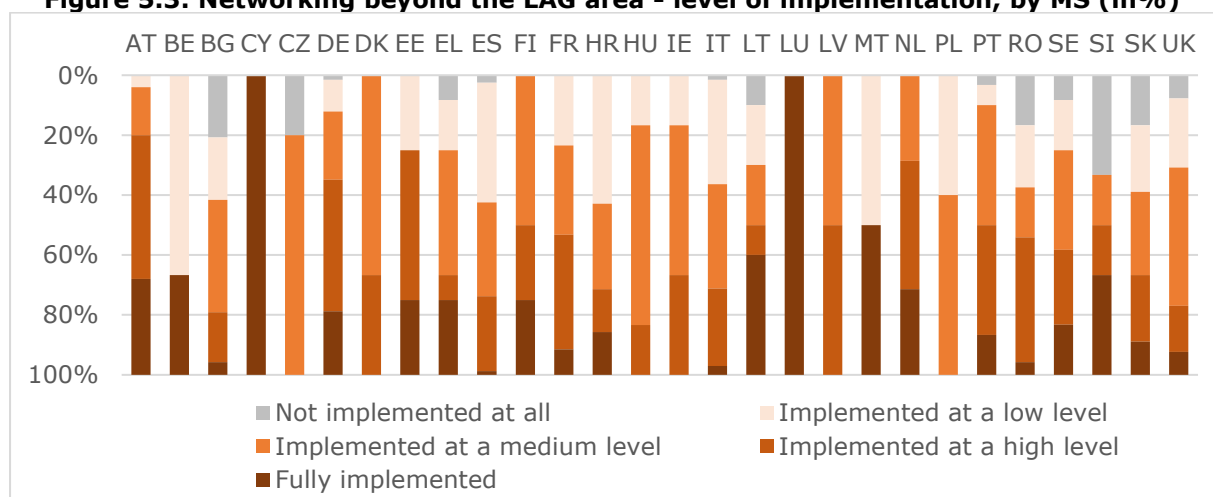
The LAG survey provides insights in how LAGs engage in networking activities within their own areas and also beyond. A majority of LAGs across the EU reported a high level of implementation of networks in their territories (Figure 5.2), with Denmark (75%), Austria (56%), Netherlands (57.1%) and Estonia (50%) being in the forefront. But many LAGs were not able to capitalise on this success and transfer it to effective external networking (Figure 5.3). A striking example is Belgium, where LAGs are highly successful at networking within their own area (this was supported also by Belgium-Wallonie CS findings) but with limited expansion of those networks to external connections.

Figure 5.2: Networking within the LAG area - level of implementation, by MS (in%)



Source: Study team, LAG Survey dataset 2021

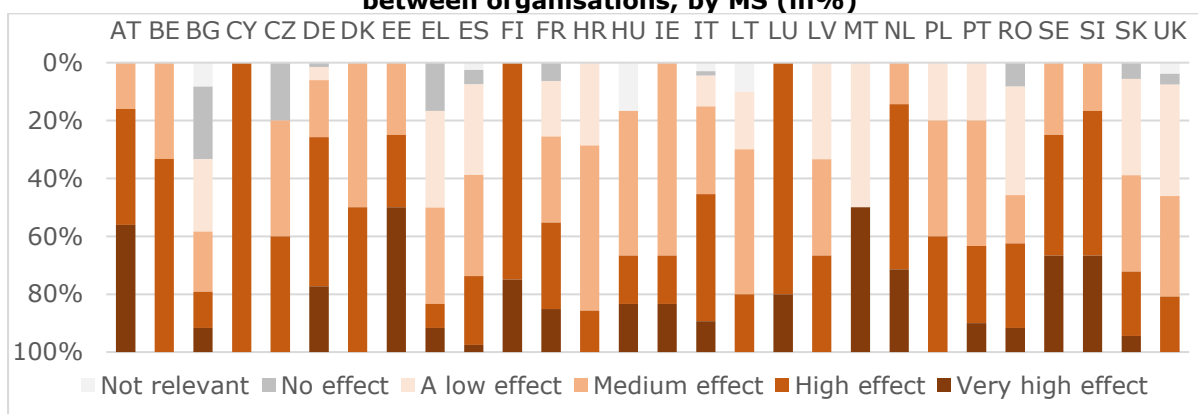
Figure 5.3: Networking beyond the LAG area - level of implementation, by MS (in%)



Source: Study team, LAG Survey dataset 2021

This is further supported by very effective facilitation of networking and collaboration activities between organisations by LAGs (Figure 5.4) demonstrating the importance of the role they play as enablers and connectors in their regions.

Figure 5.4: LAG Survey: Impact of LAGs encouraging networking and co-operation between organisations, by MS (in%)



Networking has been seen as the most effective mechanism to stimulate social innovation: many innovative approaches were recognised in case studies as covered in detail in ESQ4. Slovenia CS concluded that LEADER contributed to new employment by establishing new partnerships, creating connections and networks, and stimulating social entrepreneurship.

The particular role of local decision-making for projects and actions

The case studies demonstrate a variety of mechanisms linked to local knowledge and decision-making that enabled LEADER to help improve local economies. These include:

- specific geographic targeting of LEADER support and funding,
- focusing on building on existing strengths of the territories,
- LAG budget re-allocations (transferring funding between measures) to better meet emerging or shifting demand.
- Economic development is incorporated firmly in LAG strategies and the case studies show how most have chosen to pursue this with a mix of two distinct approaches:
 - support through direct investments in rural businesses; and
 - indirect support through soft measures e.g. networking, animation, knowledge exchange events and outputs.

The institutional framework – i.e. the functional inter-relationship between LAGs and MA and PA and other relevant actors, as well as decisions by the MA concerning the instruments and budgets and processes that will be available to LAGs in their territory - was identified as the first enabling factor of LEADER, framing the playing field for all actors.

Institutional frameworks at MA level and mechanisms applied at LAG level - LDSs, financial and thematic targeting, and LAG delivery methods - were identified as key for effective delivery in Italian CS regions. All case studies provide a rich picture of LEADER implementation, and show interlinked actions tied to programme and LDS design and implementation practices. This demonstrates how individual institutional frameworks (principally, those that affect LAG autonomy) impact on LEADER performance. The principal delivery issues are discussed in more detail in answer to ESQs 7 and 8; their influence on LEADER performance is covered in answers to ESQs 2 to 6, also ESQ10.

Taken together, the case studies suggest that local decision-making is very important for LAG effectiveness and local efficiency. However, the precise ways in which this is achieved can vary between territories in reflection of different contexts and capacities, without necessarily affecting LEADER performance. The CS illustrate situations with a variety of different approaches to achieving local decision-making, in which MAs

have more or less direct involvement, but where outcomes are nonetheless positive. At the same time, there are also some instances where LAGs' performances are identified as negatively affected by a reduced ability to exercise local decision-making, as a result of MA decisions with which LAGs do not agree.

The point emerging is that **a variety of models to achieve local decision-making are possible, but that it worked most effectively when the institutional framework takes into consideration the perspectives of all the relevant actors in a balanced way, rather than reflecting strongly an administrative or control/risk-averse perspective from the MA.**

Seeking to summarize, Table 5.1 indicates how the combined evidence suggests LEADER operation influences its effectiveness and overall performance.

Table 5.1: Summary of LEADER causal analysis evidence

Evidence source :	Literature review	Case studies	Online Surveys
Judgement on importance of selected LEADER attributes			
Bottom up approach	Yes	Yes - widespread use, viewed as essential for successful LDS	Yes - widely used, LAG survey
Capacity building	Yes	Yes - Fundamental aspect of activity but not easy to determine specific methods. Long term process to build awareness, relevant skills, confidence and trust. Long term commitment required, especially to integrate the hard to reach	Difficult to determine. LAG surveys indicate that capacity building occurs
Animation and facilitation activities	Yes	Yes - viewed as the most critical LEADER activity at implementation stage (e.g. Ireland) - in particular for achieving BTM, social inclusion, accessing the hard to reach, also innovation and cooperation	Yes
Effective networking	Yes	Yes Assessing effectiveness of networking takes time, full benefits may take years to become apparent	Yes - LAG survey suggests networking is a standard activity
Judgement on constraints to LAG performance			
Restrictive operational framework	Yes	Yes	Yes - LAG survey
Lack of capacity for animation (links to budget constraints)		Yes	Yes - MA survey
Imbalance of power / politics within the partnership	Yes	Yes	
Budget constraints (too small)		Yes	Yes - both surveys

Source: Study team compiled from case study reports, 2021

JC3: It is possible to distinguish the causal effect of LEADER from the background trends and other changes in wider context which can be expected to have contributed to these outcomes, over the period(s) and in the contexts studied.

The evidence presented in other ESQ answers and summarised here, concerning how LEADER works, makes a specific characterisation of what makes LEADER distinctive, as compared to other development policies in rural areas. At the same time, outcomes reported for LEADER, as discussed in the other ESQ answers, are generally at local level and very close to LEADER LAGs' outputs and results – as such, they can be clearly identified as attributable to LEADER and not to other policies and background trends.

The challenge of attribution is therefore not a significant one for LEADER, as both distinctive delivery processes and direct impacts have been identified. The study findings therefore suggest it is indeed possible to distinguish clearly the effect of LEADER from background trends and other changes. However, the effect is local, and specific to each territory, which makes it difficult to assess impacts at scale, across the EU. The greater challenge is therefore more concerned with assessing added value: i.e. the extent to which these specific and attributed changes really make a difference to local rural areas, as compared to what might have happened without them. This is the focus of another ESQ in the study – ESQ 14 – which is answered at the end of this chapter.

SECTION 3 – summary answer for the whole ESQ

The combined evidence summarised here from many of the other ESQ answers and from data and information presented in chapters 3 and 4 of this report, identify how **particular, distinctive features and elements of LEADER are important for its effectiveness:**

- **the bottom-up approach**, ensuring involvement of local people, including stakeholders, beneficiaries, experts and communities;
- strong implementation of **participatory methods** in LEADER design and delivery;
- **capacity-building among local actors**, to ensure active and meaningful participation in and influence upon LEADER strategies, actions and projects; and
- **animation and facilitation activities**, which are a particular feature of LAGs' work due to their funding structure, with dedicated resources for these actions;
- **effective networking** and information exchange with a very broad and diverse range of partners and actors at both local and higher levels (notably including the MAs and PAs and key supporting agencies, to be most successful).

In addition, **a range of evidence shows how local decision-making (reflecting a level of autonomy) is also essential to LEADER performance, whilst noting that this can be achieved by a variety of different models**, as illustrated among CSs.

Limited funding and the administrative burden were recognised as a challenge for effective implementation of LEADER in both MA and LAG surveys, echoed by findings from several CSs (e.g. Czechia, Spanish CS regions, Ireland). Strong influence of public sector partners, politicization of the agenda, and gender imbalance on LAG boards were noted as issues requiring attention in some CSs (e.g. Austria, Ireland, Romania), and negatively affecting the quality of LEADER decision-making processes. In addition, the operational framework pre-determined by MAs (Spanish CS regions, Ireland), as well as LAG personnel skills and experience (Romania), and low capacity of local actors to respond to issues (e.g. environment, German CS regions, Italy- Abruzzo) also constrain LEADER performance.

An overview of the evidence shows that **LEADER's distinctive mode of operation, and the local level identification of its types of impact, ensure a clear degree of attribution. Evidence linking positive impacts to the activities and role of LEADER, well-implemented, is strong.**

5.2 ESQ2: To what extent have LEADER measures, local development strategies and LAG activities effectively addressed needs for local development and in which fields have they been more effective?

SECTION 1 – How this question is addressed

Judgement criteria (JCs):

1. Local development strategies, LEADER measures and LAG activities contribute to local development
2. LDS, LEADER measures and LAG activities achieve their set objectives
3. There are other measures in addition to M19 that are promoted or facilitated by LAGs, to address local development needs
4. The LEADER programme and LAG activities are more effective in some fields of action than in others, and these can be identified.

SECTION 2 – Judgement criteria answers

JC1: Local development strategies, LEADER measures, and LAG activities contribute to local development

As a participatory, bottom-up programme, LEADER contributes to address needs in fields assessed as most important by local people. It is focused on **local development**, prioritising economic and social development, followed by environmental enhancement.

Table 5.2 summarises findings across all evidence sources with respect to the contribution of LDSs, LEADER measures, and LAG activities to local development. It covers main themes identified through the methods of this study, and the evidence on whether LEADER adequately addressed these themes, or if weaknesses were reported. Quantitative data in Case Study reports has been taken into account. It was validated by the study team.

Table 5.2: Summary of evidence: LEADER's contribution to local development

Evidence source	Literature review	Case Study Findings	Survey Findings	2ary data analysis ⁴⁷
Economic impacts	Rank 1			
Job Creation and Employment	Weak links	Weak links	Some links	+
Local Business Development and SMEs	Very strong links	Some links	Some links	+
Tourism Support and Promotion	Some links	Very strong links	Na	+
Networking in and Between Organisations	Strong links	Strong links	Some links	na
Innovation and/or the Marketing of New Channels	Weak links	Some links	Weak links	na
Knowledge Raising, Human Capital, Skillset Improvements	Weak links	Some links	Na	+
Village Renewal	Very strong links	Some links	Na	na
Sustainable Local Economy, Value Added of Local Products	Very strong links	Strong links	Strong links	+
Promotion of Cultural and Creative Industries	Some links	Strong links	Na	na
Demographic change, Land Abandonment (<i>cross-cutting theme</i>)	Some links	Very weak links	Very weak links	na
Social impacts	Rank 2			
Social Cohesion	Very strong links	Very strong links	Na	+

⁴⁷ For this score, M19 output and result indicators only show positive values: i.e. something has been achieved and recorded, by EAFRD FA – na is reported where no suitable indicators exist in the dataset.

Evidence source	Literature review	Case Study Findings	Survey Findings	2ary data analysis ⁴⁷
Strengthened Local Participatory Culture, Reduced Feeling of Left Behind	Some links	Very strong links	Some links	na
Social Capital and Capacity Building	Very strong links	Very strong links	Some links	na
Social Inclusion and Socially Vulnerable Groups	Some links	Weak links	Weak links	na
Reducing Gender Disparities	Some links	Weak links	Weak links	na
Social Services and Public Services	Strong links	Weak links	Some links	na
Innovation in Service Provision	Strong links	Some links	Some links	na
Formation of Networks and Cooperation	Very strong links	Very strong links	Some links	+
Regional Learning and Education	Na	Weak links	Na	na
Environmental impacts	Rank 3			
Awareness-Raising	Na	Very strong links	Some links	na
Shared Community Infrastructure (village halls, sports facilities)	Very strong links	Some links	Strong links	na
Ecological Tourism	Some links	Some links	Na	+
Increased Capacity to Manage Environmental Issues	Some links	na	Some links	na
Biodiversity and Environmental Quality	Strong links	Weak links	Some links	+
Landscape Preservation	Na	Weak links	Na	na
Water Preservation	Na	Very weak links	Na	+
Renewables and Circular Economy	Na	Very weak links	Na	na
Cultural Heritage	Strong links	na	Strong links	+

Source: study team based on all evidence gathered, 2021

LEADER and jobs: In economic development, CS findings identified positive economic effects of LEADER through the creation of employment (part time/full time) (reported in Austria, German CS regions, Italian CS regions, Sweden, Spanish CS regions, Czechia and Slovenia), improved knowledge and skillsets (reported in Austria, Ireland, Germany – Rheinland-Pfalz and Slovenia), investments in innovative change (reported in Austria, Slovenia and Belgium - Wallonie) and improvements in tourism infrastructure and village renewal (reported in Austria, Sweden, Italy - Abruzzo, Romania and Slovenia).

In the survey findings, LEADER effects are judged to be important in addressing economic development. Positive effects are greatest in the fields of developing sustainable local economies, encouraging networking and cooperation, supporting new business development, and the creation and maintenance of jobs (see Figure 3.5).

However, while job creation is one of the most important local development needs, as reported in survey findings (Figure 3.14), the scale of LEADER impact on job creation is notable at local levels but less significant at a regional scale, as noted in the literature review. According to result indicators, the number of jobs created directly by LEADER differs across Member States, and is highest in Poland, Spain and Romania. This is followed by Finland, Portugal and Austria (Figure 3.48). Based upon the indicator figures for 2019 reported in the 2020 Annual Implementation Reports, LEADER had altogether created 30 836 jobs, for a financial outlay of approx. EUR 2 583 million on M19.2 project expenditure, which would be a cost per job of EUR 83 766 on average. This figure overstates cost, as LEADER projects deliver a range of other economic benefits besides new jobs, the costs of which cannot be separated out (e.g. jobs retained, increased business turnover, greater prosperity for those already in work, stronger social fabric etc.).

While job creation and promotion of more skilled workers is reported, the impact of LEADER can seem small in rural areas where unemployment is widespread (as in Austria

and Ireland CSs). By design, LEADER mainly focuses on small businesses and organisations and its scale of impact is modest: for example, in the Austrian CS, LEADER reportedly funded on average 10 to 20 new jobs per LAG, from 2016-2021. However, the effects of LEADER are not linked only to quantitative increases in jobs, but equally or more strongly to the support of economic development in local communities, through the introduction of new initiatives which otherwise would not have occurred (reported in Austria and Ireland CS). The indirect effects of LEADER on the local economic climate are very important but difficult to measure. In case studies, LEADER is reported to contribute additionally and indirectly to job creation through establishing new partnerships, creating connections and networks, supporting local products and handicrafts, improving tourism and stimulating development and social entrepreneurship (CSs for Austria, Ireland, Italy - Abruzzo, Belgium - Wallonie and Slovenia).

LEADER and businesses: LEADER has effectively supported entrepreneurial activities and small and micro- enterprises by providing small investment opportunities which are specifically important for the LAG territory. For instance, in Spain - Castilla La Mancha, small investment needs for agri-food SMEs were funded by LEADER with significant impact.

Farm diversification and non-agricultural business support (including tourism) was identified as important in Spain- Castilla la Mancha and Extremadura, where more than 60% of funded projects are productive (income-generating) projects and most are focused on diversification. Similarly, in Czechia, LEADER is the main instrument supporting local economic development. Agricultural business support (modernisation) plays a pivotal role in LEADER because other sectors are targeted through the other ESI Funds within CLLD. Farm diversification and non-agricultural business development are the second strongest area, with 2 386 projects supported by October 2020 (SAIF, 2021). In Germany- Sachsen and Romania, direct investment in businesses helped improve local economies.

Value generation via marketing and branding of regional products contributed significantly to local economies in the Spanish and Italian CS regions. Branding and marketing of local products is an important LAG activity in Czechia as well, with LAGs acting as co-ordinators and facilitators linking producers and connecting these activities to tourism and area promotion. However, in this case these activities cannot all be credited to LEADER within the CAP, as some are not financially supported through the RDP. In Ireland, LAGs benefited from an additional central funding pot: the LEADER Food Initiative; designed to support artisan, micro and small food businesses. LAGs in Germany-Rheinland-Pfalz did not invest directly in private and commercial enterprises, addressing local economic needs on the basis of cross-sector projects such as location marketing.

LAGs also contribute to the creation of market opportunities that lead to an improvement in the local economy as illustrated by the IncRock festival implemented in the territory of LAG Culturalité in Belgium - Wallonie (resulting from the territorial dynamic supported by LEADER, and not a direct project implemented by the LAG).

In almost all the CS LAGs, depopulation is recognised as a significant issue and challenge faced by rural regions. This is linked to the problem of a lack of employment. LAGs respond with actions that generate employment or the creation of services, while some also carry out specific projects targeted at slowing down local depopulation. As an example, two projects in Spanish CS regions targeted young people from poor educational backgrounds. The projects were designed to promote entrepreneurship and change the mindset of young people, making them aware of the resources available to them, as well as recognising their own human capital and its potential. Young people participating in the projects were encouraged to generate unique projects of their own, promoting youth entrepreneurship.

Strengthening the tourism sector is a key LEADER tactic to address local economic development (as reported in Austria, Italy - Abruzzo, Sweden, Spanish CS regions and Slovenia). LEADER helps to strengthen tourism through investments in infrastructure, provision of education, marketing programmes and the development of new services. An important aspect of LEADER support to tourism is the promotion of local areas as tourism

destination points, as well as upgrading the networks of tourism providers, event programming and content, process management and identity promotion. The provision of relevant education by LEADER includes strengthening entrepreneurial and managerial skills, while the provision of services ranges from village renewal and creation of additional facilities for tourists, to stimuli for cultural and creative industries.

Innovation is a key element of LEADER, and is considered by all case studies. Innovative approaches (covered in more detail under ESQ4), range from those targeted at supporting economic development (as in the Belgium- Wallonie), and stronger social services (as in Slovenia), to environmental protection (as in Romania). In LAG Culturalité, tourism is strengthened through innovative offers supported by the LAG, and innovative local facilities are developed for microenterprises and SMEs as shared work spaces. In Slovenia, the value of introducing innovative services (such as flexible childcare facilities) was recognised as a means of improving the quality of life, and capacity to work, of different groups. From the literature, social innovation can be fostered by LEADER, but this process must ensure sufficient freedom and flexibility (Bosworth et al 2016b).

From both CSs and surveys, also the literature, **LEADER was recognised as effective in contributing to many aspects of social development**. In particular, LDSs, LEADER projects and LAG activities in CSs contribute well to social cohesion, strengthening local participatory culture, the promotion of cultural and creative industries, the improvement of social capital and capacity building. LEADER increases social capital by promoting social and cultural development in a region, via networking, and strengthening cultural identity. During the development of the LDSs, as well as in project implementation, LEADER and LAG efforts are reported to bring communities together and promote public participation, resulting in ripple effects through other areas of regional development (as reported in Austria, Slovenia, Ireland and Romania). According to literature LEADER recognises social capital as an asset, and support to rural entrepreneurship is well-placed to enable the spread of technology, grow knowledge networks and training.

Addressing the needs of vulnerable population groups and reducing gender disparities are recognised as social issues for which LEADER was relatively less effective (see Figure 3.6), despite their identification as priority social needs. Some (dated) literature judged LEADER as less effective in supporting socially excluded groups, but the bottom-up approach of LEADER was deemed essential in contributing to social inclusion. **In encouraging networking and cooperation between organisations (see Figure 3.6), LEADER has reportedly high and very high effects.**

LEADER and the environment: LEADER was judged effective in addressing some environmental development issues such as raising awareness of ecological needs, maintaining/restoring local cultural heritage and improving shared community infrastructure, e.g. village halls, sports facilities (see Figure 3.7). However, a large part of the LEADER contribution to environmental development is in awareness raising, and also linked to supporting the tourism sector, in particular eco-tourism, sustainable tourism, and nature tourism (reported in Austria, Romania, and Italian CS regions).

Regions with tourism potential promote interventions addressing ecological needs through LEADER as a way to encourage tourism, improving the attractiveness of local areas (as reported in Austria, Sweden and Slovenia). In many regions, investment in renewable energy production is not directly supported by LEADER; however, LEADER plays an important part in awareness-raising for production and consumption of renewable energy.

Promoting environmental protection through LEADER can be difficult, as LEADER projects rely on bottom-up community-based prioritisation and therefore, on the perceived importance of issues locally. The environment is seen as a marginal issue in some regions (as reported in Austria CS). Thus, in practice environmental protection needs are less prioritised, and instead pursued in projects that also support social or economic development. Examples include sustainable tourism and the creation of networks in bio-based economies (Sweden CS). Even in areas where environment seems more

immediately important, e.g. in the Austria CS, with very rural and mountainous landscapes; environmental aspects are only marginally addressed and project impacts on climate, biodiversity and soil are largely under-reported. These findings suggest that the gap may be as much because of reporting conventions, which underplay secondary goals in multi-objective projects, as it is in the actual focus and impact of projects. Projects which jointly pursue economic, social and environmental benefits will only record the primary goals, which tend to be economic or social.

JC2: LDS, LEADER measures and LAG activities achieve their set objectives

The strategic objectives of LEADER are well defined and enable a participatory planning method which enables targeted objectives to be developed within LDSs. The wide range of themes that can be covered under LEADER and the bottom-up planning approach results in diversified projects that are well suited to the needs of local areas.

CS findings report LEADER measures achieve the objectives of the LDS. In Slovenia and Belgium-Wallonie, LEADER was found to not only meet, but surpass targets. The European Evaluation Helpdesk for Rural Development, in their 2018 summary AIR report, indicated a slow uptake of LEADER, often lagging behind other RDP measures (European Evaluation Helpdesk, 2018). However, as now seen in section 3.3 of this report (Figure 3.42), recent acceleration of spending has enabled LEADER to achieve an almost 50% average execution rate across the EU28.

Limiting factors to the achievement of LEADER objectives include resource availability (often human resources), constraints imposed by MA rules limiting scope for LAG actions responding to local needs, administrative burdens, and occasionally a lack of capacity among local populations, according to case study findings. Bosworth et al (2020) note target setting plays a role in the ability of LEADER to address local needs. Case study findings demonstrate that targets and objectives set by LAGs in their LDS are in principle measurable, and contribute to the implementation and monitoring and evaluation. However, the details vary between CS. For example, in Belgium- Wallonie, objectives are described in project-fiches, and specified according to each project itself. On the other hand, in Czechia, LAGs included a broader set of objectives while developing their strategies. These objectives were not necessarily based on the needs of the territory, but on the awareness of what financial support was available. In this respect, some LAGs may prioritise the number of projects supported, project spending and additional funding leveraged, over the actual impacts achieved. This may also reduce the ability of LAGs to address LDS objectives. In the Czechia CS it was suggested that the added requirements of managing multi-funding in CLLD took valuable resources away from LAG animation, thus potentially impacting on the quality of LAG projects.

JC3: There are other measures in addition to M19 that are funnelled through LEADER to address local needs

LEADER is not the only support instrument for rural development. Other EU funds, as well as funds at federal and state level such as economic and infrastructural, and various sectoral funds, also play an important role, as reported in CS findings. **LAGs promoting and supporting applicants to access funds from other measures have an important triggering effect enabling funding for more projects to address local needs.** Other RDP measures relevant in this context include Measure 7 and Measure 16. LEADER often supports such programmes with intangible and difficult to quantify costs and benefits, including facilitation, animation, increasing public participation, networking, awareness raising and collaboration (reported in Ireland, German regions, Austria, Slovenia and Belgium-Wallonie CSs). LAGs use this as an important way of addressing local needs, and even improving the effectiveness of these other funds.

RDP measures have financial resources to promote larger infrastructural projects and investments (as reported in Slovenia and Austria CSs). In the case of Belgium-Wallonie for example, investments (productive or infrastructural) are only supported by LEADER to a maximum level per project of EUR 55 000. Therefore, needs that are addressed through LEADER impact to a greater degree the so called 'soft' aspects of economic development (also reported in Slovenia). Where RDP measures incentivise investments in renewables, LEADER may provide awareness-raising to highlight the importance of climate change mitigation. In this respect, **LEADER acts as a catalyst in planning or realising larger infrastructural projects** (reported in Austria). Overall, LEADER is reported as highly effective in this capacity, and the development of LAGs as very relevant in supporting local development, creating local identity, and collating and streamlining additional funding.

JC4: The LEADER programme and LAG activities are more effective in some areas (fields of action, specific contexts or time periods) than in others, which can be identified

Overall, **LEADER is very effective in developing regionally specific solutions and implementing them in a collaborative manner, and is therefore effective in the development and implementation of tailor-made projects that contribute significantly to local economic and social development**, as evidenced by CS findings.

As elaborated above, LEADER projects contribute well to local economies and communities, and have been effective in strengthening territorial economic competitiveness and the social fabric, establishing links between economic sectors and local actors. According to case study results, **LEADER has demonstrated rather lower effectiveness in prevention of rural outmigration or land abandonment, and environmental protection**. Given the wide-ranging drivers of poverty, and the large scope of the problem, LEADER has also demonstrated limited effectiveness in this regard.

LEADER often supports other funding programmes with more intangible activities which include facilitation, animation, increasing public participation, networking, awareness raising and collaboration (as reported in Ireland, German CS regions, Austria, Slovenia, Czechia and Belgium- Wallonie CSs). These provide particular local development benefits.

SECTION 3 – summary answer for the whole ESQ

LEADER contributes to address needs in the fields assessed as most important by local populations: predominantly the programme is focused on projects promoting local development in terms of economic and social development, followed by environmental preservation. The effectiveness of LEADER is highest in supporting local economic development. Job creation is reported to be the greatest economic development need and LEADER's ability to address this in regions with widespread issues is, expectedly, limited. LEADER overall is very effective in supporting social development, particularly social cohesion, however rather less effective in incorporation of vulnerable groups. In terms of environmental development, LEADER supports programmes in awareness raising, preservation of cultural goods, and sustainable tourism effectively, while supporting renewables, bio-economies, and ecological innovation are less frequently observed.

Given the size of the budget of LEADER, in comparison to total CAP funding or other ESI funds, LEADER has positive effects on a local scale. Its grounding in the seven principles of local development differentiates LEADER from other funds, and contributes to the effectiveness of the fund relative to its financial allocation.

5.3 ESQ3: To what extent have activities under LEADER addressed social inclusion and poverty reduction in rural areas, and been able to involve vulnerable groups?

SECTION 1 – How this question is addressed

Judgement Criteria (JCs):

1. MA decisions have promoted the targeting of social inclusion, poverty reduction and involving vulnerable groups, by LAGs in their territory
2. LAG activities address social inclusion issues in the local area, with tangible impacts
3. LAG activities address poverty issues in the local area, with tangible impacts
4. LAG activities support local actions to incorporate vulnerable groups into the wider community, with tangible impacts

SECTION 2 – Judgement criteria answers

JC1: MA decisions have promoted the targeting of social inclusion, poverty reduction and involving vulnerable groups, by LAGs in their territory

Case studies in the 10 Member states reveal a number of approaches to addressing social inclusion and poverty, ranging from targeted policies to decisions of non-engagement. It should be noted that not all rural areas across Europe see widespread poverty, especially in comparison to urban areas within the same regions. In most CS regions **Managing Authorities (MAs) play a significant role in determining the ability of LAGs to address these issues in their local areas**, as well as their capacity to deal with short term crises such as a sudden influx of migrants or pandemic (Covid-19). The Austria CS noted the ability of LAGs to help address a wave of refugees in 2015 needing integration and the consequences of the pandemic in 2019 closing down facilities for children, young people, and the vulnerable, and increasing the burden on women.

MA involvement in setting goals or defining measures was significant in a majority of the case study areas; in five MS/regions LAGs could choose their own local objectives without restrictions. Austria, Belgium- Wallonie and Sweden indicated that LAGs were free to select their own objectives based on local consultation and in both Slovenia and Germany- Rheinland-Pfalz, LAGs were not subject to MA constraints on action. Germany- Sachsen took a different approach and social inclusion was identified as a sub-target of the "Strengthening Communities" strategic objective for LEADER. No formal requirements were imposed by the MA but there was strong support for using private housing as a means to address rural poverty (especially for older age groups) and a belief that support for constructing school and sports facilities would help address social inclusion, both of which influenced LAG actions. A similar approach was seen in Italy- Toscana, where influence was applied by the MA to persuade LAGs to deliver 'social inclusion' through health infrastructure development and equipment, but this was resisted by the LAGs.

In Romania the RDP targeted poverty reduction and reducing risks from social exclusion, although poverty alleviation was to be delivered through a wide array of RDP measures while social inclusion was identified as primarily via LEADER. In Czechia, social inclusion and poverty reduction were not identified as priority areas to be funded in the RDP, which meant LAGs had limited scope to engage in such activities using EAFRD funding apart through Article 20, Basic services and village renewal, which was added at the end of 2019, without any additional funding. They could address social inclusion using other ESI funds. Long-term unemployed (including Roma), people with disabilities and families with children were specifically targeted under measures implemented through OP Employment (ESF) and IROP (ERDF). Supported activities included development of social enterprises, social housing, social services- including community social workers, as well as a number of projects focused on education, training provision and social farming. Projects targeting education were especially rated very highly across all LAGs (ESF funded).

JC2: LAG activities address social inclusion issues in the local area, with tangible impacts

Identifying and addressing social inclusion appears to have been challenging, in many case studies. In some, social inclusion has not been adequately defined at MA level (e.g. Sweden, German CS regions), while in other cases social inclusion has not been considered a formal part of the RDP or LEADER programme and is addressed only through specific criteria at project selection stage giving additional weight to general or specific social inclusion goals proposed by project applicants (e.g. Spain- Extremadura, Italian CS regions, Slovenia). As mentioned in the JC1 answer, Czechia did not target social inclusion through EAFRD, instead ESF and ERDF funds were utilised. In Romania, Spain- Castilla-La-Mancha, Austria and Ireland a clear set of needs was identified in the LDSs with targeted projects focused on achieving social inclusion. In Romania, the 2014-20 Partnership Agreement identifies LEADER as a mechanism for addressing social inclusion of the Roma community as well as other at-risk groups, including isolated elderly people and 'abandoned youth'. However, LAGs developed their own objectives and, as the size of the Roma population varies across the country, not all LAGs targeted Roma groups.

Austria, Ireland, and Spain- Castilla-La-Mancha reported the most effective approaches to identifying social inclusion needs.

LAG boards female quota in Austria

Austrian CS LAGs' requirement for a female quota on LAG boards has helped to ensure that a range of social issues are recognised and targeted. In Austria, social development is addressed under the broad strategic policy ('Action Field 3') of "*Strengthening structures important for the common good*" and LAGs are expected to involve sectors of society that '*do not normally participate in decision making processes*'.

Ireland – social inclusion impacts

In Ireland CS LAGs, detailed consultations with additional effort to access hard-to-reach groups through local meetings and on-line, targeted group discussions ensured social issues were well-captured in LDS preparation and implementation. Also, many implementing partners in LAGs are involved in delivering national government social support programmes, which gives them good knowledge and understanding of social issues including poverty and deprivation.

In Sweden, relatively few social issues were identified among CS LAGs other than integration of refugees and gender disparity, with some focus on youth unemployment. The conclusion from this CS was that social inclusion is '*a difficult area*' without clear definition, despite some positive projects and initiatives. Germany CS regions report similarly, with little recognition or understanding at LAG level of the needs of vulnerable or excluded groups and no clear MA or RDP guidance on the meaning of the term 'social inclusion'. LAGs' focus is on integrating migrants and helping the elderly. A focus on provision of basic services and housing in Germany-Sachsen is seen as making rural areas more inclusive.

Multi-fund CLLD addresses social inclusion in Czechia

In Czechia selected LAGs have been very successful in addressing social needs, supporting social enterprises and social services with specific focus on health (community social workers/ carers), families with young children and education. A majority of these projects and activities were financially supported through ESF and ERDF.

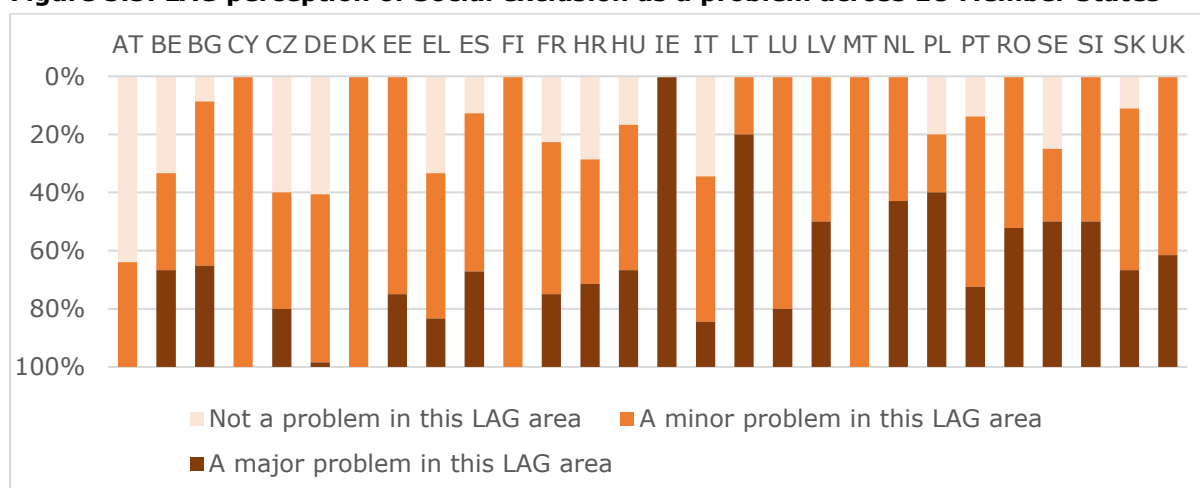
In CS LAGs addressing social needs was an important aspect of LDS implementation, as one LAG management team noted "*this is a very important area for us and no one else is addressing these needs/topics here, notably the lack of social workers and housing*". The LAG is very successful in networking between local community organisations, associations and civic initiatives and creating a platform for organising and implementing a wide portfolio of activities and projects in collaboration with them, focused on education or social issues.

CS findings overall suggest outcomes of LEADER in relation to social inclusion are limited and benefits often indirect. In the Spain CS regions, social outcomes were limited by changes in funding regulations resulting in reduced funding of social projects. In Italy CS regions, using weighted criteria to drive funding towards more remote and deprived areas is reported as only partially successful.

The LAG survey indicated a high level of recognition of social exclusion issues. All respondents in 13 MS indicated social exclusion as either a major or a minor issue, and in a further 7 MS, over 50% respondents classed it a major problem in their LAG area (Figure 5.5). MA survey results suggest a smaller proportion of MAs perceive social exclusion as a major problem (although the difference may be the result of sampling). In those MS/regions identified in the LAG survey as having a large social exclusion problem (e.g. Ireland, Romania), CS findings show prominent action. Ireland required LAGs to address social inclusion and detailed consultation processes identified the local problems to be addressed. An expression of interest process enabled development of targeted support to excluded groups. In Romania, LEADER was identified as a means of addressing issues around exclusion of Roma communities and LAGs were encouraged to engage.

A large proportion of CS MS/Regions took a soft approach towards social exclusion (Spain CS regions, Italian CS regions, Slovenia) in which it was addressed through incorporation of weighted criteria at the project selection stage (i.e. giving higher scores to projects that addressed the specific criteria selected by LAGs). While this enables LAGs to target specific geographic areas or populations with needs, it downgrades the significance of the social inclusion issue in comparison to economic or other benefits, and also makes evaluation of impacts of LAG activity on social inclusion more difficult. Projects often target other objectives and social inclusion is viewed as an additional benefit, which makes it harder to identify the level of funding targeting social inclusion or to evaluate such outcomes, as these are not clear from reporting data. For instance, Austria identifies 352 projects (AIR, 2019) focused on Action Field Three⁴⁸, of which 18.7% are targeted at Children and youth, 0.8% on women, and 45% on 'Health and social affairs'. The proportion of projects targeted at women appears minimal but the CS explains that projects including gender equality goals tend to be classified by other categories (e.g. education, culture, disadvantaged groups) and are thus under-reported. The CS cites a report on Gender Equality which noted that '*LEADER makes an important contribution to gender equality through job creation in Austria*'.

Figure 5.5: LAG perception of Social exclusion as a problem across EU Member States



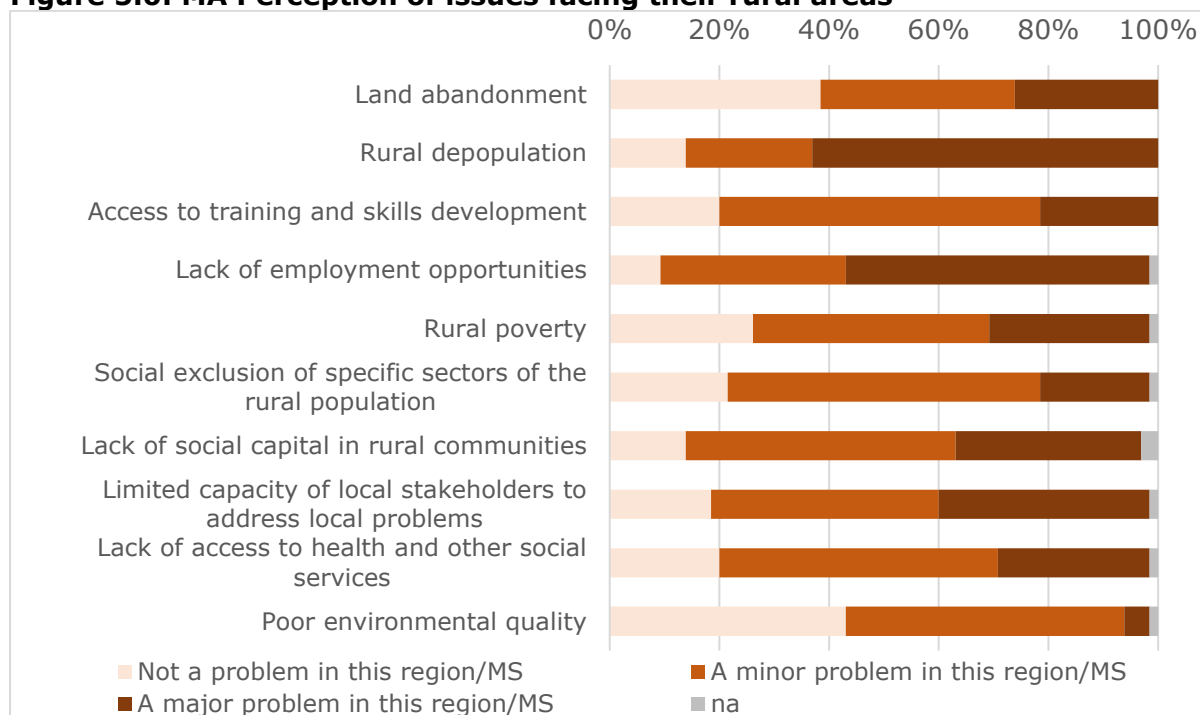
Source: Study team, LAG Survey dataset 2021

⁴⁹ EUROPEAN COMMISSION – Directorate-General for Agriculture and Rural Development – Unit C.4 (2017): Guidelines. Evaluation of LEADER/CLLD. Brussels.

JC3: LAG activities address poverty issues in the local area, with tangible impacts

Rural poverty is a complex issue comprising a range of factors, and not all rural areas face significant issues of poverty. **Around one-quarter of respondents in the MA survey indicated rural poverty was not a problem in their RDP area**, and around a quarter indicated it as a major problem, while 43% perceived it as a minor problem (Figure 5.6).

Figure 5.6: MA Perception of issues facing their rural areas

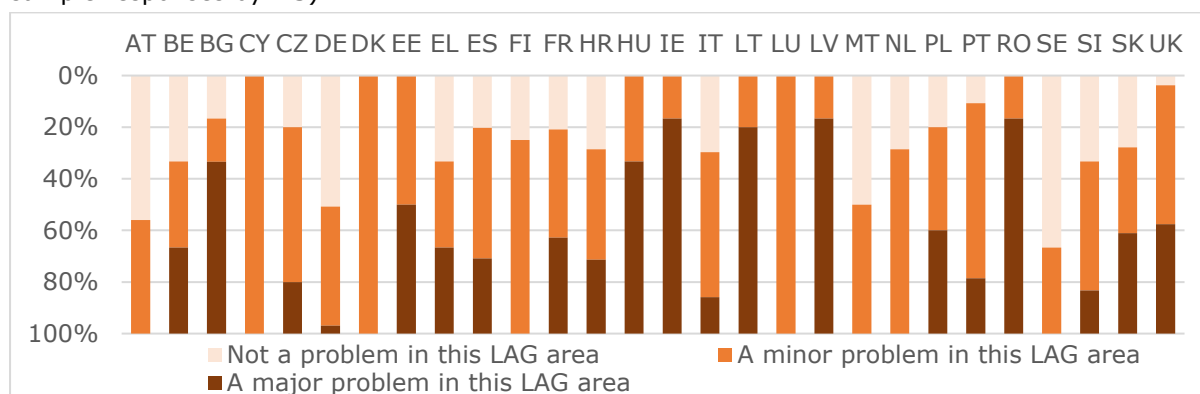


Source: Study team, MA Survey dataset 2021

Additional comments from MA respondents suggest a range of factors affecting responses, one of which is a relative understanding of 'poverty' and its importance. In Sweden, a respondent noted "3-4 % of our population is in social and/or material poverty and about 2% lives in severe material poverty. The percentage is nation-wide, not exclusively rural but even a low percentage is a problem". The figures contrast significantly with some central European countries which have much higher rates of poverty, especially in rural areas (e.g. Romania, Bulgaria). Responses to the LAG survey indicate similar perceptions: a quarter of LAG respondents indicated poverty was not a problem in their LAG area, just over one quarter (28.9%) indicated it was a major problem and just under half (45.7%) perceived it as a minor problem (Figure 5.7).

Interviewees in a majority of CSs indicated that rural poverty was not an issue that could be adequately addressed by the LEADER programme. In Austria, for example, LAGs suggested it was 'not their area of activity and LEADER does not seem like the right instrument'. In Romania, LAGs suggested LEADER was only marginally reducing poverty in their area through indirect means: "...supporting investments that benefit the entire community" (Romania CS interviews). Poverty reduction was viewed as a highly complex issue that LEADER could not address alone. Also, in Ireland poverty was not viewed as an issue that LEADER should address alone, due to the scale of the problem and the wide range of national programmes targeting various aspects of poverty.

Figure 5.7: LAG perception of rural poverty as a problem across EU Member states (% of sample responses by MS)



Source: Study team, LAG Survey dataset 2021

CS Regions in Spain and Italy focused LEADER investment on economic development in more remote and deprived areas, as a means of rejuvenating disadvantaged areas rather than directly targeting poverty alleviation. Many interviewees noted that poverty reduction is a large and complex issue requiring integrated action from multiple programmes. Many CS Regions/MS interviewees noted that LEADER funding is insufficient to address the scale of the problem; it could provide support to other programmes and contribute to community improvement and job creation through small-scale investment. LAG managers in all CSs indicated LEADER's either limited or zero impact on poverty.

Survey results and CS both judge impacts of LEADER activities on reducing rural poverty as limited and minor, and most respondents judged that if LEADER had not been operating in their area, the situation would be no different.

JC4: LAG activities support local actions to incorporate vulnerable groups into the wider community, with tangible impacts

A range of mechanisms in CSs aim to address the needs of vulnerable groups, but experience varies greatly, depending on the wider context. Romania has one of the strongest directives for LEADER in targeting the needs of vulnerable groups. CS interviews indicated that LAG animation activities identified the needs of different vulnerable groups in each territory and developed strategies of action to improve quality of life through investment in infrastructure, social and health services, and promoting Roma culture to increase a sense of belonging. One LAG targeted associations of Roma craftspeople and artisans to raise awareness of LEADER support for small businesses and training to develop new skills. LAGs have been helped by specialist NGO support in one county, training LAG personnel in how to better engage with Roma.

In Ireland, vulnerable groups were identified by LAGs via mechanisms including use of a 'heat map' to identify the most deprived communities, targeting animation support at first-time applicants, making a 'needs assessment', as part of the LDS consultation in on-line and local meetings, and using Implementing Partners' experience gained from working on social issues within national programmes (SICAP). Irish LAGs had a strong requirement to address social inclusion and in particular young people in their LDSs, which led one LAG to target 50 communities for a community planning exercise to generate applications going 'beyond the usual suspects' to access 'hard-to-reach' elements in the communities.

Case study LAGs in Austria identified the integration of refugees in 2015-16 as an example of working with vulnerable groups. Activities included enabling refugees to work for service providers, and creating an "international women's coffee" activity to encourage integration. In other CSs where social inclusion was addressed through project selection criteria (e.g. Italian CS regions), criteria awarded higher scores to those projects coming from young and female entrepreneurs, and those from more remote and disadvantaged

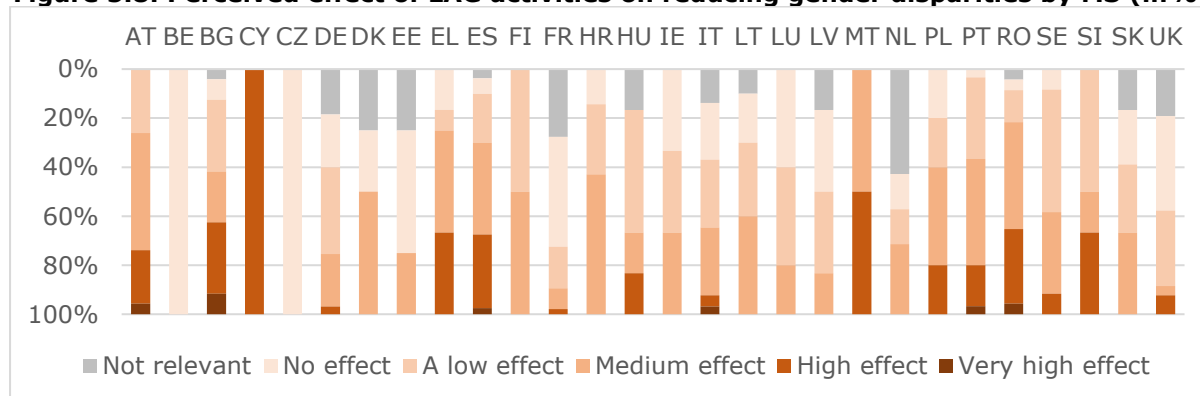
areas of LAGs' territory. Partial success was noted in Veneto Region via a more equitable distribution of funding across age groups and gender, but the geographical distribution of funding remained skewed toward less remote regions. LAGs noted that selection criteria were not sufficient to ensure targeted funding, and animation and providing support to applicants was also essential, to generate applications from remote regions.

In Germany- Rheinland-Pfalz one LAG noted the importance of creating intergenerational meeting spaces and residential community care, with actions focused more on older age groups than the young or on migrants, who also need support. It was felt this was partially caused by 'the lack of a voice' of those groups in decision-making. A second LAG indicated a complete lack of action on vulnerable groups. In Germany-Sachsen there were no MA guidelines addressing social inclusion. One LAG stated that inclusion of disadvantaged groups was an explicit target of the 'Strengthening Communities' strategic objective but noted "*concrete measures to reduce social exclusion have not been undertaken*". Social inclusion was viewed as a cross-cutting issue for other project support targeted at the wider community, and thus impacts could not be separately assessed or evaluated.

In sum, CSs show a few important innovative approaches by some MAs and LAGs, but also widespread lack of engagement with vulnerable groups and factors restricting LAGs' capacity to undertake such activities. These include funding restrictions on social goals, no relevant MA guidance and poor recognition of needs.

The LAG and MA surveys report limited impact of LEADER on vulnerable groups. The LAG survey (Figure 3.15) noted that 19.7% of all respondents indicated their LAG activities had no effect on reducing gender disparities, and 10.8% indicated it was not a relevant issue. When this is examined at MS level (Figure 5.8) the data show 14 MS had LAGs indicating it was not a relevant issue (ranging from four to 43%) and 22 MS had some LAGs indicating their activities had no effect on the issue (in seven MS, 50% or more of LAG responses indicated either 'no effect' on the issue, or that it was of 'no relevance'). In most MS, however, a majority of LAGs indicated medium or low effect.

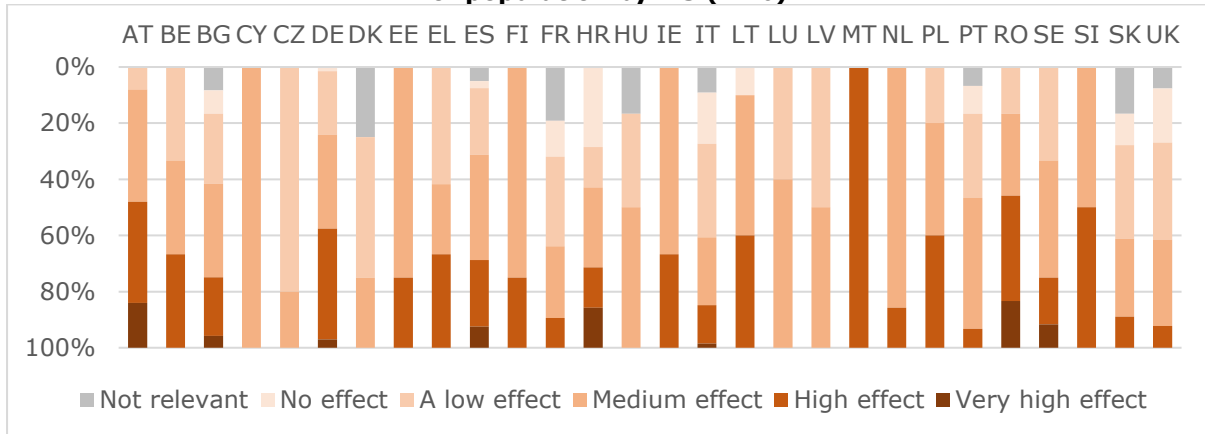
Figure 5.8: Perceived effect of LAG activities on reducing gender disparities by MS (in%)



Source: study team, LAG survey dataset 2021

A similar pattern is seen for LAG impacts 'addressing the needs of vulnerable groups': 12.9% of responses report no effect or no relevance while 25.8% indicate high or very high impact. Examination at MS level (Figure 5.9) reveals nine MS have a small proportion of LAG respondents (from five to 25%) indicating the issue is not relevant; four MS have 50% or more respondents reporting high or very high impact (Austria, Romania, Malta and Slovenia) while a majority of LAGs in most MS report medium or low impact.

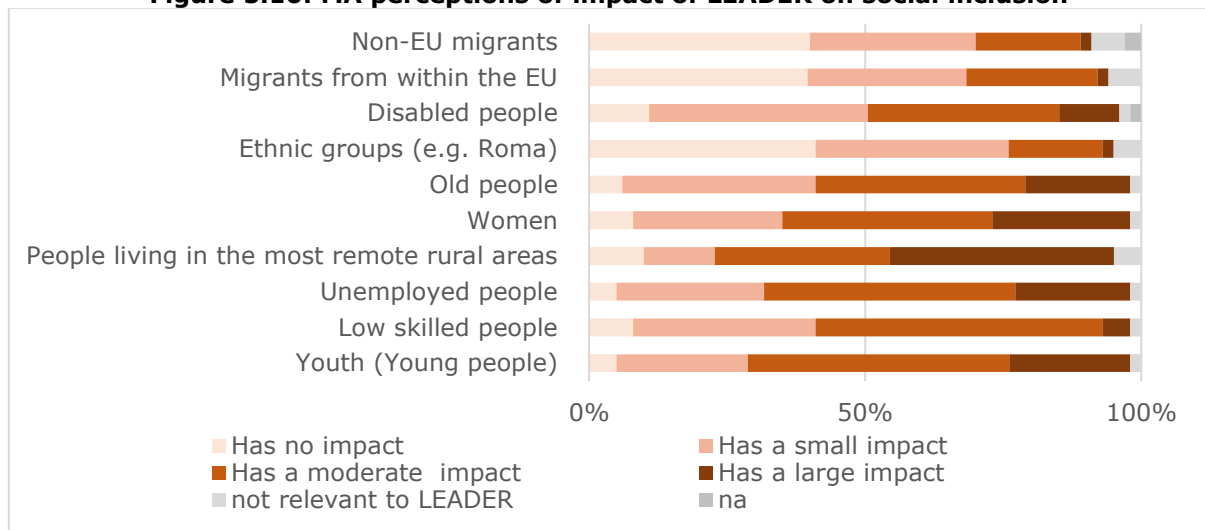
Figure 5.9: Perceived effect of LAG activities on addressing needs of vulnerable groups of population by MS (in%)



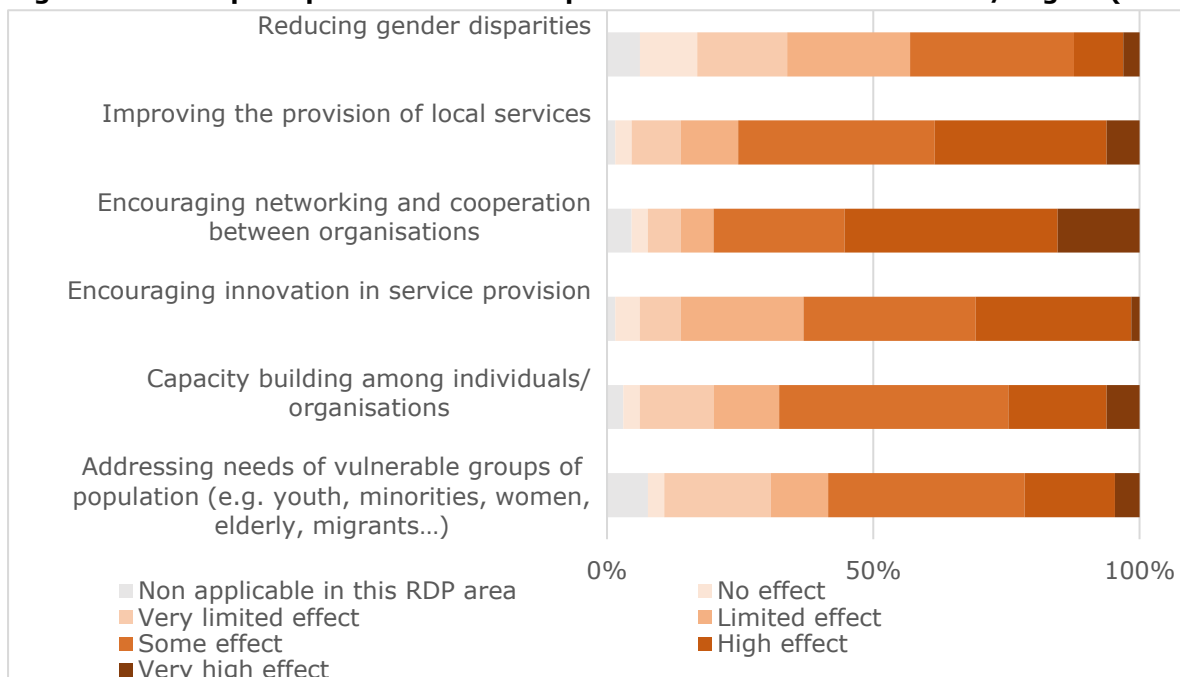
Source: study team, LAG survey dataset 2021

The MA Survey (Figure 5.10) indicates that the strongest impact of LEADER on social inclusion is supporting people in the most remote rural areas. 40% of responses indicated that LEADER had no impact on ethnic groups or migrants, and 35% indicated no impact or low impact on women. A question about the effectiveness of LEADER in reducing gender disparities had 51% of responses indicating either no effect or limited effect (Figure 5.11). 34% of respondents indicated no or low effect, and only 22% indicated high/very high effect, for LEADER in addressing the needs of vulnerable groups.

Figure 5.10: MA perceptions of impact of LEADER on social inclusion



Source: Study team, MA Survey dataset 2021

Figure 5.11: MA perception of LEADER impacts on social issues in the MS/Region (N=65)

Source: Study team, MA Survey dataset 2021

SECTION 3 - Summary answer for the whole ESQ

LEADER was more successful in addressing social inclusion than rural poverty, in a context where social inclusion is more widely seen as relevant for LEADER to address (see also ESQ12). Most MS/Regions indicated that LEADER was not the right instrument to tackle a complex issue such as rural poverty; the funding is too small relative to the scale of the problem and it requires action and support from multiple programmes. Almost all MS/Regions indicated that without LEADER the rural poverty situation would be no different, even though a number of positive actions were reported in a few CSs.

The CS analysis provides deeper understanding of LEADER's positive but still limited effect on social inclusion. As would be expected in a programme now affecting most rural areas of the EU, there is significant variability in effectiveness. This is linked to the perceived scale of the problem locally, constraints on LAG activity, varying MA focus on these issues as important for LEADER, and related funding capacity. A number of LAGs in a few MS and Regions have had an important but local impact on social inclusion, while the majority have had only modest impact. Case studies show that where there is targeted action this generates more impact, and emphasise the importance of recognition and agreement on these issues in the earliest phases of programme design and delivery. MS/Regions that approached social inclusion as a cross-cutting issue to be tackled as a by-product of other projects (e.g. support for economic development, or community-wide service provision) report less success. It appears that many MAs are more concerned with LEADER's support for economic development and employment, which are seen as more significant in halting rural depopulation and improving quality of life in rural areas.

CS regions/MS that did not clarify the term 'social inclusion', or require its incorporation into LEADER (Germany CS regions, Sweden), were least effective in addressing these issues. Those that used project selection criteria to address social issues (Italy CS regions, Spain CS regions, Slovenia) had a low level of effectiveness on these issues, while **those identifying and explicitly prioritising social inclusion (Ireland, Romania) were more effective**, and CS LAG managers judge that their territories would be socially much worse off without LAG actions in this arena.

5.4 ESQ4: To what extent have the activities carried out by LAGs or supported under local development strategies improved local governance, stimulated innovative approaches in addressing local, national and EU challenges and fostered structural change in communities?

SECTION 1 – How this question is addressed

Judgement criteria (JCs)

1. The activities carried out by the LAGs or supported under the local development strategies have improved local governance
2. The activities carried out by the LAGs or supported under the local development strategies have stimulated innovative approaches, including social innovation
3. The activities carried out by the LAGs or supported under the local development strategies have fostered structural changes in the communities.

SECTION 2 – Judgement criteria answers

JC1: The activities carried out by the LAGs or supported under the local development strategies have improved local governance

According to the ENRD guidelines on LEADER⁴⁹, evaluating improved local governance may be carried out by considering:

- 1) the community and stakeholders' involvement in the decision-making process;
- 2) LAG capacity to build partnership and cooperative management;
- 3) the LAG role in a multi-level governance context;
- 4) the capacity to manage funds from various public and private sources.

Leaving aside the fourth aspect, because it is considered under efficiency and coherence (ESQ7-8 and ESQ9-10), the first three aspects are analysed here, covering different tiers:

- a) relations among actors within the LAG partnership and board;
- b) relations between LAGs and prominent stakeholders in the LAG territory (i.e. local authorities, municipalities, NGOs, research institutions, etc.);
- c) relations between LAGs and regional/national bodies e.g. MAs and PAs (in a multi-level context), which often substantially affect LEADER's response to socio-economic needs;
- d) relations between LAGs and actors outside the LAG area (other LAGs in the same region or other regions; other networks of rural/local development, etc.).

Many LAGs have worked over time to build different types of networks and relations at many levels. This networking activity takes place in parallel to the promotion of the LDS. In many cases, it is also key for achieving better development outcomes. Local governance is relevant for many LAGs and animation allows them to engage in different actions and promote linkages better than other institutions at local level.

Looking at case study evidence of relations within the LAG partnership and board, **many LAGs achieve favourable governance arrangements, as follows.**

Stable public-private cooperation within the LAG board and enlarged partnership is particularly evident in longstanding and experienced LAGs (Italy and Austria CSs). In these cases, the partnership became progressively more participatory and relied on collaborative relations between public and private components, notwithstanding some conflicts. The LAG is perceived as a place where a neutral body mediates different positions

⁴⁹ EUROPEAN COMMISSION – Directorate-General for Agriculture and Rural Development – Unit C.4 (2017): Guidelines. Evaluation of LEADER/CLLD. Brussels.

and disputes to pursue general well-being objectives. This was more evident in contexts where social relations were already collaborative (Italy- Toscana).

An increased role of private actors/bodies over time is seen as favourable, especially when private members also include civil society representatives (NGOs, environmental associations, volunteer and charity associations, etc.). A diverse LAG composition has important effects on its capacity to promote social innovation in the LAG territory (SILEA study, Austria CS). The presence of private actors ensures more innovation and participation among the population (Austria-Eisenstrasse).

Nevertheless, **there are some limitations to these arrangements.** In Ireland, local governance has been improved by the existence of LEADER, which has focused on addressing issues of social inclusion in local communities. However, due to changes in the national delivery model, LAGs became less independent from local authorities: the new LAG structure is a sort of sub-committee of the local authority. This institutional change weakens the principle of public-private partnership, meaning reduced networking and project interactions (Ireland CS). Some interviewees criticised this as a politicisation of allocation and oversight of LEADER.

A similar strong role of municipalities and local authorities is cited in the Romania CS, where "*hierarchical political-administrative structures, especially with the leading role of mayors*" (Marquardt et al., 2012) negatively affected LEADER governance in the 2009-2013 period. CS authors note how in the new period, LAGs sought to put more significant effort into local stakeholder engagement, but studies confirm that "*public actors maintain a high level of influence inside the partnership, using LAGs as an instrument of power*" (Olar and Jites, 2021 quoted in Romania CS).

It is possible to highlight other governance improvements in relations between LAGs and leading stakeholders. **LAGs activities contribute to lasting improvement of local capacities.** Local municipalities often lack adequate skills and personnel in their current planning and management activities. In Italian CS regions, LAGs support municipalities in many fields, particularly in accessing other EU and national funds: ranging from the fund for mountain and remote areas in 2021 to the national resources for border areas (Austria) (Italy-Toscana and Veneto cases). Similar LAG assistance was documented in the Czechia CS. LAGs also provide support to the planning capacity of various stakeholders through offices in LAG territories, in at least two different case studies (Italy-Toscana and Slovenia CSs). These are stable forms of decentralised delivery and make EU policies more visible to the rural population.

LAGs support good project design by innovative partnerships (groups of stakeholders/beneficiaries). These contribute to local capacity building and strengthen synergies among different actors and sectors (e.g. integrated packages and community projects in Toscana - see next section on innovative approaches). There are also other projects managed directly by LAGs in partnership with local stakeholders/citizens. Here the LAG is the principal beneficiary, supporting groups of stakeholders in the LAG area. In Belgium- Wallonie CS, for example, the LAG promotes projects in collaboration with local partners and citizens. In Italy- Abruzzo, LAGs invest heavily in community projects and supply chain projects. LAGs collect project ideas through expressions of interest from different groups, then support the local partnerships to delineate detailed initiatives and financial plans. Austria has examples of cooperative agreements along a supply chain ("Culinary Network") and with rural-urban and non-agricultural networks.

LAGs promote cooperation including between mayors of LAG municipalities. This is highly valuable, since single municipalities do not cooperate spontaneously to implement projects for their communities. In Belgium- Wallonie a LAG promoted the formation of a natural park and LAGs fostered more stable forms of collaboration between their municipalities (ranging from three to eleven, depending on the LAG). In Austria, cross-municipality cooperation projects were significant (interviews, Austria CS). In Italy, integrated projects engaged groups of municipalities to design healthcare services for the

local population. Their representatives were involved in the LAG board, meeting several times a year and sharing common needs and initiatives. In Italy -Veneto and Abruzzo, municipalities must apply for collective projects to access LEADER. The LAG plays a role aggregating interests and actions, overcoming municipalities' individualistic approaches.

LAGs also support the creation of various types of local and regional networks within their territories. In Belgium - Wallonie, it was estimated LAGs had formed 86 new networks of actors by the end of 2018, via projects. In Italy- Abruzzo, LAGs promoted 12 new partnerships and 31 formal supply chain agreements in different sectors; in Toscana 12 new partnerships and four supply chains. Notable partnerships were created as EIP-Operational Groups in Toscana and Veneto, establishing new networks among producers, researchers, processors, retailers and other operators.

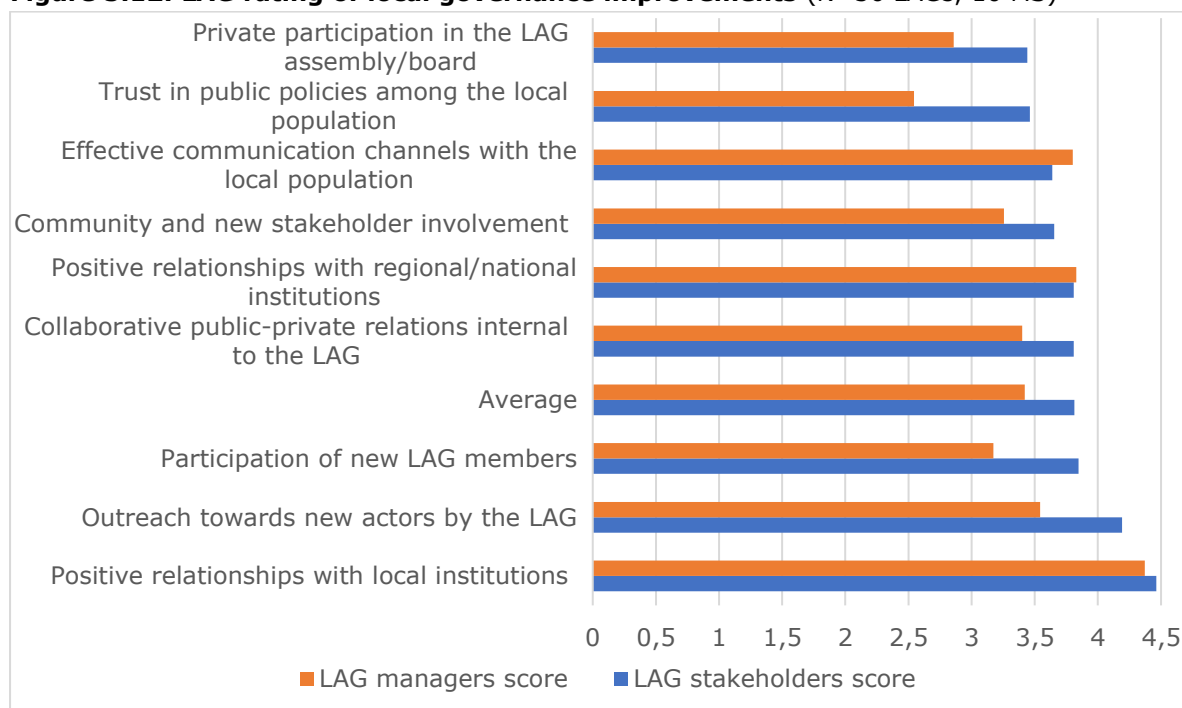
Relations between LAGs and regional/national institutions is particularly relevant since it can affect overall LEADER performance. These relations are mentioned in several CSs (Sweden, Austria, Italian regions, Romania). **LAGs have positive relations with regional/national MAs and PAs linked to creation of stable and shared forms of governance. These arrangements are not simply about more LAG autonomy, but a "collaborative and enabling climate" providing a clear operating framework.**

In Sweden, for example, CS LAG perceive themselves as well-embedded and supported by local, regional and national governance (Swedish CS interviews). The delivery model changed in Austria in 2014-2020 based on a more decentralised and result-oriented approach: the State introduced a LEADER responsible body at regional level to strengthen regions' position. This meant a better distribution of tasks, regular communication and meetings of LAGs and the regional responsible body (interviews, Austria CS), favouring good relationships.

The Romanian MA made a big effort in the early 2014-20 period to provide adequate instruments to LAGs (manuals, guidelines, a specific website, FAQs, working groups, training sessions and thematic procedures) to develop new skills for the LAGs (Romania CS). The Veneto region MA in Italy supported LEADER implementation through a framework of rules and guidelines, creating conditions for dialogue between the regional administration and LAGs CS interviews, Italy- Veneto); joint commissions including MA, PA and LAG staff to assess applications fostered a collaborative climate.

Relations between LAGs and actors outside the LAG area (cooperation, supra-regional networks, etc.) strongly contribute to improving LAG skills and strategic vision. Some LAGs have been particularly active in establishing networks with other European (and national) LAGs. Despite the difficulties of LEADER cooperation, some LAGs have implemented interesting relations within INTERREG and there are notable cases of transnational cooperation projects between Italian and Austrian LAGs (Austria and Italy cases). Other examples are informal networks at national level. Some LAGs showed notable capacity for advocacy, proposing new visions and more coordinated approaches for the 2021-27 programming period. They promoted seminars and regional/national forums, and prepared papers for discussion with regional policy-makers and administrators (Italy-Veneto and Czechia CSs).

Interviews with LAGs managers and stakeholders (Figure 5.12) assess local governance improvements with local and regional actors as more positive than internal LAG structures. They give a higher score (where 5 = strongest) to relationships with local and regional/national bodies or effective communication with the local population, and scored themselves lower in achieving private actor participation in the LAG assembly/board, with new LAG members and new stakeholders. Internal changes are very different across LAGs and sometimes very controversial (see Irish and Romanian CSs); but capability to set new relations with stakeholders at different levels is widespread among the LAGs.

Figure 5.12: LAG rating of local governance improvements (N=36 LAGs, 10 MS)

Source: Study team compiled from LAG interviews in case studies, 2021

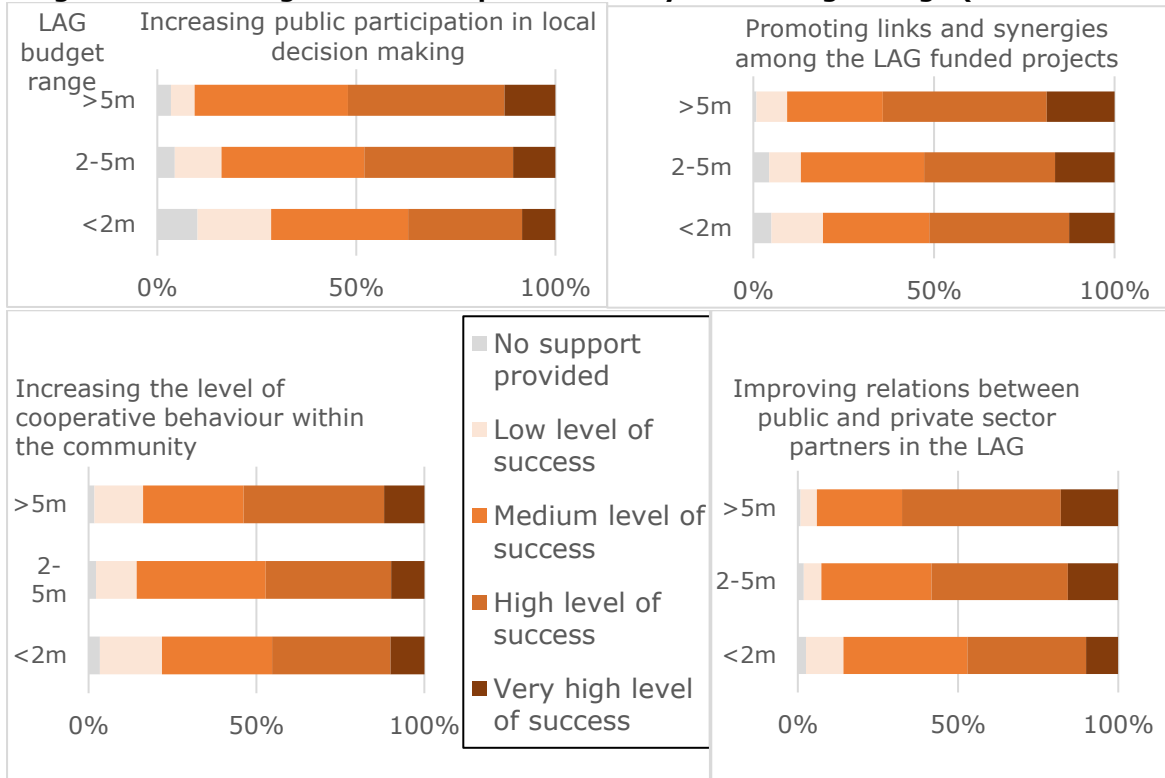
Interviews with stakeholder members of the LAG board or Assembly show similar results for positive relationships with local institutions and outreach to new actors by the LAG (Figure 5.12), and also governance improvements in terms of new LAG members' participation. **Stakeholders often give better perception of local governance results than LAG managers, suggesting management teams are self-critical.**

The LAG survey allows more insights on the variables influencing local governance improvements, in four relevant ways:

- increasing public participation in local decision making;
- promoting links and synergies among the LAG funded projects;
- improved relations between public and private sector partners in the LAG;
- increased level of cooperative behaviour within the community.

These improvements are linked to the structural characteristics of LAGs. The **LAG budget positively influences local governance improvement**: most LAG respondents with EUR >5 Million budgets report high or very high success (Figure 5.13). The figures suggest a link between LAG budget scale and all four reported local governance aspects. It is particularly true for synergies among LAG projects and public-private LAG partner relations. These more positive results are probably due to available resources for running costs and animation, promoting more ambitious projects and more intense stakeholder communication in the LAG territory. Furthermore, it is also due to the higher opportunities to receive support which increase the interest of local stakeholders to participate.

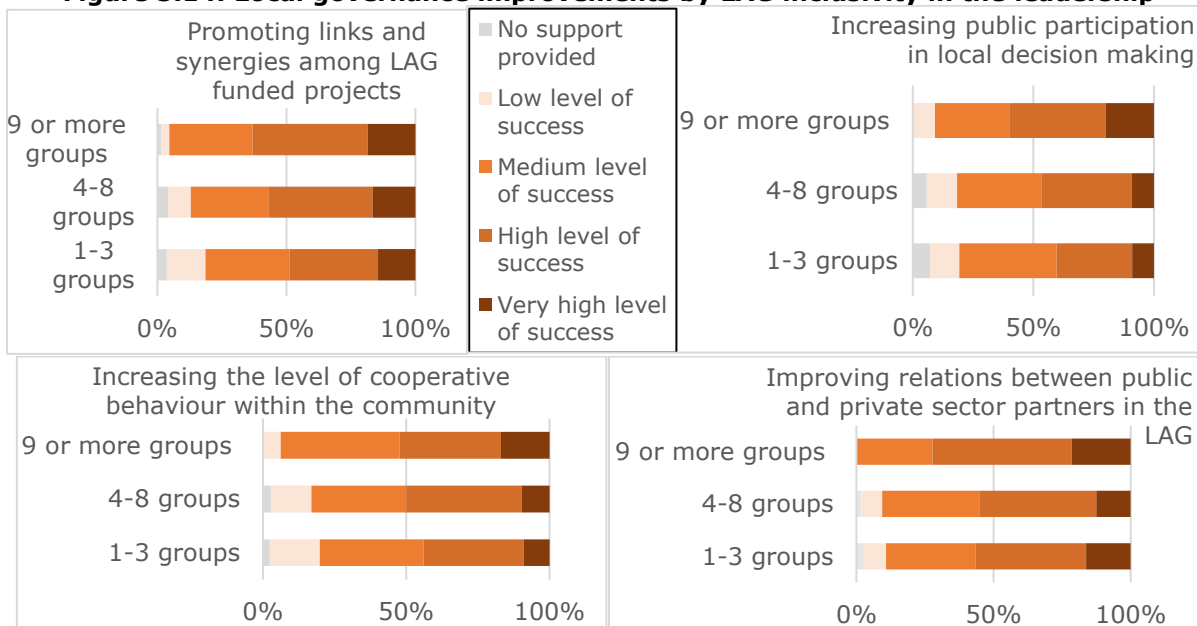
Figure 5.13: Local governance improvements by LAGs’ budget range (in EUR millions)



Source: Study team LAG survey data set 2021

As studies have identified, LAG inclusivity in assembly/board structures is another relevant variable influencing local governance. Figure 5.14 illustrates the relation between LAG inclusivity (assessed as the number of partners in LAG leadership) and governance. **LAG inclusivity supports participation in LAG decision-making and better relations between public and private partners.** It increases the capacity to mobilise more diverse sectors and synergistic projects. The pattern is quite clear, moving from four to eight groups, up to nine or more groups, for all variables considered.

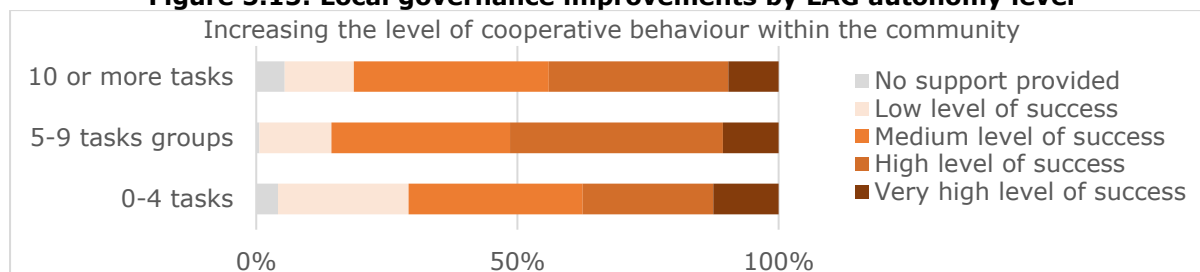
Figure 5.14: Local governance improvements by LAG inclusivity in the leadership



Source: Study team LAG survey data set 2021

LAG's autonomy (proxied by responsibility for implementation tasks) has mixed effect on governance. Being involved in many tasks does not imply improvement in all cases. For example, for cooperative behaviour in the community an increasing number of tasks entails a worse situation (Figure 5.15). These effects arise probably because many tasks mean more administrative work for LAG staff, thus less time for animation and innovation with stakeholders (as noted in Czechia CS in respect of multi-funding).

Figure 5.15: Local governance improvements by LAG autonomy level



Source: Study team LAG survey data set 2021

The literature analysis and case studies confirm improving local governance as one of the key action fields for many LAGs: outcomes are not homogeneous in all aspects. Internal governance plays a positive role when LAGs enlarge partnerships to civil society bodies.

LAG activities have improved local governance in many respects. It happens especially in their relationships with local actors, promoting stakeholder capacity building, innovative partnerships, cooperation beyond municipalities and creating different types of networks, both within their territories and outside, within the RDP. **LAGs can achieve favourable new governance arrangements irrespective of external and internal conditions, but positive relations with MA and PA and good governance solutions at RDP level are crucial** to setting a "collaborative and enabling climate" for LAG performance.

LAG budget size has a crucial role in affecting governance at the local level. Innovative governance solutions are hard to achieve without sufficient resources for animation activities and running costs. LAGs addressed a lack of adequate funds in different ways:

- by accessing sources other than EAFRD;
- by focusing their strategy on fewer priorities;
- by adopting approaches and projects typologies where the LAG's coordination role is more decisive (integrated packages, supply chains projects, umbrella projects).

There is a trade-off between LAG responsibilities in implementation and good governance results, since broader responsibilities translate into a high administrative burden, especially in the context of budget limitations. This implies **LAGs should focus more on core functions like the definition of calls, selection criteria, project assessment and approval, monitoring and evaluation, avoiding other more administrative tasks (eligibility checks, payment claims and controls).**

JC2: The activities carried out by the LAGs or supported under the local development strategies have stimulated innovative approaches including social innovations

As discussed in the literature review, LEADER's impact on innovative practices has been studied in works dealing with LEADER strategies for gender equality and social diversity (Oedl-Wieser et al., 2015); innovative projects in social, environmental and institutional fields (Bosworth et al., 2016); and social capital characterised by structural features, normative-cognitive forms, and aspects of governance (Lukesch, 2018). The sources indicate increased attention to LEADER's social capital effects and attributes. This was evident in the recent evolution of policy towards the CLLD-multi-fund approach. In a social context, the process is essential for mobilising citizens "*to become an active part of the innovation process*". LAGs can be seen as an institution that generates innovation in the

territory via continual learning "*Only a learning LAG will be able to strengthen the learning capacities of the local cooperation systems*" (Lukesch, 2018).

This JC is explored through CS analysis, interviews with LAGs and information from the LAG survey. This triangulation combines qualitative and quantitative evidence on innovation. Case studies suggest a broader innovation typology than the LAG survey and interviews. The LAG survey provides other advantages, including cross-comparative analysis based on LAG characteristics (budget size, inclusivity, degree of autonomy).

LAGs' activities support various types of innovative approach:

- communication/animation methods;
- multi-actor and integrated packages of measures;
- new services for rural population;
- new products/processes;
- methods of targeting individual disparities;
- methods and criteria of targeting territorial disparities;
- new evaluation methods;
- new approaches to the COVID crisis.

The CS analysis highlights cases and institutional circumstances where innovations have occurred and gives concrete examples explaining what kind of initiatives are promoted, among these broad categories. Three factors: budget restrictions, too complex procedures (including CLLD) and RDP measure constraints raised obstacles and limitations.

The analysis of the LAG survey highlights that the LAG budget size influences positively all type of innovation, whereas the administrative burden of LAG management does not help to achieve innovation when LAGs have to do many management tasks. The partnership inclusivity plays a relevant role in affecting innovative communication methods, new approaches in business' project design and business development.

Communication/animation methods. These activities are vital in managing LDSs, but only some LAGs have innovated in how to reach the local population and potential beneficiaries. In Ireland, Wexford LAG undertook a "heat map" exercise across 16 areas of the county that had never previously applied for grant funding. This method allowed the LAG to identify hard-to-reach communities, particularly groups and communities lacking the skills and knowledge to access funding programmes. Another Irish LAG held virtual workshops for hard-to-reach groups.

In Austria, case study LAGs used innovative techniques of different networking platforms and social media channels. In Italy- Veneto, Prealpi e Dolomiti LAG implemented two intensive communication campaigns: one called "Grandangolo" to spread positive initiatives undertaken by local actors during the pandemic; the second called "Facciamolono!" (Let's do it), consisting of a series of videos on significant project stories, presented as an innovative experience at the FARNET seminar in Brussels (2020). More pragmatically, in Belgium- Wallonie, LAGs tended to focus on most effective and efficient tools rather than new ones. Instead, they adopted innovative internal organisation to provide animation and technical skills in support of local projects (interviews with LAG managers, Belgium-Wallonie case).

Multi-actor and integrated packages of measures. In Italy - Abruzzo and Toscana LAGs introduced innovative projects based on a series of partners integrating different actions and different kinds of intervention measures. These projects usually focus on specific sub-areas/municipalities, aiming to promote local development actions, providing essential services to the population and food-chain investments. Two main types emerge:

community projects and supply chain projects (not necessarily only in agriculture). These projects' innovative character mainly consists of involving many actors⁵⁰ at local level and stimulating their collective ability to design synergistic interventions. Many local actors require intense and effective animation and a process of mutual learning in project co-design (IT CS interviews). Likewise, there are examples of cooperative agreements along the supply chain in Austria, as in the "culinary network" case (interview Austria CS).

New services for the rural population. OAR carried out a study on social innovation in LAG interventions in Austria (2014-20 period), showing that 17% of the projects examined can be described as "socially innovative". Different topics are developed in these projects: generational cohesion, care and accessibility, lifelong learning, community initiatives, and strengthening inclusion. LAG managers perceive these projects as having a strong impact on providing new or existing services (interviews with LAG managers, Austria CS).

In Sweden, LAGs played an essential role in the integration of refugees in 2015 and 2016. In Italy- Toscana, the LAG START supported healthcare services in the municipality and the small villages by creating a network assisting the most peripheral populations. In Ireland, LAGs focused on support for restoration and renovation of community centres to provide space for social activities: LEADER was the only source of funding available.

New products/processes. This innovation was mainly by Italian LAGs via EIP projects under RDP measures 16.1 and 16.2. In Toscana, one LAG was the most active (supporting 11 projects for a total of EUR 2.6 million). Innovation in these cases is place-based and linked to LAG territories' uniqueness. Most projects feature a process innovation to control the production process and include more environmentally sustainable methods, e.g. to ensure animal welfare, pesticide and fertiliser control, sustainable grazing techniques, production of biomass from forests, conservation of local breeds, etc. Another feature of LAGs' innovative projects is small size compared to those funded through regional calls. *"We tried to compete with other projects at the regional level, but we failed, so we decided to access the LAG calls, which fit much better to our needs. And we succeeded since the relation with the LAG is easier than with regional offices and the LAG personnel understand much better what we seek to achieve"* (LAG beneficiary, Italy CS).

Methods of targeting individual disparities. In Spain- Extremadura, three LAGs used a project methodology to stimulate a sense of entrepreneurship among young people with educational gaps and *"teach them to think differently"* (Spain CS interviews). To promote projects with social inclusion, the LAG in Austria- East Tyrol gave extra financial support to gender-oriented projects. In Italy- Veneto, the appropriate modulation of selection criteria drives targeted interventions favouring specific beneficiary categories (young people and women), provided that preference is given through higher scores and weights. The approved project analysis shows that selection criteria work well to favour age and gender in these cases, where selection is consistent with objectives of stimulating entrepreneurship among young and female populations. The LAGs' considerable knowledge of the territory and operator needs makes such selection more efficient.

Methods and criteria to target territorial disparities. Several CS LAGs introduced new criteria and methods to allocate funds to peripheral/disadvantaged areas and avoid fund concentration in the most economically prosperous places. For example, one of the IE LAGs created a phased scoring approach based on indices of multiple deprivation, enabling funds to be targeted to more deprived areas rather than to more organised groups that generally get the funding (interview with Implementing Partner, Ireland). A similar approach was followed by LAGs in Italy- Toscana introducing an index of social unease within selection criteria to give preference to disadvantaged areas. This method achieved 143 projects (99.7% of committed resources) of one LAG and 43 projects (81.8% of the committed expenditures) of another LAG, in most remote areas. LAGs in Italy- Abruzzo were effective also: several projects focused on the revitalisation of tiny communities and villages, where the high depopulation rate strongly undermined survival.

⁵⁰ 440 local operators are involved in one LAG's projects, 1 139 in a second, 110 in a third LAG's projects.

Some projects focused on foreign nationals or immigrants wishing to return to their native place. Others concentrated on promotion of artisanal and tourist business start-ups. There are also projects aiming to create linkages between coastal areas and inner villages, via tourist itineraries. Projects are based on the idea that remote sites can find new development opportunities related to new lifestyle values of the urban population.

New evaluation methods. The perception of evaluation as a key policy tool has pervaded LAG strategy in several cases. In Spain, one LAG board believes in monitoring and evaluation as instruments for better governance: "*which will open our eyes and allow us to look at the long term with more ambitious projects*" (Spain CS interviews). They set up a simple computerised monitoring methodology and timely evaluation mechanism. An Austrian LAG introduced an innovative self-evaluation method using an online quality management system to compare target performance. In Veneto, one LAG collaborated with Padua University setting up an evaluation method for social capital. The method was discussed with local actors and presented in an EU ENRD meeting on evaluation tools (Austria and Italy CS interviews). These cases represent a small number: generally, a lack of sufficient awareness and knowledge about the potential of evaluation is reported in CSs.

New approaches to the COVID crisis. In Austria, LAGs faced this challenge by implementing new solutions, especially in the field of digitalisation. The Austrian network offered an online workshop (five modules), highly requested by the LAGs. In Italy, the national network supported the Toscana region to design a new measure to support community projects proposing more resilient solutions to the crisis. As a result, Toscana MA included a measure "community recovery projects", delivered through a global grant with a simplified cost approach, so LAGs built community recovery projects into their LDSs.

Collating interviews with 32 LAGs from all CSs (Figure 5.16), the average score on innovation (on a scale from 0 to 5) is 3.2, which seems positive. However, scores vary since stimulating new products and services and more effective LAG methods are subject to varied LAG views. Internal innovations (innovative self-evaluation methods and internal organisation) were seen as achieved only partially, compared to project innovations.

Figure 5.16: LAG rating of innovative approaches (average of 32 LAG interviews, 10 MS)



Source: Study team compiled from LAG interviews in case studies, 2021

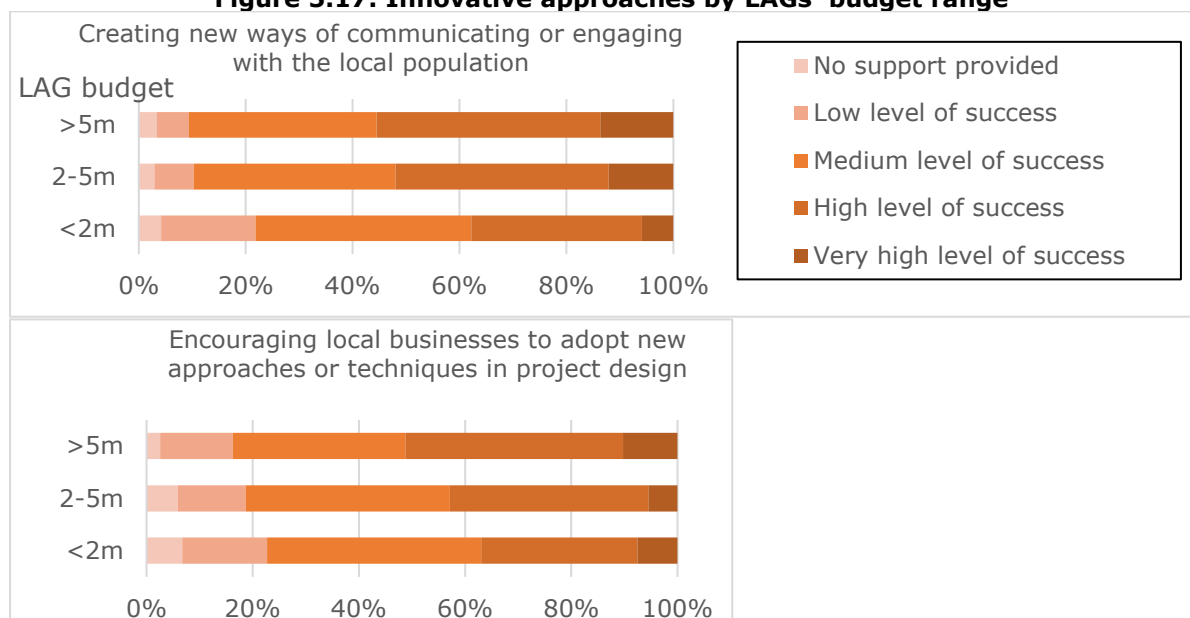
Shortcomings in promoting innovation: Different factors set constraints in fostering innovation in LAG territories. LAGs mention budget size in several CSs. Less money for animation activities and technical staff means less support to socially excluded and vulnerable groups (Ireland CS interviews). It also means very little time and scope to promote innovative approaches more widely (interviews with LAG managers, Czechia CS). A limited operating budget translates into very small and small-scale projects, for which innovation is not the central focus (Slovenia CS interviews).

When over-complex procedures frame delivery, LAGs' administrative tasks become time-consuming and very little time remains for animation. This was reported for CLLD approach in Czechia. **In case studies, innovative projects are difficult to finance by RDP measures under the CLLD approach due to the lack of flexibility of EAFRD⁵¹ as well as lack of a common definition of innovation** (Czechia CS interviews). Innovation also means potential failures which is challenging for EAFRD (interviews with LAG managers, Spanish CS), in the sense that **competitive procedures and selection criteria in the RDP assume in general that only projects that can ensure successful outcomes will be funded.**

The LAG survey provides further insights on variables influencing innovative approaches. Even in the case of innovation, the characteristics of LAGs and their involvement in LEADER implementation play a relevant role in understanding innovation at the local level.

The positive effects of adequate resource availability are evident for variables like the capacity to support communication campaigns or engage with the local population and encourage local business to adopt new approaches or techniques (Figure 5.17). These data confirm case study conclusions about the negative consequences of budget restrictions on LAG capacity to promote innovation in different fields. The same type of effect emerges in supporting new business development (Figure 5.17): about 55% of the LAGs with budgets above EUR 5 million perceive high and very high impacts on new business development activities. Similar evidence emerges for LAG inclusivity (Figure 5.18): high and very high effects prevail in the most diverse partnerships (nine or more groups), indicating the partnership's positive influence on innovative communication and new project approaches.

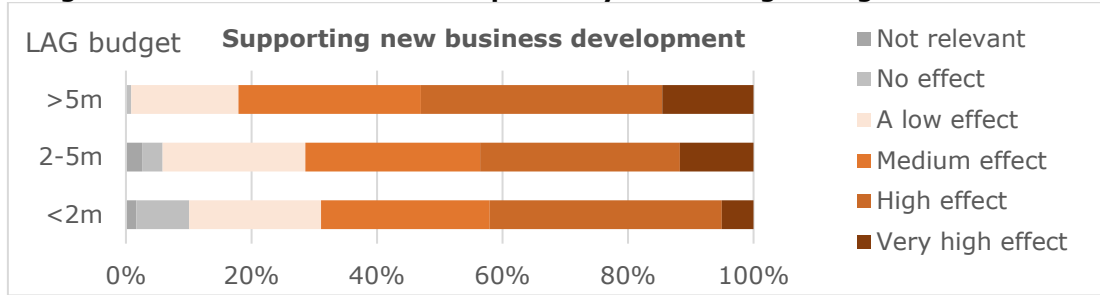
Figure 5.17: Innovative approaches by LAGs' budget range



Source: Study team LAG survey data set 2021

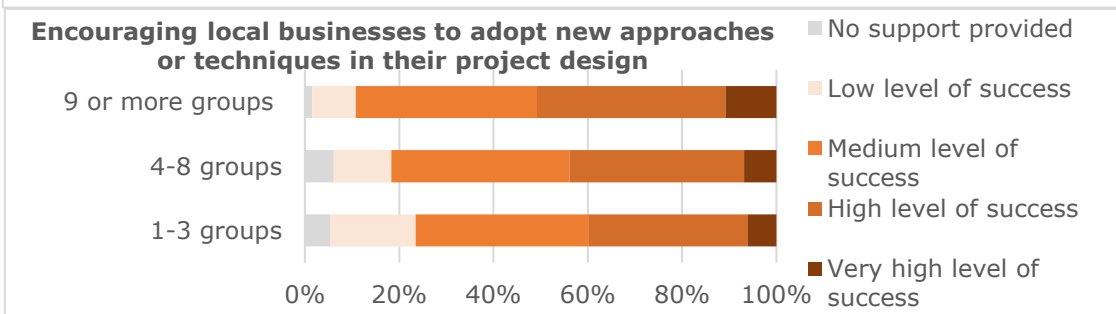
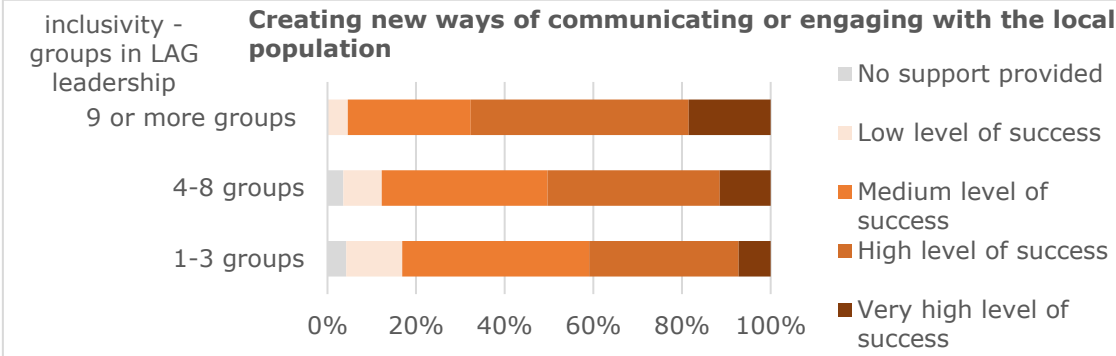
⁵¹ Note that in the case of Czechia, the MA decided to require that all LAGs choose from a specific set of EAFRD-defined measures from the main RDP menu, rather than allowing flexible design of LAG-specific measures.

Figure 5.18: New business development by LAGs' budget range in EUR Million



Source: Study team LAG survey data set 2021

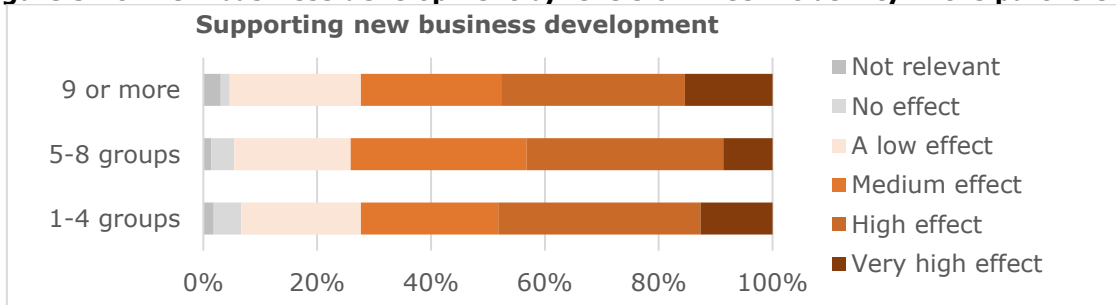
Figure 5.19: Innovative approaches by levels of LAGs inclusivity in the partnership



Source: Study team LAG survey data set 2021

The more diverse the partnership, the more creative LAGs' ways to stimulate the local economy supported by positive effects on new business development (Figure 5.20).

Figure 5.20: New business development by levels of LAGs inclusivity in the partnership



Source: Study team LAG survey data set 2021

As for local governance, innovation does not seem to benefit directly from the number of tasks under LAGs' responsibility: it does not seem to increase innovative behaviour. For LAGs with ten or more tasks, the percentage of high/very high success declines or is the same as for LAGs with fewer responsibilities. Administrative and coordination costs probably increase as tasks increase, reducing LAGs' capacity to foster innovation.

JC3: The activities carried out by the LAGs or supported under the local development strategies have fostered structural changes in the communities

The relevant literature, in this case, covers the same works analysed under local governance and innovative approaches. From this, it is possible to distinguish different types of change: socio-cultural, institutional and economic. Many actors interviewed pointed out the difficulty of separating LEADER effects from more general trends occurring in the community. **The small size of LEADER interventions makes it hard to evaluate impacts on durable changes, particularly where LEADER projects suffer from late starts and low budget endowments.**

Several case studies pointed out socio-cultural changes:

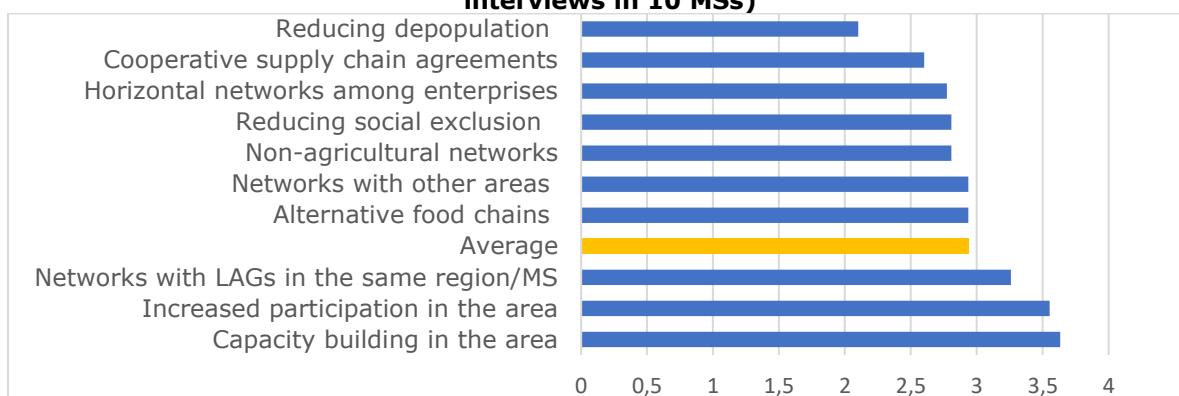
- strengthened sense of identity emphasising typical resources of the territory (Spain);
- a powerful influence on the "climate for innovation" - actors' increased commitment to take responsibility for the needs of their region (Austria case);
- better representation/balance between women and men in the LAG board. In Austria, many LAG managers are female (c. 40%). In Spain- Extremadura, the composition of the board of directors must respect gender representation/balance;
- a consolidated culture of the partnership among rural actors. *"One of the conditions for the establishment of the LAG was a tripartite partnership (public, private and non-governmental), and we sought to maintain this cross-sectoral coverage and balance of these sectors"* (Slovenia case interview- the concept is also present in other CSs).

Institutional changes are relevant in some cases: LEADER helped to improve stakeholders' awareness and values permanently. For example, some networks were formalised through contracts, like short food chains in Italian case studies. Other examples are new institutional arrangements in some contexts (Austria, Sweden and Italy), allowing room for manoeuvre and efficient rules for LAGs. These conditions underpin the favourable climate for collaboration between MA/PA and LAGs and represent good practice for the new programming period. Other examples are transnational networks created under LEADER/INTERREG cooperation measures, lasting more than one programming period (as in many Italy-Austria projects). The sense of cooperation is also in the Swedish CS: *"the projects have helped raise the level of cooperation and the ability to solve problems in the area. We have noticed that our projects give ripples on the water by inspiring others to start similar processes"* (interview with LAG manager, Sweden CS). In this case, a perception of the LEADER role as "innovation trigger" also emerges.

Regarding economic structural changes, the perception of key actors is rather cautious. Some interviewees said LAG activities had limited impacts on broader structural changes in the community (Czechia and Ireland CSs), while others said these changes occur independently of LEADER (Austria case interviews).

This broad scepticism is in the majority of 32 LAG responses (Figure 5.21). The average score is lower than for the other two sub-questions (local governance improvements and innovative approaches). Socio-economic effects (on declining population and social exclusion) score below average. Changes with highest scores are more governance-related (capacity building and increased participation) and concern close LAG networks (in the same region or country). These results seem reasonable: LAGs tend to strengthen nearby networks first and then create broader linkages beyond them.

LEADER has played a role in promoting cultural changes contributing a stronger sense of identity, better climate for innovation, partnership culture and more balanced gender composition in LAG structures. LEADER has also created network and institutional changes at regional /national /international levels. LAGs stimulated new governance solutions and stakeholder cooperation. Nevertheless, LAGs show less impact achieving structural change in the local economy or successfully combatting negative demographic and climate trends.

Figure 5.21: LAGs' rating of structural changes in the community (average of 32 LAG interviews in 10 MSs)

Source: Study team compiled from LAG interviews in case studies, 2021

SECTION 3 – summary answer for the whole ESQ

The evidence shows LAGs have achieved relevant outcomes in local governance and innovative approaches. Rich material collected through case studies allows identification of several categories of local governance effect, 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. There are strong links between the quality of governance relations between LAGs and MA-PA and quality of local governance achievements.

An "enabling context" makes it possible for to LAGs implement good governance at local level. The "enabling context" does not mean just LAG autonomy, but mainly clear and stable rules, institutional arrangements of collaboration and trust, a clear division of roles between LAGs and MA-PA, etc. (see ESQ7-8 for more details). In this context, autonomy is a minor component of the whole institutional frame.

The importance of an "enabling context" is also true for innovative approaches (second sub-question) and lasting changes in communities (third sub-question). Relevant good practices were mentioned in the discussion of judgment criteria. The LAG survey provides further insights on the role of budget size and partnership inclusivity: they affect LAG attitudes to introduce good governance solutions and innovative approaches.

The fewer budget constraints, the more opportunities are given to engage in communication and animation activities and focus on the quality of interventions. Quality interventions mean integrated packages, umbrella projects, supply chain projects, targeting specific categories of vulnerable people, women, young persons, immigrants, etc. and finally targeting social and territorial disparities. These instruments involve appropriate skills and well-experienced and motivated staff.

Extensive involvement of LAG staff in many management tasks (more significant autonomy) can also generate perverse effects in terms of administrative arrangements and innovative approaches. Thus, LAGs must always consider the trade-off between administrative burden and the strategic functions of animation and communications when seeking autonomy.

Permanent changes in the communities are in socio-cultural and institutional aspects, much less in contrasting general economic and demographic trends.

5.5 ESQ5: To what extent have LAG's activities and support provided under local development strategies leveraged additional resources?

SECTION 1 – How this question is addressed

Judgement criteria:

1. Additional resources have been leveraged via LAGs' activities.
2. Additional resources have been leveraged through support provided under local development strategies.
3. Leveraged resources represent a significant element in total LAG resources.
4. Leveraging additional resources is recognised as a sign of LEADER effectiveness.

Evidence for JCs 1 and 2 is combined in one section below, as it overlapped considerably.

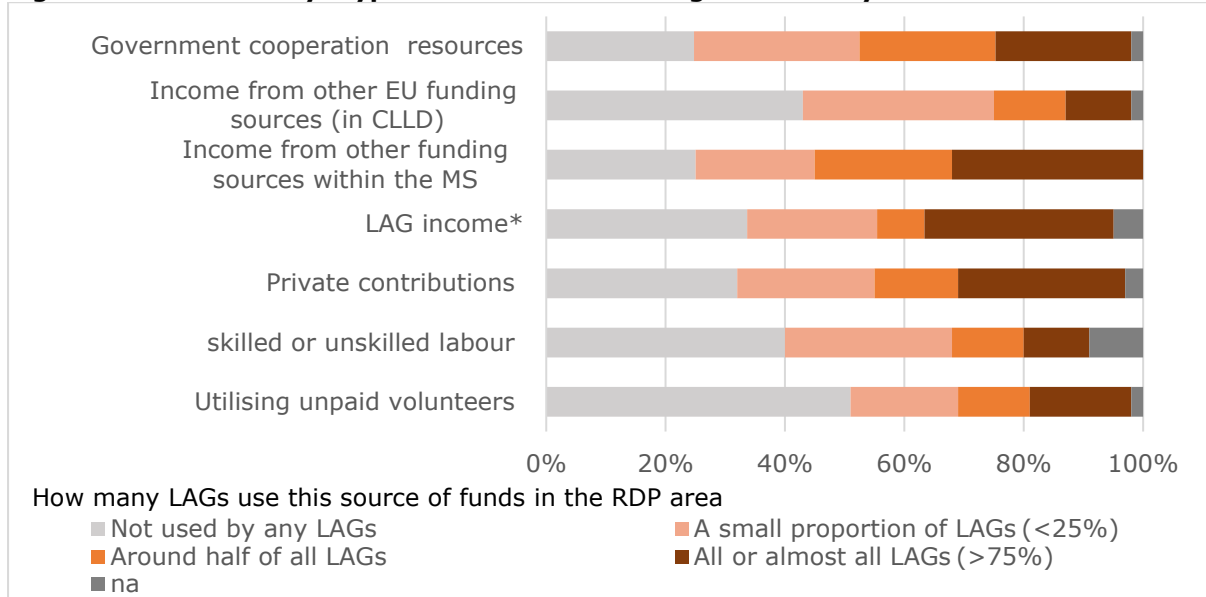
SECTION 2 – Judgement criteria answers

JC1 and JC2: Additional resources have been leveraged via LAG's activities, and through support provided under LDSs

LEADER can leverage different funds via LAG activities. Mainstreaming of LEADER in multi-fund CLLD in 2014-2020 has increased the scope of activities that LEADER can fund, combining economic development and social inclusion and targeting disadvantaged groups (Servillo 2017; Kvistgaard 2018): the LAG Sydost successfully raised approximately EUR 1 million across 29 projects via private funding (Servillo, 2017).

MA survey findings presented in Figure 5.22 show that LAG income from non-EAFRD funding including national, regional or local funds is frequently used. Other resources include private contributions, incomes generated through activities (such as membership fees), and working in cooperation with other public organisations. MAs were asked to provide a rough estimate of the proportion of LAGs (None; under 25%; around half or over 75%) in their RDP area that were accessing additional sources of funding beyond EAFRD to support their activities. Results suggest that in around 25% of RDP areas, no LAGs use any of these sources of funds (40% or more do not use income from other EU funding sources, skilled/unskilled labour donations, and volunteers). The survey revealed that in approximately 30% of RDP areas over 75% of LAGs accessed other funding sources within the MS; LAG income generation; and private contributions.

Figure 5.22: MA survey: Types of additional funding accessed by LAGs in the RDP area

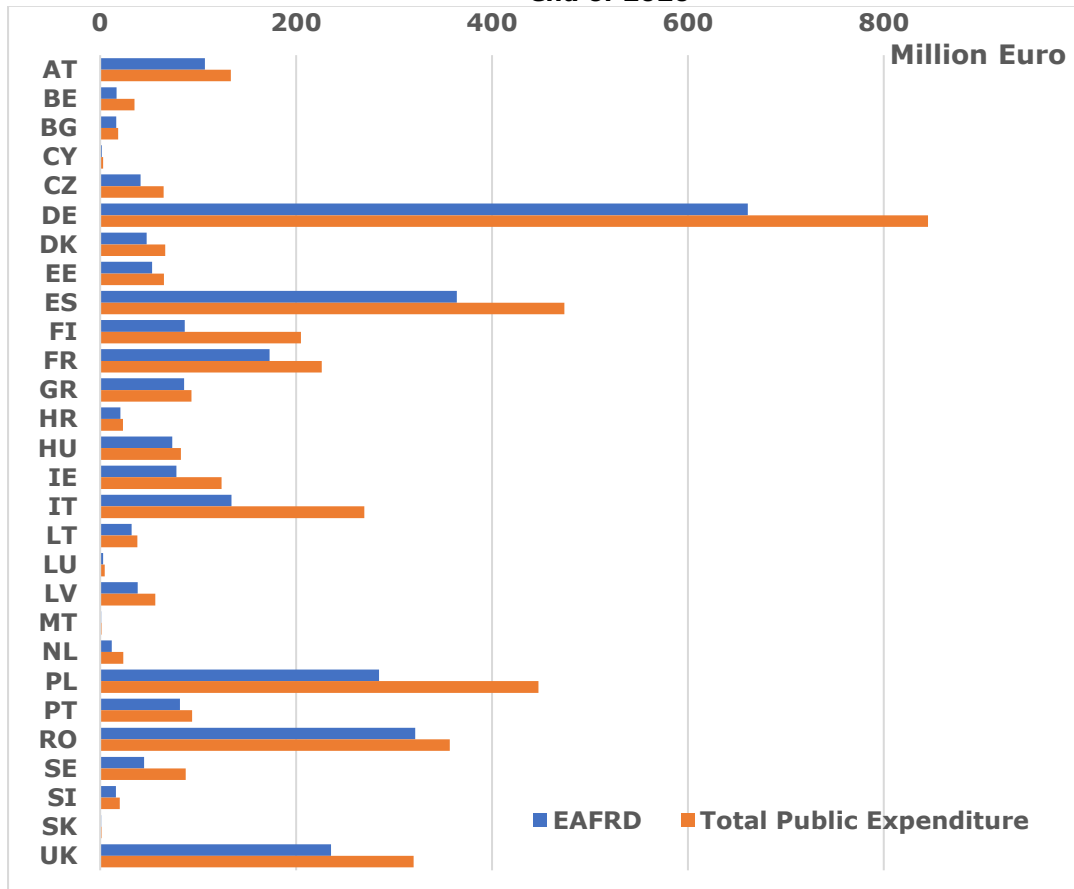


Source: Study team MA survey data set 2021.

*generated through other activities (e.g. membership fees, charges for services)

From EU expenditure data it is possible to see the scale of other public funding leveraged to match EAFRD funding, in LEADER budgets (Figure 5.23).

Figure 5.23: LEADER budgets: total public funding compared to EAFRD funds spent, end of 2020



Source: DG Agri datasets, European Commission

This shows quite variable use of other public funding for LAG activities and projects.

CSs gathered more detail on the wide range of other funding leveraged, as follows:

- Beneficiary co-funding of projects that are financed at less than 100% by LAGs
- Municipal and Regional Contributions to LAGs: lump sum, or per capita annual
- Tourism Sector Contributions: lump sum, or as proportion of tourism revenue
- Membership Fees: ranging from voluntary, nominal to significant contribution
- Sponsorships: sponsorship of LAGs or certain LAG activities or projects
- Private Sector Contributions: donations, partnerships, price-matching offers
- Operational Programmes: additional funds accessed through ESI OPs
- Cross-Border/Cooperation: additional funds from cooperation including Interreg
- CLLD Multi-fund: leverage of EMFF, ERDF and ESF funds dedicated to CLLD
- Own Activities: LAGs' income-generating activities- consulting, marketing, events
- Bank Loans: in some cases, bank loans have been used by LAGs
- Volunteering and non-monetary exchange
- National Co-Financing of EAFRD funds.

The most important financial leverage is beneficiary funding – data from those CS LAGs for which data was available are presented in Table 5.3.

Table 5.3: Beneficiary match funding for LAG projects and activities (M19) (available comparable data from Case Studies, as of Dec.2020)

RDP	LAG	Match Funding, EUR	LAG budget, EUR	Match as % LAG budget
Austria	Tyrol LAG1	4 850 907	12 300 000	39
	Tyrol LAG2	3 683 000	8 300 000	44
Czechia	LAG1	341 630	1 600 000	21
	LAG2	797 187	2 900 000	27
	LAG3	1 269 379	5 300 000	24
Germany – Rheinland-Pfalz	LAG1	1 242 476	1 975 000	63
	LAG2	2 400 186	3 275 000	73
Ireland	LAG1	5 623 166	8 920 000	63
	LAG2	2 299 650	5 091 000	45
	LAG3	5 623 166	9 840 000	57
Italy- Abruzzo ⁵²	LAG1	413 000	3 600 000	11
	LAG2	1 147 400	3 300 000	35
Italy- Toscana	LAG1	2 031 019	6 900 000	29
	LAG2	2 059 967	8 900 000	23
Romania	LAG 1	150 000	2 700 000	6
	LAG2	25 000 ⁵³	3 200 000	1
	LAG3	30 000	2 800 000	1
	LAG4	70 000	2 500 000	3

Source: Study team, selected Case Study findings 2021

From this limited sample it is difficult to ascertain whether different types of LAG enable different levels of leverage. **Some regions and MS with long and strong histories of LEADER implementation appear to have particularly high match-funding, while those with less LEADER experience have lower relative contributions. There must also be a strong relationship with the implementation approach chosen by LAGs,** with some favouring public bodies and LAGs themselves as beneficiaries, while others predominantly fund projects led by private and NGO entities (see Figure 3.44, section 3.3), requiring higher beneficiary co-financing. The nature of measures and projects funded is

⁵² Projections based on funding rules.

⁵³ Note that this figure contradicts figures quoted at interview by the LAG manager – perhaps due to differences in the dates of reporting.

also relevant: those with less potential for private benefit and higher social benefit are likely to require lower beneficiary co-financing rates.

Beyond match-funding of projects, many LAGs leverage other ESI and national or regional funds to address their local development goals. To access other RDP funds, which are often much larger, LAGs must demonstrate financial and technical eligibility: LAGs mobilised expertise and resources to successfully do this. For example, in the Slovenian CS, one of the LAGs mobilised own resources from municipal budgets, other projects, and a bank loan. In order to meet the requirement of EAFRD of 15% co-financing, beneficiaries came together and were able to collect the required funds to apply and succeed. In Romania, one of the CS LAGs relied on bank loans to secure the cash flow in order to apply for ESF funding. Another LAG in Romania reported not applying for additional ESI funding due to cashflow requirements being seen as excessively high. Other LAGs charge membership fees similar to a cooperative, thereby ensuring adequate funds to access other EU funds, without the need of bank loans. **Mustering funds from different sources is important for many LAGs to meet territorial development needs.**

Private Sector Support in Czechia

EAFRD funding reached almost EUR 2 million for this programming period in the three CS LAGs. This funding stimulated investments in projects worth EUR 4.2 million. Thus, for every EUR of LEADER support, EUR 2.2 of beneficiary investment was made. Private sector projects were dominant. One of the reasons for this is that the required beneficiary co-financing rate which was in place for measures heavily used by the business sector (17.1.a; 17.1.b; 19.1.b), was significantly higher than for other measures. A lower level of beneficiary co-financing, especially for Article 20 - Basic services and village renewal - meant that 80% of the total expenditure of public and NGO sector projects was financed from EU and national sources.

In some regions, LAGs target the tourism sector to help strengthen regional development. Providing support to this sector can generate returns which then continue to contribute to local development, evidenced according to case study findings.

Support from Tourism Sector in Austria and Spain

The Austrian LAG East Tyrol receives 00.01EUR from each overnight stay in the region, as a means of further supporting LAG activities. For all of Tyrol, in the year 2019 according to overnight stays, this amounts to EUR 352 137 (Eurostat,2021). On the other hand, the Austrian LAG Region 3 received an allocation of EUR 14 760 from the tourism sector. The LAG DIVA in Spain contributed to the development and future approval of the Tourism Sustainability Plan Ambroz-Cáparra, of Cáceres Provincial Council. As a result of approval of the plan, the community has received about EUR 60 000 which it will manage in the framework of this initiative.

Through their knowledge and experience LAGs also support local authorities to attract resources at local level by providing know-how in the preparation of national calls for funding, providing expertise in the project application process. Many LAGs are very knowledgeable about the resources potentially available in a certain territory, so are able to disseminate information to stakeholders about potential aid, streamlining initiatives.

Operational Programmes in Czechia

All three CS LAGs have been continually active in securing additional funding: LAGs have implemented projects on inclusive education, financed through OP Science, Innovation and Education, as well as additional projects (beyond the CLLD scope) targeting social topics (via OP Employment). They have secured additional funding from regional governments/authorities, as well as through membership fees and their own consultancy activities - writing tenders and project proposals for external bodies. One of the LAGs was successful in gaining funding from a cross-border cooperation fund (CZ-SK).

LAGs engage local agents in early stages of initiatives, providing diagnosis and bringing together public and private stakeholders, advising on implementation timelines and

potential sources of funding (as reported in Spain CSs). LAGs have also leveraged ESI Operational Programmes as additional sources of funding according to some CS regions, as evidenced in Czechia and Romania.

Apart from human capital gathered through professionals, LAGs also leverage participation by acting as a hub for local volunteers across LAG activities (as reported in Sweden). Compared to access to finance and human capital, this by far the smallest additional resource that LAGs bring into LEADER but at the same time it is important for raising local awareness and gathering additional working hours for important development projects which require significant human resources. Literature review findings suggest volunteers are important additional resources (Lukesch et al 2018). Not all LAGs use unpaid volunteers, but some report a high use, as shown in Figure 5.22, indicating that even though volunteers are not regularly used by a majority of LAGs, there are regions where their visibility is higher and they are considered an important source of leverage.

Volunteering and Exchange in Austria

In the Austria Case Study, all LAGs state that volunteering plays an important role in their region. Non-monetary resources such as volunteering, donations of material bartering or similar transactions often play an important role in rural areas that do not have the same infrastructures and services as urban areas.

Because of their work, and through building connections and strengthening networks in local areas, **LAGs are often supported by public authorities with non-monetary contributions. These can be in the form of offices and operational infrastructure for meetings and conferences (as reported in Romania and Germany CS).**

Support provided under LDSs has aided leveraging additional resources. This support can be organisational, or animation and mobilisation of local stakeholders and resources. LDSs enable LAGs to compile their knowledge of local needs through a participatory process. In this way, LDSs support LAGs to create objectives, selection criteria, and plans for addressing local needs. This assists in mobilising additional interests and resources. In Slovenia, for example, the LDS of one LAG states that the LAG manager may obtain additional funds from other sources for the implementation of the LDS. In one Romanian LAG, after completing its LDS, the LAG management team decided that additional funding was needed to fully address the needs in the territory. Consequently, the LAG became a beneficiary of non-LEADER funds in the NRDP 2014-2020 under Measures 1 (Knowledge transfer and information actions) and M16 (Cooperation). The LDS enabled identification of areas where additional funds were required.

In the CLLD approach, Austrian region Tyrol relies on the "one stop shop" principle at LAG level: along with CLLD-ESI funds, other regional activities are also integrated into CLLD implementation, for effective co-ordination and alignment of all funds at LAG level.

JC3: Leveraged resources represent a significant element in total LAG resources.

LAGs have different means of obtaining additional funding to implement local development initiatives. Sources differ in terms of the scope of support provided and the eligibility criteria required to access it. For example, according to the Austrian Tyrol CS interviewees, the "one-stop-shop"[multi-funded LDS] system has brought more than twice the amount of LEADER budget into the region. In Romania, one of the case study LAGs, which has a total of 14 projects, has leveraged EUR 5.84 million of non-LEADER funding, equivalent to 185% of its initial M19 budget (EUR 3.15 million). In Spain - Extremadura LAGs by the end of June 2021, the cumulative execution of M19.2 was EUR 51 092 188.41, which mobilised a total investment of EUR 118 571 681.38.

However, **not all LAGs prioritise leveraging additional sources**, as reported in CS examples of Ireland. The implementing partners for one of the IE LAGs noted that funding

is not the most important aspect of LEADER, increasing the sense of community and enthusiasm for local initiatives is equally important. In comparison to LEADER funds, the CS LAGs of Belgium-Wallonie have leveraged limited additional resources through their activities, according to case study findings. Nonetheless, they have directly leveraged funds from the Province.

JC4: Leveraging additional resources is recognised as a sign of LEADER effectiveness

Leveraging additional resources is an important component of how LAGs operate to meet local development needs, and many projects rely heavily on additional resources for their implementation. However not all LAGs following this model are yet able to be effective in meeting local needs, and there are also examples where LAGs leverage relatively little but are deemed highly effective at what they do. For these reasons, **it is not clear that leveraging additional resources is recognised widely as a sign of LEADER effectiveness.**

SECTION 3 – summary answer for the whole ESQ

The LEADER approach enables and strengthens the ability of LAGs to leverage additional resources through its bottom-up and participatory nature, which emphasises creating connections, strengthening knowledge, and utilising regional resources. Through support from this structure, **LAGs leverage a mix of resources, often of considerable value, through their day to day work and activities.**

Access to co-funding is important in project implementation for many LAGs, and LAGs have been able to leverage additional funds that otherwise would not be available to persons or organisations that participate in the project implementation. Furthermore, **through their work LAGs build expertise and knowledge which can be leveraged in terms of co-ordination and successful implementation of LDSs**, and in terms of inclusion in the many aspects of local development which extend beyond the LEADER approach.

LAGs have different means of obtaining additional funding. The sources differ in the scope of support provided and the eligibility criteria required. Overall, the sources of additional funding identified are **other EU funds, national, regional and, local funding, private contribution and sponsorships, bank loans, membership fees, and payments for providing services** such as research and consultancy.

5.6 ESQ6: What has been the impact of the LEADER approach and its implementation by LAGs on the social, economic and environmental capital of local communities and on their socio-economic cohesion?

SECTION 1 – How this question is addressed

Judgement criteria:

1. Application of the seven features of LEADER has resulted in improvements in social, economic, and environmental capital within local communities
2. Application of the seven features of LEADER has resulted in improvements in socio-economic cohesion within local communities
3. Effective approaches resulting in improvement to economic, social, and environmental capital are based on application of the LEADER features.
4. The effectiveness of the LEADER features varies, in relation to differing models of delivery and levels of LAG autonomy

SECTION 2 – Judgement criteria answers

JC1: Application of the seven features of LEADER has resulted in improvements in social, economic, and environmental capital within local communities

LAG and MA Survey data assess the extent to which LAG activities have an impact on social, economic and environmental capital, but they do not measure the causal relationships linking the application of LEADER features with improvements or change in the three 'capitals'. The case study approaches explore in more detail the linkages and activities undertaken through LEADER delivery systems to bring about change. It is challenging to separate out impact due to application of LEADER features from other key factors influencing change, such as level of funding, local socio-economic context, access to markets and services/level of remoteness, and political influences on development.

LAG and MA survey data both indicate improvements in social, economic and environmental capital. The LAG survey provides some insight on the extent to which economic and social capital are achieved across the MS. Figure 3.5 revealed that more than 40% of LAG respondents perceive a high or very high impact of LAG activities on the economic issues identified in the chart, with highest scores for 'Promoting development of a sustainable local economy' (48.5% of LAGs perceive a high or very high impact) and 'Encouraging networking and cooperation between organisations' (46.2%).

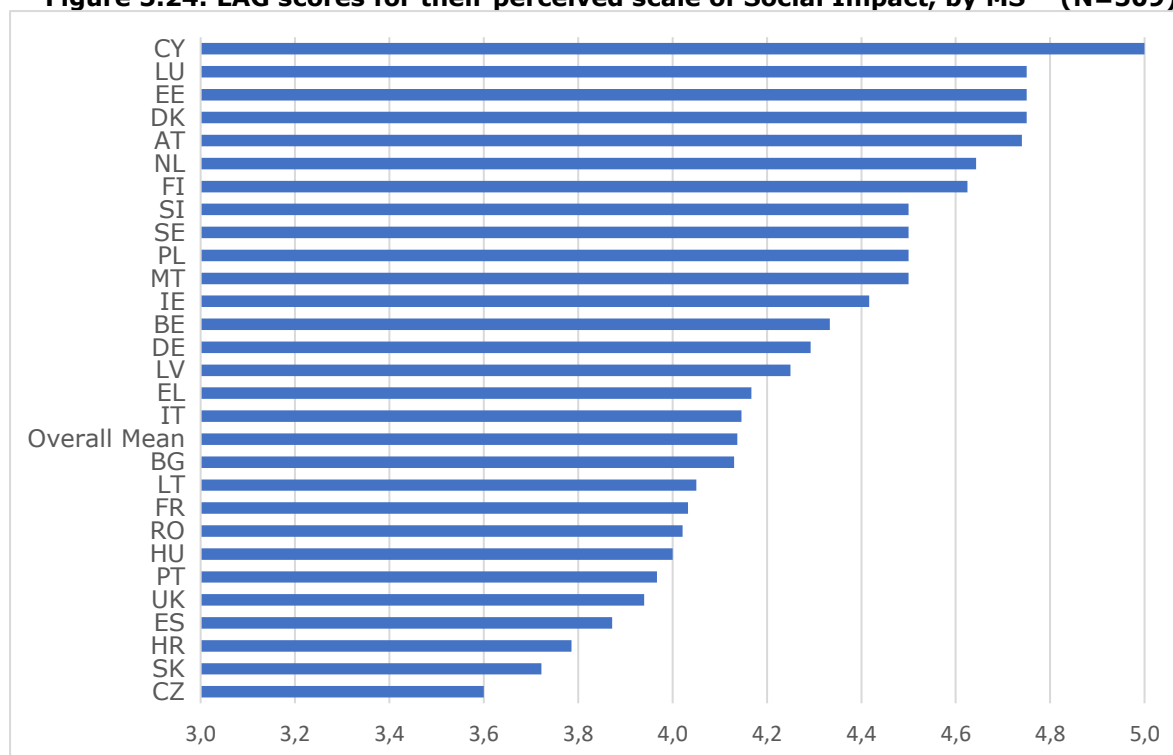
The LAG survey also indicates perceived effectiveness of LAG activities on social and environmental issues. In terms of social capital (Figure 3.6) 'encouragement of networking and cooperation' scores highest (44.3% of LAGs indicate a high/very high effect) while 'encouraging innovation' and 'capacity building' score lower (26.5% and 25.5% of LAGs respectively indicate high or very high effects). In terms of environmental capital, the proportion of LAGs indicating high or very high effects for all environmental issues is significantly lower than for social or economic issues (Figure 3.7). The issues for which the largest proportion of LAGs give high or very high scores are 'Maintaining/restoring the cultural heritage' (56.6%), and 'improving shared community infrastructure' (54.6%) with all other issues scoring below 25%.

Scoring on social, economic, and environmental issues provides an indication of the focus of LAG activities. This suggests there is emphasis on supporting networking and cooperation between organisations and less focus on encouraging innovation and capacity building. **In terms of LEADER features, this suggests that LAGs place a greater emphasis on networking and internal (within the LAG territory) cooperation, and less on developing innovative approaches.** The findings are reinforced by responses to a range of activities identified in the LAG survey (see Figure 3.9). More than 40% of LAG respondents indicate high or very high levels of success in 'improving relations

between LAG partners', 'creating new ways to engage with the local population', 'increasing public participation in decision making', and 'increasing cooperation with the community', all of which link directly to these LEADER features.

Figure 5.24 shows LAGs had a high level of social impact (mean score 4.14) and even the lowest score is above the mid-point of the scale. LAGs in central European MS (Czechia, Slovakia, Croatia, Romania) score below the mean, also France, Spain and the UK.

Figure 5.24: LAG scores for their perceived scale of Social Impact, by MS⁵⁴ (N=509)



Source: LAG survey dataset, study team

LEADER's role in strengthening social capital is confirmed in many studies in the literature review. The suitability of LEADER in fostering social inclusion and increasing local employment among disadvantaged groups was also highlighted (EPRS, 2017; Kleinert 2018; Matteo and Navarro, 2019; Stoppacher et al 2019). The MA Survey responses indicate one third judge LEADER's role in new service provision as weak, one third medium, one third strong, across the RDP territory (ESQ3, Figure 5.11).

Case study reports highlight a wide range of approaches implementing LEADER features to develop social, economic, and environmental capital. Examples are summarised in Table 5.4. **Building economic and social capital are often approached together** (e.g. Italy CS regions), as economic improvement depends not just on funding for capital investment but on social innovation and networking. Slovenia CS noted that both local and national cooperation built social capital, and selection criteria contributed to socio-economic cohesion by funding vulnerable or disadvantaged groups. In Spain economic capital was generated through strong public-private partnerships, in Italy-Toscana through support for innovation and supply chain development. CS reports note negative aspects: in Toscana disadvantaged areas did not benefit, and Spanish CS regions report limited engagement with disadvantaged groups. In Germany CS regions, economic capital generated through investment in infrastructure development also created social capital through local networking and linking different stakeholder organisations.

⁵⁴ Social impact scale was generated from scores to Statements: ii. Capacity building among individuals/organisations; iv. Encouraging networking and cooperation between organisations, based on the combined mean score of these statements. Items are scored on a 1 – 5 scale where 1 = No effect; 5 = Very high effect, where respondents were asked to 'indicate the extent to which LAG activities have had an effect on...'

Table 5.4: Summary of case study activity in relation to LEADER features and impacts on social, economic, and environmental capital

Case Study	Main Focus of activity	Details noting LEADER features used	Impacts
Italy: Toscana	Economic, environmental and social capital: Supply chain development in agriculture and forestry. Projects focused on innovation in processing plus environmental heritage	In one LAG, 75% of projects and two thirds of funding were concentrated in a single area (a wine producing area with a strong economic structure, but a pressurised environment). In another LAG, a more diverse spread of projects and themes was achieved by integrated territorial projects using animation and strong partnership	Economic and environmental benefits for strong sectors with environmental needs: disadvantaged areas did not benefit from this funding. Broader social and economic benefits targeting areas of greater need.
Italy: Veneto and Abruzzo	Social capital: Strengthening partnerships and networks within the LAG, the territory, and with regional and national organisations	The LDS consultation phase used high levels of animation . LAGs used project selection criteria to favour young people, women, and unemployed / first time job-seekers.	Contributed to building social capital and socio-economic cohesion in these regions.
Germany: Sachsen	Economic capital through infrastructure development, primarily construction of new business premises, housing and tourist accommodation, which will have social benefits also.	Generated social capital through networking and animation activities linked to business and infrastructure support. High levels of investment in business infrastructure but a lack of investment in human capital. Integrated planning for new developments, in strong public-private partnerships .	Every LAG in Sachsen improved economic capital; 451 projects supported (up to end 2019). Secondary data suggests that LAG actions have also been positive for poverty reduction.
Rheinland-Pfalz	Integrated approach to all 3 capitals , related to health tourism, tourism mobility, public transport, cultural landscapes	Social capital developed through networking within and across sectors and LAG territories and creation of links between stakeholder organisations. Increased trust generated through close stakeholder involvement with LAGs (partnership)	Networking led to a more effective learning environment and stronger links between the LAGs. In terms of economic capital, the small scale of funding in Rheinland-Pfalz did not increase the rural economy in a significant way
Sweden	Social and economic capital, together with environmental considerations	A good level of Innovation within the local context: one LAG focused on infrastructure support for outdoor recreation (hiking trails, outdoor gyms, sports facilities). Another invested in networking to develop 'soft skills' in creative and cultural industries	New networks developed the skills and problem-solving capacity of participants. A social enterprise using discarded textiles to make rugs supported migrant women, creating employment and social capital in a marginal group

Case Study	Main Focus of activity	Details noting LEADER features used	Impacts
Slovenia	Social capital	Vulnerable groups were identified in the LDS process , enabling projects to target them. Local and national level cooperative projects , more active involvement of LAGs with local stakeholders. LAGs offered networking , learning, and sharing good practice by bringing together many local actors	Increased the level of participation in socio-economic development, increased social inclusion of marginal groups. Selection criteria enhanced the potential for support of these groups
Spain – Castilla-La-Mancha and Extremadura	Economic capital	Creation of strong private-public partnerships viewed as an important approach.	Despite positive efforts, LAGs indicated mainly impacts on economic development, with limited engagement with disadvantaged groups, and limited impact on socio-economic cohesion. External factors were reported to influence the development of social and economic capital more than the effects of LEADER
Ireland	Social capital as well as economic capital, in separate initiatives and with separate funding allocations in the LDS	<p>Specific targeting of vulnerable groups both in preparation of the LDS and in subsequent animation to encourage applications for projects.</p> <p>Animation: a wide range of techniques helped access the hard to reach e.g. heat mapping to identify the most deprived communities, 'town hall' style meetings in local community centres, and on-line consultation (particularly good in accessing rural youth). The limited animation funding resulted in development of innovative methods: group discussions and capacity building workshops, on-line support, and less one-to-one interaction.</p> <p>Environmental issues were one of three themes addressed by all LAGs but most struggled to develop environmental projects and only 6% of LEADER spending was devoted to these</p>	<p>Success in spending planned resources to stimulate activity, useful examples of strengthened social capital. Nevertheless, LAGs judge their impact is insufficient compared to the scale of social problems identified. Implementing Partners emphasised the capacity-building of LEADER, in particular supporting groups and communities that had never before submitted funding applications.</p> <p>In some cases, project promoters benefiting from LEADER capacity-building later applied to other funding programmes rather than deal with LEADER's high administrative burden</p>
Belgium Wallonie	Social, economic and environmental capital dealt with in an integrated way for projects and outcomes.	<p>Producer, cooperative and retailer networking was seen as increasing social and economic capital.</p> <p>Integrated multi-sector and multi-capital planning was characteristic of both CS LAGs, in devising project-fiches for each LDS.</p>	<p>One LAG provided training to farmers to enhance social networking and communication, to improve product marketing.</p> <p>CS LAGs linked natural and economic capital closely (e.g. natural parks and sustainable tourism). Some innovative projects showcased all 3 capitals.</p>

Case Study	Main Focus of activity	Details noting LEADER features used	Impacts
Czechia	Economic capital	Multi-fund CLLD split activity types by fund: ESF funded social goals and ERDF tended to fund environmental ones, so EAFRD concentrated upon agri-sector economic development. The overall approach was broad but integration was made difficult by funding rules.	A good range of projects were supported delivering for economic, social and environmental capital, but in a more fragmented way than if funding sources had been more flexible and integrated.
Romania	Economic and Social capital	In some LAGs, weak preparation of the LDS meant low levels of participation and weaker or unbalanced partnerships dominated by a few actors.	Local elites steered LAG activities to economic capital; efforts to target social capital were reduced despite MA initial encouragement. Lack of MA follow through and low LAG board awareness led to weak outcomes for social and environmental capital.
Austria	Social and environmental capital: goals targeted together.	Wider participation in LEADER achieved via stronger incentives for this within the LDS design process , compared to the previous programme.	An estimated, 3 500 people are involved in LEADER Boards, there are 5 000 volunteers and 7 000 network partners at local, regional and national levels

Source: Study team compiled from case study reports, 2021

In Austria, interviewees understood that LEADER would not have large-scale impacts on economic and environmental development. They viewed LEADER's significance as its capacity to innovate, noting it as a *'laboratory for innovation which promotes diversification of the rural economy'* (Austria CS).

A weaker element noted in many CS reports is the development of environmental capital. Environmental issues were not a strong focus of LAG activity in the Sweden CS LAGs (although more prominent in the RDP and LEADER as a whole), while in Belgium-Wallonie, LAGs focused on environmental projects but often combined these with other economic, social, tourism or agricultural aspects. Within the Czechia RDP, a series of forestry and land-consolidation articles were included in the EAFRD portfolio from which LAGs could choose, but ERDF also included environmental options. Environmental projects were reported as difficult to implement due to criteria attached and weak local absorption capacity (CzechCS interviews). Stakeholders interviews in many CSs indicated relative lack of engagement with environmental issues linked to low perceived relevance and reasons, which include the following:

- Lack of funding (environmental capital may require significant investment)
- Scale (environmental issues requires regional/national intervention)
- Lack of skills among LAG personnel
- Lack of interest or awareness by local populations to address environmental issues.

Four of the 14 case studies assigned medium LEADER impact to environmental capital, and only one (Toscana) gave it a high rating; all other CSs indicated low or very low impact in developing environmental capital. In Toscana LAGs focused on developing innovative actions in agri-food and forestry, including links with local universities. LAGs embraced protecting local environmental heritage, supporting organic farming, energy saving, and recovery of local varieties. Actions were located in competitive (high-pressure) and productive agricultural areas, rather than more remote and marginal areas. In Italy- Abruzzo, environmental concerns were assigned low priority and there were no environmental selection criteria for projects. However, Abruzzo LAGs recognised links between tourism, food production and natural capital and sought to enhance biodiversity, support sustainable production and revive historic varieties of crops, in that context.

Germany- Rheinland-Pfalz LEADER was judged as having low investment and impact in environmental capital. LAG action covered 'valorisation of bio-cultural heritage in the context of tourism development', as a secondary effect of other economic activity (e.g. preserving abandoned vineyards on steep hillsides, for tourism). In Germany- Sachsen, environmental protection was not a focus: main benefits came from secondary impacts of economic activity. A benefit cited by the MA is 'a decrease in land consumption as 99% of investment did not involve new construction and land sealing' (Sachsen CS interviews): in other words, LAGs renovated old buildings rather than building new ones on green sites.

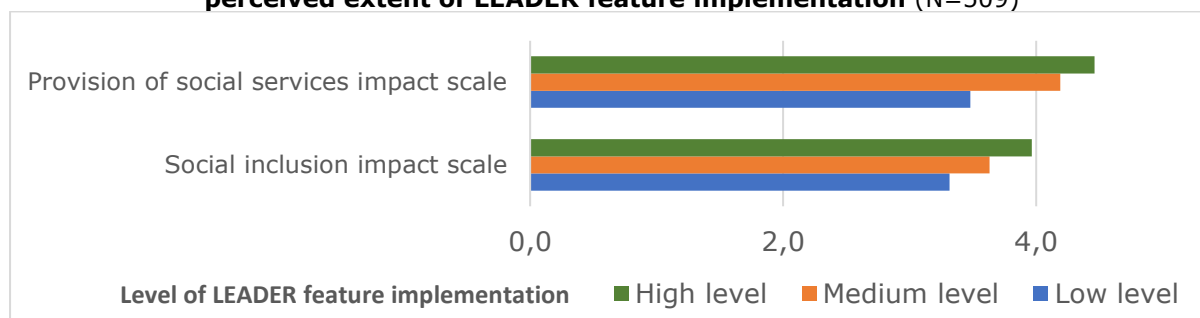
JC2: Application of the 7 features of LEADER has resulted in improvements in socio-economic cohesion within local communities

LEADER features played a major role in improving cohesion at community and regional level through their focus on bottom-up local development strategies, interaction between different sectors of the local economy, cooperation, and innovation. LEADER promotes opportunities to engage in social and economic activities through access to funding, and selection criteria that assist previously excluded or disadvantaged groups, encourage involvement in local decision making, provide animation to build capacity for engagement, and use the LDS to engage in consultation with the wider community.

Two scales were developed from the LAG Survey to assess social capital and socio-economic cohesion impacts of LAGs, as detailed in Chapter 3.2. Figure 5.25 indicates the mean scores on each of these composite scales for LAGs with a high, medium or low level of reported implementation of the seven LEADER features. The chart illustrates how on

both scales, LAGs with higher levels of LEADER feature implementation perceive higher effects of their activities on socio-economic cohesion and social capital.

Figure 5.25: Effect of LAG activities on social performance: Comparison by LAGs' perceived extent of LEADER feature implementation (N=509)



Source: Study team LAG survey data set 2021⁵⁵

Case study examples illustrate how LEADER features can lead to improved socio-economic cohesion: interviewees in Germany, similar to Austria, noted that it was not the size of the budget that was important but the focus on networking and animation that built capacity and created networks and cooperative structures. Rheinland-Pfalz interviews highlighted the importance of increased trust (i.e. social capital) generated through closer stakeholder involvement with LAGs, a more effective learning environment and stronger links between LAGs. For economic capital, as in Austria, it was recognised that the small scale of funding would not grow the rural economy directly and significantly. LEADER was important to generate optimism and a sense of renewal, with indirect effects on economic development.

LAGs in Ireland noted successful efforts to access harder-to-reach groups (women, young people, socially isolated, travellers, migrants) through the initial LDS consultation, which involved needs assessment and SWOT analysis.

Social impacts and cohesion were enhanced by implementing partners having experience and involvement with national social support programmes (e.g. SICAP). A significant proportion of social inclusion funding supported renovation/restoration of community centres (e.g. upgrading of heating systems and energy efficiency) to enable wider use by different sectors of the community. Beneficiaries noted significant impacts on social cohesion from enhanced community halls, playgrounds and recreation spaces for which LEADER was the only viable source of funding.

JC3: Effective approaches resulting in improvement to economic, social, and environmental capital are based on application of the LEADER features.

The LAG survey explored implementation of LEADER features (Figure 3.33). 'Area based LDS', 'the bottom-up approach', 'Implementation of the LDS' and 'Internal networking' each have response levels above 50%. Features considered least well implemented are 'Innovative approaches / projects' (10% indicate full implementation) and 'Cooperation projects' (15% LAGs indicate this feature was not implemented at all, 12.6% indicate it was fully implemented).

A similar pattern of response was obtained from the MA survey (Figure 3.34), exploring the proportion of LAGs within an MS/Region that had implemented the LEADER features. A majority of respondents (more than two-thirds in each case) indicated 'Area Based LDS', 'Public-Private partnerships', and 'A bottom-up approach to decision making' were implemented by a large number of LAGs in their RDP area. Cooperation (35%) and Innovative approaches/projects (28%) were LEADER features least widely implemented.

As mentioned above (JC2), LAGs were categorised into groups (High, Medium, Low) on the basis of their reported Implementation of LEADER features. Categories were based on the mean of the scores of LAGs across the features (Networking was divided into internal

⁵⁵ The way in which these composite scales are derived is detailed in footnotes on page 46.

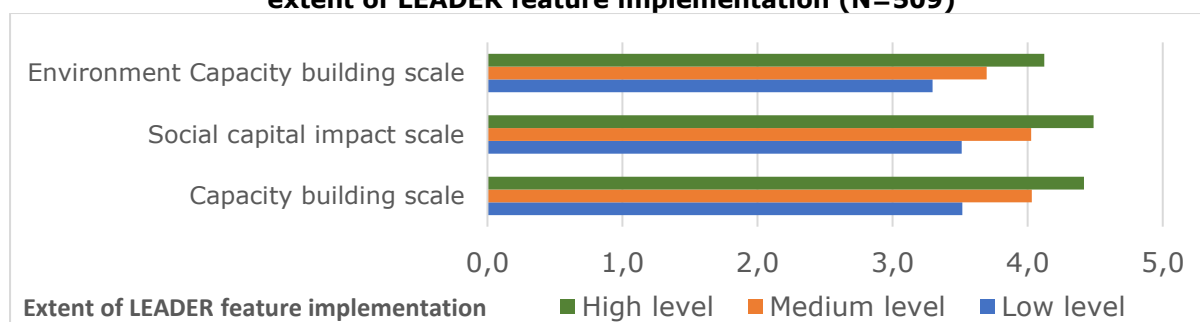
and external aspects to create eight rather than seven features) on a 1 – 5 scale for each feature (where 1 = Not implemented at all; 5 = Fully implemented).

In every case examined, **LAGs that were 'High' implementers of LEADER features gave higher impact scores.** In governance there are significant differences between the groups indicating that LAGs with higher levels of feature implementation score highly in perceived level of improvements in local governance. Figure 3.35 also indicates that LAGs with higher LEADER feature implementation assess LEADER in their area as more significant in meeting local social, economic, and environmental needs, promoting sustainable development and improving co-ordination between governance levels.

JC4: The effectiveness of the LEADER features varies, in relation to differing models of delivery and levels of LAG autonomy

The LAG Autonomy scale (based on increasing level of responsibility for LEADER tasks, described in Chapter 3, Table 3.3) explored some of the differences between LAG survey respondents. Analysis of mean scores suggests that level of Autonomy is not a strong factor influencing LAG impact on economic, social, or environmental outcomes (Figure 5.26). There is some indication that higher autonomy results in slightly higher outcomes (e.g. in response to the significance of LAG activities in meeting economic and environmental needs) but the pattern is not consistent and differences are small. In addition, the Autonomy scale does not suggest that increasing autonomy leads to more effective implementation of LEADER features; in fact, it suggests the greater number of tasks for which a LAG has responsibility, the less fully it implements the LEADER features.

Figure 5.26: Impact of LAG activity on Capacity building: Comparison by LAGs' perceived extent of LEADER feature implementation (N=509)



Source: Study team LAG survey data set 2021⁵⁶

The survey data on the impact of different delivery models was limited and does not provide direct evidence linking the extent of LEADER features implementation with different delivery models and the Autonomy scale indicates no clear differences in impact between the categories. The effectiveness of the LEADER approach is influenced by local context (e.g. local capacity for action; LAG budget), internal (political), and external (market) factors drive action and change. CS indicated a high level of success in implementing the LEADER approach, though clearly there were constraints on action in some MS (e.g. in budget allocation, or limits on action based on regional/nationally set targets). CS findings suggest where LAGs are required to target certain activities or thematic areas by the MA, impact is higher due to many LAGs actively engaging.

Ireland and Germany illustrate differences in the effect of MA influence. In Ireland LAGs followed a range of thematic areas: rural economy, social inclusion, and the environment. Broad thematic priorities were developed following national consultation and LAGs required to ensure that each LEADER project fitted within the three themes. Sub-themes included rural youth, renewable energy and broadband. Extensive LDS consultation generated high numbers of expressions of interest for socio-economic support, but very few for environment and even less for broadband. Despite animation across LAG areas, few environmental projects were supported (e.g. renewable energy which also has strong

⁵⁶ These composite indicator scales are explained in footnotes on page 45.

economic and social benefits), and broadband projects were limited to training (due to restrictions on actions in a national broadband infrastructure improvement strategy).

In Germany- Rheinland-Pfalz the MA directed that environmental issues were not the main focus of activity, and impacts on natural capital were seen as secondary or indirect. One of the CS LAGs viewed environmental capital as not relevant due to perceived high environmental quality while a second saw it as essential for tourism development (i.e. cycle and walking trails and a local tourism master plan). In Sachsen, MA interviews suggested LEADER principles were fully implemented. Economic capital is interpreted as infrastructure at MA level and environmental capital as a re-use of existing buildings (instead of greenfield development). As noted by one LAG this meant strong focus on infrastructure investment but lack of support for human capital.

SECTION 3 – summary answer for the whole ESQ

LEADER features have created local approaches that engage the wider community, from consultation through to building capacity to engage in economic growth, social cohesion, and with some environmental enhancement. **Where LEADER features are fully implemented and LAGs receive guidance for targeting thematic areas, they are more effective.** Other factors play a strong role improving economic and social capital, including LAG budgets, capacity of LAG staff, and local politico-economic context.

It is not possible to distinguish in which aspects the LEADER approach has had the greatest impact since in many cases economic and social capital (and sometimes environmental) are intertwined. Developing economic capital depends to a large extent on developing social capital, and socio-economic cohesion is based on building social and economic capital among individuals and organisations. All CSs placed emphasis on economic capital and in several cases (e.g. German and Italian CS regions) this was interpreted as infrastructure investment. Social capital was identified in the LAG survey as important, and many CS LAGs indicated high levels of impact from social infrastructure projects including community spaces (buildings, parks, playgrounds), development of social enterprises to integrate marginalised groups, and community space to enable disadvantaged or marginalised groups to meet socially.

Environmental capital formation has been the weakest impact of deploying the LEADER approach. Environmental capital improvement has concerned cultural heritage, in particular the built environment as important cultural and historic buildings are put to alternative uses (generating social and economic benefits). Other most common forms of environmental capital development come via landscape or biodiversity protection to support tourism, and support for organic farming or environmental practices to support agri-food processing and regional or product branding. LEADER is not viewed as an instrument for addressing environmental issues that require specific expertise and regional or national action.

The meta-analysis of LAG survey responses gives strong indication of a clear and positive correlation between the extent to which LAGs across many different EU MS and regions have higher impact, when they have higher implementation of LEADER's key features.

5.7 ESQ7: To what extent have the LEADER approach and local development strategies been efficient in fostering local development, promoting social inclusion and poverty reduction and hence in contributing to the general CAP objective of balanced territorial development?

SECTION 1: How this question is addressed

The efficiency of LEADER is assessed by looking at different aspects of the delivery process, how it is organised and what resources are involved, also considering the time taken to deliver. These are then put in context of the wider context including the nature of challenges being addressed by LAGs and the types of project supported, to derive comparative measures of cost-effectiveness (i.e. the relative efficiency considering the value or quality of the outputs and results achieved).

The judgement criteria examine different elements of the process including MA programming and selection of LAGs and approval of LDSs, the roles of PAs, and LAGs' own performance efficiency in respect of their strategic operation, balance of responsibilities and resourcing decisions, and project types and challenges.

Judgement criteria (JCs)

1. Programming and Managing Authorities have been efficient in programming and selection procedures, shaping eligible areas, partnerships and local development strategies
2. The different delivery models of the RDPs influenced the efficiency of LAGs' implementation of LDSs
3. Paying Agencies have been efficient and supportive in implementing payments and control procedures, and playing other roles in LEADER delivery, where relevant
4. LAG operations have been undertaken efficiently

SECTION 2: Judgement criteria answers

JC1: Programming and Managing Authorities have been efficient in programming and selection procedures, shaping eligible areas, partnerships and local development strategies

Art. 33 of the Reg. 1303/2013 states that the first round of CLLD strategies' selection has to be completed within two years from the Partnership Agreement approval, and in any case, MAs should finalise the selection no later than the 31st December 2017. The process of LAGs selection is usually complex since it entails several different steps: the preparation of the call, approval of eligible areas, partnerships and LDSs, and finally, the contractual agreement between MA and LAGs. In most countries, this process is facilitated by sub-measure 19.1, supporting LDS preparation and partnership setting up. But there are many differences among countries in the management of the selection phases:

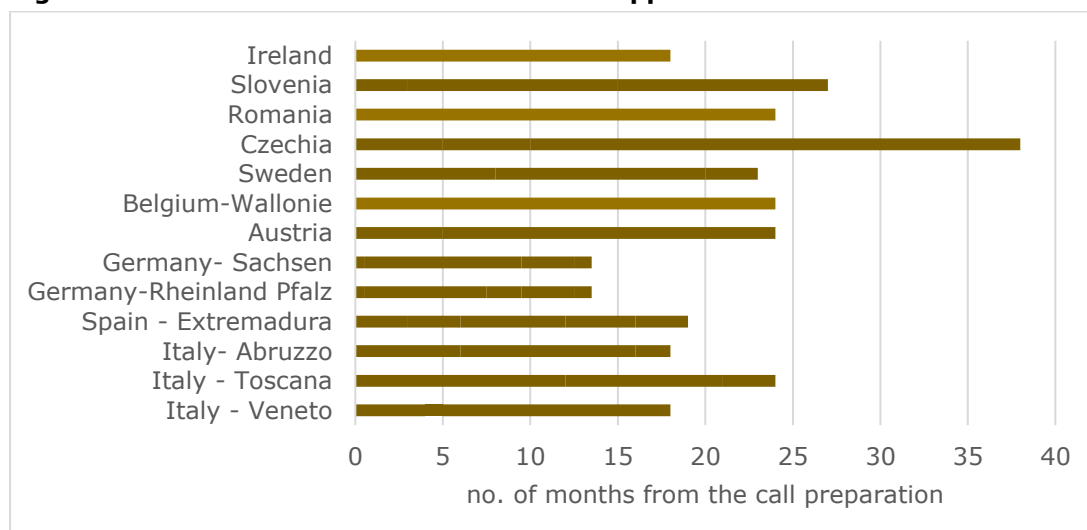
- in most case studies, eligible areas, partnership and LDS are selected through a unique phase, and whilst in only a few cases (Austria, Czechia -2 step selection, Belgium-Wallonie and Sweden) countries selected LAGs in two rounds, most cases implemented the LAG selection in just one round. Ireland selection process included phase 1- Expression of Interest and phase 2- LAG LDS selection;
- in all countries/regions applying the CLLD-multi-fund approach (particularly in Slovenia, Czechia and Sweden), the selection process was particularly complex owing to the involvement of different funding administrations and the need to coordinate times and responsibilities of varying selection bodies;
- in Austria and Sweden, the selection was conceived as a process of enhancement of strategy design, allowing each LAG to gradually improve their LDS and its capacity to respond to the territory's needs;

- in Belgium (Wallonie case) some selection processes, the preparation of LDSs by LAGs includes objectives, actions and financial plans, and project-fiches that constitute the strategy. This makes the assessment process more detailed and time-consuming but reduces the need to implement calls for projects after LDS approval;
- again in Belgium, the stipulation of a contractual agreement between MA and LAG is absent since it is formally included in the commitment act signed by the regional/national administration.

These structural diversities in the selection process among countries make it challenging to compare the different case studies. The LAG selection process depends not only on the efficiency of each single phase but also on particularities of the process in each country. Furthermore, given these differences, it was not possible to gather information on single phase durations in all cases (because not all processes divided into the same single phases); thus, only total times were available.

Figure 5.27 illustrates the total duration of the selection process for the different case studies and, whenever possible, the single phases.

Figure 5.27: No. of months for selection and approval of LDS in different case studies



Source: Study team, elaborations from case study interviews with MA and PA, 2021

Some MAs devoted a significant time to preparing the call. Other countries gave particular attention to the approval of eligible areas (German regions) or the assessment and approval of LDSs (Czechia). Except for Czechia and Slovenia, the entire process was achieved within two years. Looking exclusively at process length, German regions and Veneto appear the most efficient (between 13 and 17 months), whereas Czechia and Slovenia are the least efficient.

Regarding Czechia and Slovenia, striking differences are explained by the complexity of the CLLD multi-fund approach. In the system set up in these countries, this approach entails the assessment of LDSs by different authorities responsible for the funds and the Co-ordination of four MAs. Furthermore, this approach implies a complex delivery framework having negative consequences on the time spent to prepare LDSs by LAGs, due to multiple systems of rules and guidelines (Czechia). These factors required a lengthy administrative process to prepare the start of the programming period, related to learning needs in ESI funds other than EAFRD, and different times of arrival for the various regulations and delegated acts (Swedish CS regions). **In countries that adopted just one MA (Sweden and Austria-Tyrol) as the institutional solution, CLLD multi-fund was easier and less time-consuming.**

In evaluating efficiency, the quality of the output (LDSs and partnerships) is relevant. Austria and Sweden adopted a two-stage process based on a time-consuming system of quite complex criteria but ultimately achieving high-quality LDSs. This method improved

the quality of LDS design between the two steps via a process of mutual learning between MA and LAGs. However, the Swedish method created some weakness in terms of quality since the start-up funding favours larger areas due to allocations based on per-capita financial support. Ireland conducted a two-stage process for the selection of Local Development Strategies as well. Under stage one of the selection process, any entity who wished to be considered as a Local Action Group was invited to submit an expression of interest and 45 separate expressions of interest were received. Those who were successful in the first stage were notified and were invited to submit a Local Development Strategy for their area. The process was highly competitive. The selection process in Belgium-Wallonie is notable, with the first call launched ten months before RDP approval but taking an extended period (eight months) between the reception of applications and communication of validation letters.

JC2: The different delivery models of the RDPs influenced the efficiency of LAGs' implementation of LDSs

Since the delivery model is made up by a combination of national/regional rules and LAG's organisation, the efficiency analysis has to be conducted at two levels: the implementation model at MA level (for the PA level, see description in JC3), and the design/implementation of the LDS at LAG level. The analysis of efficiency at the LAG level will relate the perceptions of efficiency of LAG personnel to the qualitative outcomes described in case studies, to draw conclusions on which factors explain LAG efficiency.

A. Implementation model at the MA level

LAGs' efficiency is strongly affected by the implementation model designed at national/regional level, including the MA. The model includes the institutions, rules and instruments enabling LAGs to define and hopefully achieve their strategic objectives. At least four macro-variables affect the institutional settings in which the LAG operates: the CLLD multi-fund approach; the division of tasks and roles between MA, PA and LAGs; the qualitative and quantitative characteristics of MA staff and, finally, LAGs' internal skills and capacity to provide effective animation.

The CLLD multi-fund approach and organisation of the relevant institutional actors. The ways in which CLLD is organised explain efficiency both at MA and LAG level. CLLD also significantly affects the definition of tasks and roles between institutions and LAGs. According to the MA survey, 85% of respondents say that the mono-funding EAFRD approach is more efficient and simpler than CLLD. Case studies confirm this conclusion, especially in Czechia and Slovenia, since CLLD simply linked ESI programmes running in parallel and created only a few linkages between projects. In other CLLD cases (Austria-Tyrol and Sweden), the organisation was simplified. In most cases, however, the presence of other funds increased their options and LAGs benefitted from the opportunity to target broader social and economic issues through additional Funds.

Division of tasks and roles in the delivery system. A clear division of tasks and roles is relevant also in mono-fund approaches. LAGs gained substantial autonomy in most countries and regions, especially regarding assessing and ranking and supporting project applicants. The LAG survey confirms that LAGs play a relevant role in project selection criteria, preparation and publication of the calls and checking eligibility support. Case studies analysis highlights more substantial tensions in the distribution of roles since beyond the formal division of tasks, MAs maintain strong capacity to influence major LAG decisions concerning the portfolio of eligible measures (Spain, Germany-Rheinland-Pfalz, Italy-Veneto and Sweden) and the selection criteria (Ireland, Sweden, Italy-Veneto) Figure 5.28). There is a strong influence, according to LAGs, on the implementation of measures (Italian, Ireland and Spain-Extremadura cases). Based on interviews with LAG managers, MAs in some countries tend to add limitations into both relevant tasks, affecting room for manoeuvre in targeting local social inclusion and times of response from LAGs in preparing calls and selection criteria, due to continue negotiation with MA on the RDP rules. Furthermore, in some cases (e.g. Italy-Toscana and Ireland), LAG managers outlined the need to avoid duplication of administrative checks by LAGs and MAs.

Figure 5.28: Degree of MA influence on CS LAG choices (perception: 0 none to 5 high)

Source: study team elaborations from interviews with case study LAGs, 2021

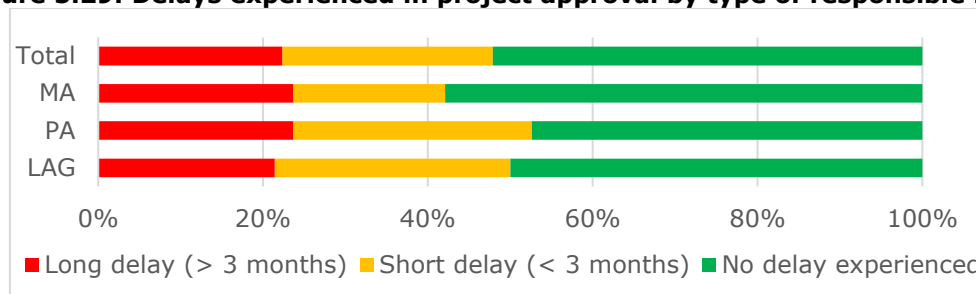
Assessment and approval of applications are one of the crucial tasks in funding selected beneficiaries and promoting local development and social inclusion through innovative initiatives. The efficiency of this specific task is strongly influenced by the division of roles and related delivery models. Some regional administrations devolved this task to LAGs (i.e. Spain-Extremadura, Italy-Toscana). In most cases, MA or PA share this responsibility with LAGs to ensure valid eligibility checks. Overall, irrespective of the responsibilities, times seem reasonable: 67 days average time between assessment and final approval (Table 5.5). However, it must be noted that there is a high internal variability (shown by high standard deviation) between LAGs, probably due to the influence of other variables (e.g. differing efficiency of digital platforms between LAGs and administrations). In terms of time, case studies highlight there are no significant differences among case studies. It seems that times slightly increase when LAGs shared the responsibility with a regional MA or PA. This result is not valid in all countries: in Italy, for example, LAGs under the regional payment body perceive a more efficient system than LAGs under the national PA.

Table 5.5: Times of assessment and approval of applications by type of responsible body (sample=32 LAGs)

Responsible body for project assessment and approval	No. of LAGs interviewed	Average times (no. days)	Standard deviation
LAG	6	71	43
LAG+regional MA	8	71	51
LAG+national MA	3	50	43
LAG+PA	15	68	47
Total	32	67	45

Source: Study team elaborations from case study interviews, 2021

Detailed comparisons through the EU-survey are not possible, but the analysis of the delays in approval shows that PAs, as responsible bodies for project approval, experienced both long and short delays more often than MAs and LAGs (figure 5.30).

Figure 5.29: Delays experienced in project approval by type of responsible body

Source: Study team LAG survey data set 2021

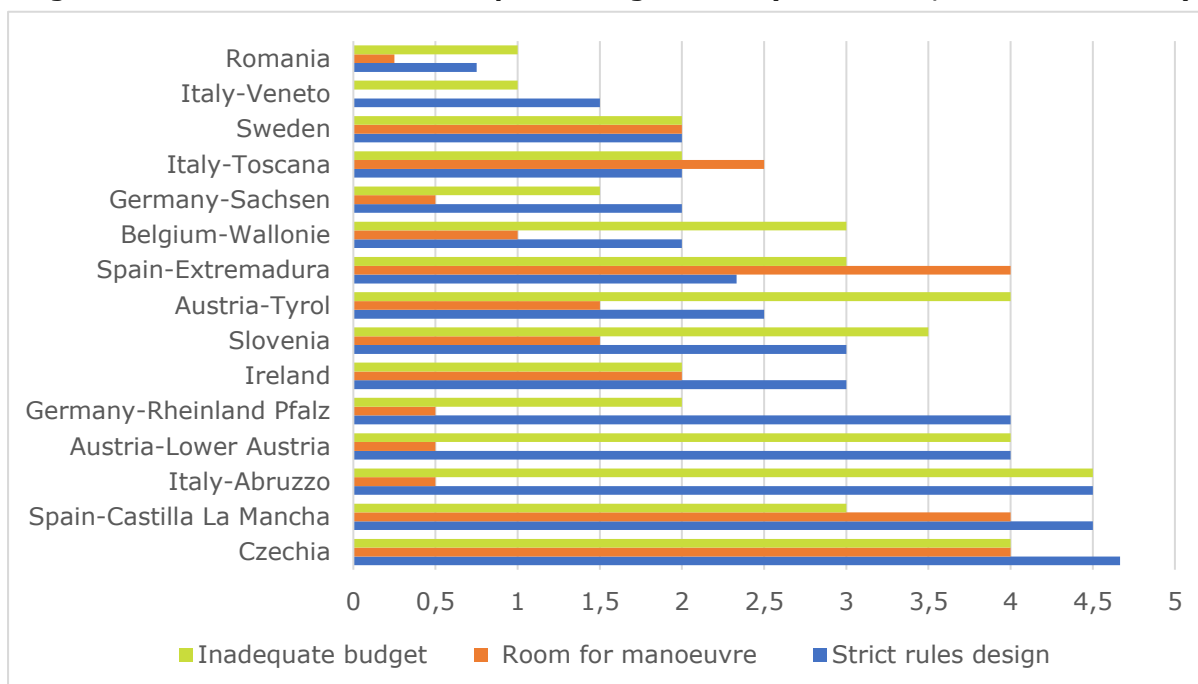
Quantitative and qualitative characteristics of MA staffing. The MA survey highlights that 35% of respondents perceive insufficient technical and managerial personnel for LEADER support in MAs (and 27% for PA personnel). Another 14% are uncertain about MA capacity (22% for the PA personnel). Given the sample size (63 respondent MS/regions) and this is a self-evaluation question, this judgment is relevant. Case studies provide a more general positive opinion of the staff involved in MAs, which is complemented in many cases by technical assistance by other bodies or experts.

Provision of knowledge exchange instruments and institutional arrangements to support LAGs. A series of tools (material and immaterial) enable good dialogue between MAs and LAGs, collaborative relationships and a mutual learning process. This helps develop reciprocal trust and understanding and reduces tensions and conflicts in the implementation phase. Case studies highlight the efficiency of implementing systems that benefit from a series of support actions by MA (Romania, Slovenia, IT-Veneto, DE-Sachsen). Regular MA-LAGs meetings (every 3-4 months) take place in DE-Sachsen. More institutional solutions are adopted in IT-Veneto and BE-Wallonia, where permanent dialogue is established in selecting projects (Veneto) or monitoring (COMAC- Comité d'accompagnement semestral meetings in Wallonia).

B. The implementation model at the LAG level

Efficiency also depends on internal characteristics of LAGs: their budgetary provision, the distribution of internal resources between animation and administration, the personnel involved, capacity to manage the different types of projects, etc. Another relevant variable influencing LAG efficiency is level of administrative burden, discussed in detail in ESQ8.

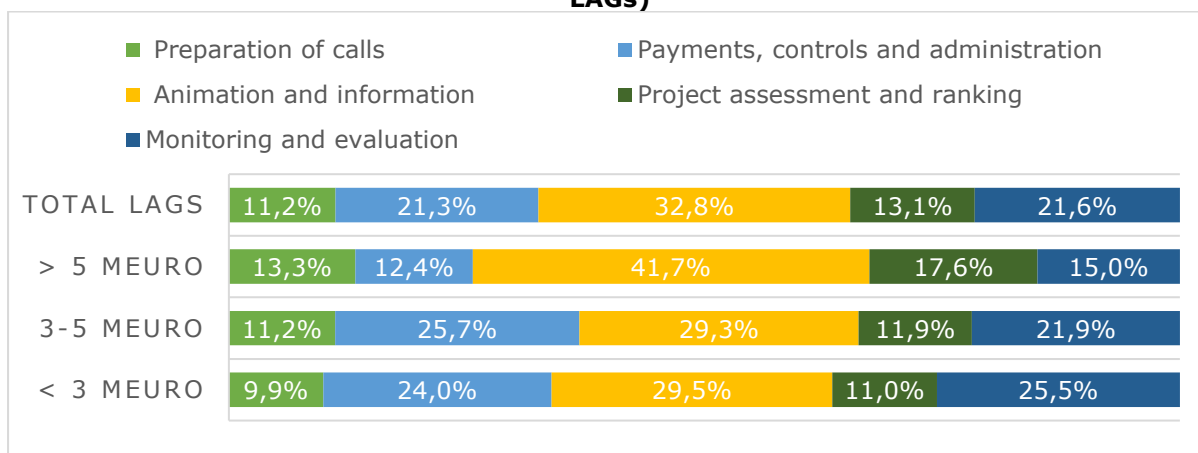
LAG budgetary provision. Case studies give insights: in some contexts (Figure 5.30), LAGs perceive strict rules of LDS design and limited room for manoeuvre as reasons for failure in implementing LDSs. These limitations can be in several fields, especially in the limited portfolio of measures they could select from EAFRD or the unclear or too stringent guidelines to implement actions. Still, some countries/regions likewise consider the budget provisions as too little (Italy-Abruzzo, Austria-Lower Austria, Austria-Tyrol, Czechia, Slovenia and, to some extent, Spain- Extremadura and Belgium- Wallonie). The average budget size of this group of LAGs is €3.3m, compared to €5.9m for the remaining sample. The LAG budgetary provision affects the amount and the quality of human resources that LAGs can devote for improving the administrative management and animation activities, as it is explained hereafter.

Figure 5.30: Reasons for failure implementing the LDS (36 CS LAGs, score from 0 to 5)

Source: Study team, compiled from case study interviews 2021

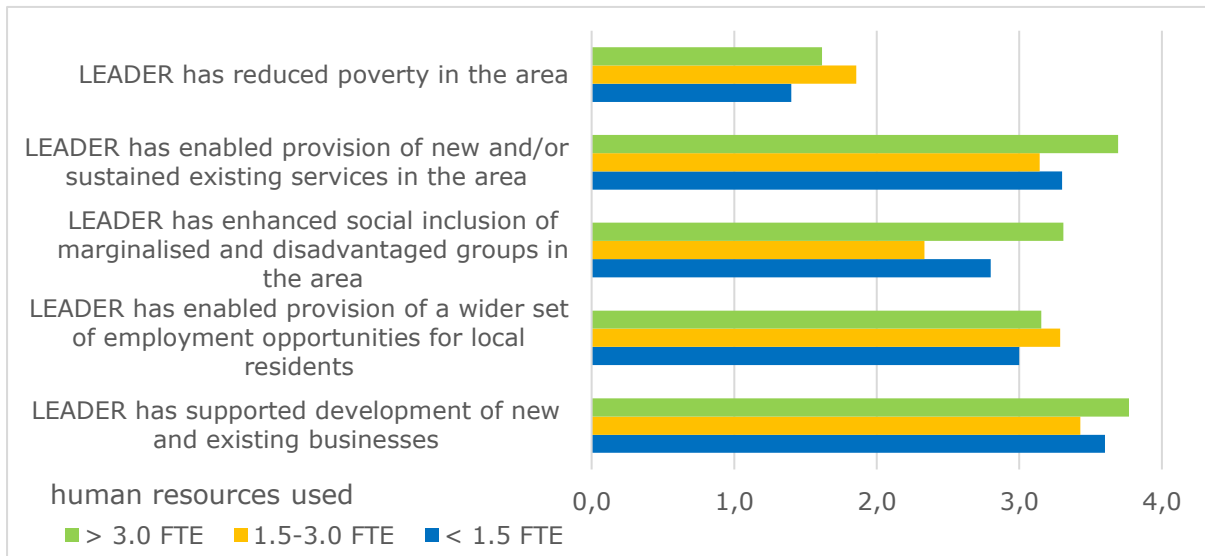
LAGs' internal skills and capacity to find a good balance between animation and administration. These key factors help explain the cost-benefit ratio of LAG activities. Internal technical and managerial staff and resources devoted to animation represent the most relevant tools to promote innovative and participatory approaches at local level and outreach as much as project promoters is possible. The series of activities is strongly dependent on budget provisions (Figure 5.31): the higher the budget, the more opportunities and need to devote human resources to animation and information activities (in LAGs with over EUR 5m budget, the FTE labour allocated to animation/information activity is c.42% of total FTE). A higher budget contributes to effectiveness, but also improves the quality of internal staff and LAG effort to reach many beneficiaries.

Share spent on administrative tasks also increases with size, especially for project assessment and ranking and preparation of calls, whilst monitoring and evaluation FTE decrease (probably due to economies of scale) as well as payments and controls FTE. There are very few differences in FTE allocation patterns between those LAGs with budgets of under EUR 3 million and EUR 3-5 million.

Figure 5.31: Share of human resources in LAG activities (FTE) by LAG budget size (35 LAGs)

Source: Study team, compiled from case study interviews, 2021

Figure 5.32: Economic and social impact (scored 0 to 5) by human resources used (FTEs) in LAGs’ animation and information activities (30 case study LAGs)



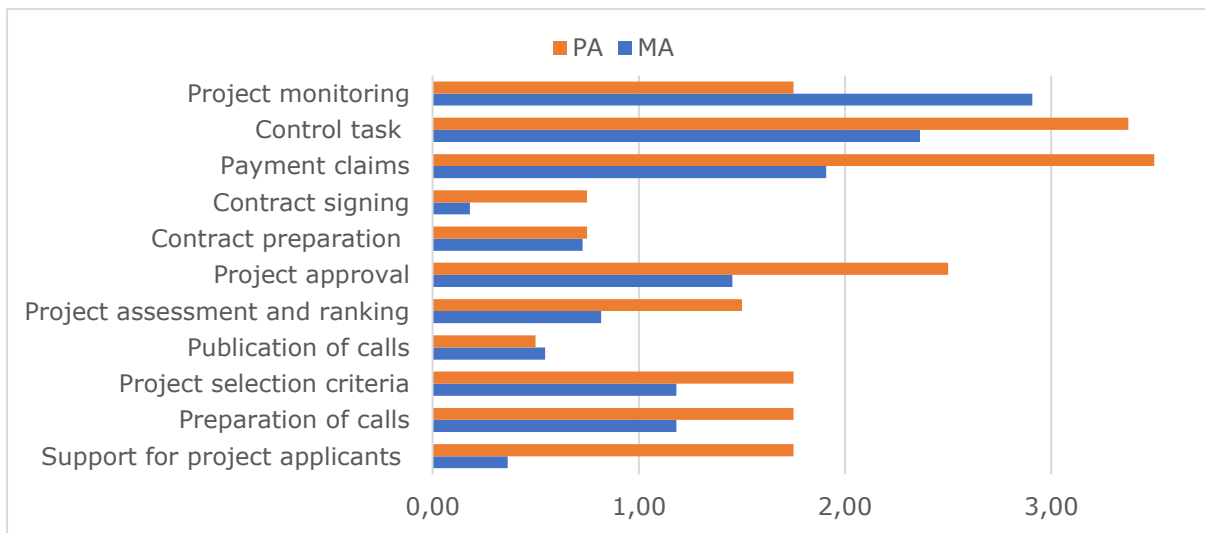
Source: Study team, compiled from case study interviews, 2021

Animation and information activities are very specific instruments that LAGs can use to increase their efficiency in achieving results, compared to the usual measures managed by MAs through public procedures. Figure 5.32 suggests that the time (in FTE) allocated to animation and information is relevant to achieving good outcomes for some types of interventions (service provision, social inclusion and developing new and existing business, since those LAGs spending more time in animation/information get higher performances than those spending less time). Other funds may also be relevant in explaining this efficiency since many LAGs access additional funding to support these activities.

JC3: Paying Agencies have been efficient and supportive in implementing payments and control procedures, and playing other roles in LEADER delivery, where relevant

According to PAs interviewed in case studies, the most demanding tasks are payment claims and controls (Figure 5.33). Within a scale ranging from “not demanding at all” (0) to “very demanding” (5), these tasks are classed as very demanding. The judgment of MAs is less severe, usually hardly involved in these tasks. Even project approval is deemed demanding by PA representatives, who have substantial responsibilities for this in several countries (directly or indirectly) since they must participate in administrative checks.

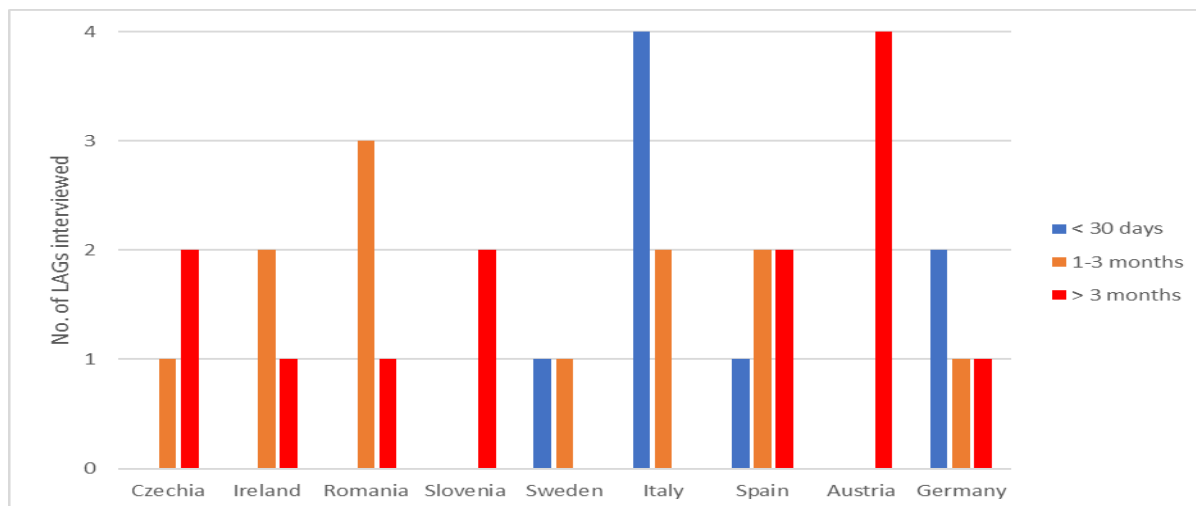
Figure 5.33: The most demanding tasks according to CS MA and PA (scores: 0 nil to 5 high)



Source: Study team elaborations from case studies interviews, 2021

Paying Agency efficiency can be inferred from the time to deliver payments (Figure 5.34), as reported by LAGs. Times of payment are highly variable: some Italian, Spanish and German CS regions provide most payments within one month of beneficiary claims, whilst Austria, Czechia, Slovenia and BE-Wallonia usually need over three months. An intermediate efficiency level (but still of concern) is achieved in the other CSs (Spanish regions, Romania, and Ireland) where most payments are received within 2-3 months.

Figure 5.34: Payment provision times according to LAGs (no. of LAGs by time taken)



Source: Study team, compiled from case study interviews, 2021

Times of payment are highly variable, depending on the personnel available in PAs, project complexity, quality of submitted documents, IT platforms and related accessibility, and other factors. Another relevant variable is the particular role of PAs within the delivery system. In Italian experience, eight regions are supported by regional PAs, in the other thirteen regions by the national PA (AGEA). There is ample evidence that regional PAs are more efficient than the national one, in this respect. In Belgium-Wallonie, the PA has a role limited to payment execution, while the co-funding operational administrations provide the advance payments, verify trimestral payment claims (for the interventions that they are responsible for) and transfer the regional funds to the PA. Payment efficiency, in this case, thus depends on each co-funding administration, each one with different levels of experience and different interpretation of eligibility rules. In Ireland, 94% of beneficiaries interviewed complained about structural payment delays, due to the change of the system in 2014-20 (introduction of a new body responsible for payments at local level). In Germany- Rheinland-Pfalz, LAGs report insufficient numbers of personnel in the PA, to manage the claims.

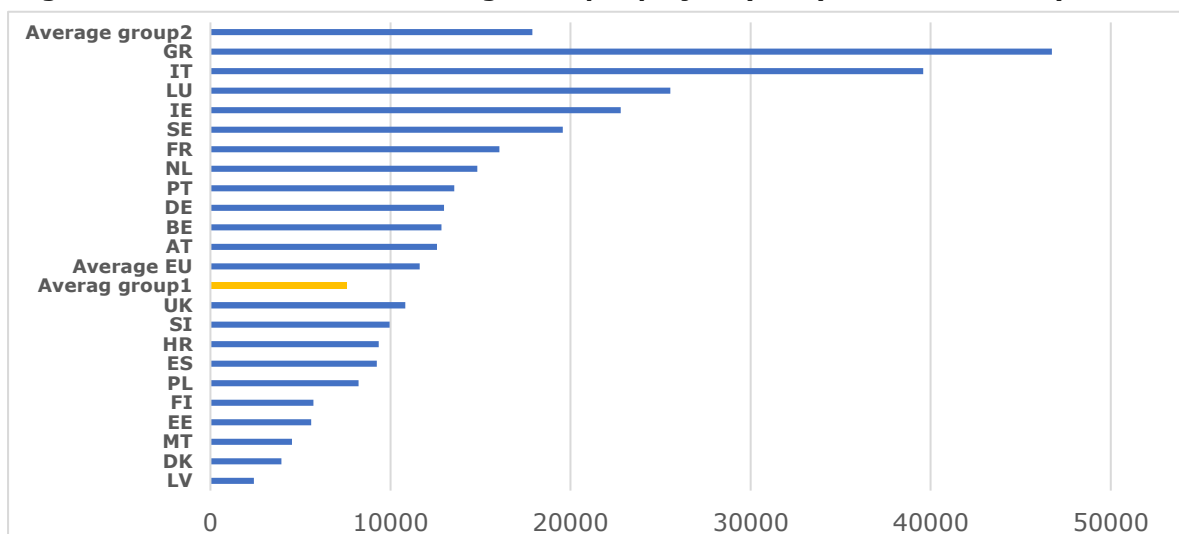
In all case studies, LAGs outline the excessive length and complexity of administrative controls, implying heavy administrative burdens for them (see ESQ8 for more details). Significant implications are also knock-on adverse effects for many beneficiary groups and individuals, especially small operators with low investment capacity.

JC4: LAG operations have been undertaken efficiently

Analysing the efficiency of the delivery at the LAG level is not easy since many factors contribute to LAG performance. The calculation of animation and running costs per project can be used as a proxy of the efficiency, given the lack of more reliable indicators.

The average cost at the EU level is about EUR 11 600 per project (approved and implemented) (Figure 5.35) with all eastern countries below the EU average, four countries between EUR 15 000 and 20 000 (Netherlands, France, Sweden, Ireland). Three countries are over EUR 20 000 per project (Italy, Greece, Luxembourg)⁵⁷. Variability among regions in countries with regional RDPs or regional management of M19 is even greater.

⁵⁷ AIR indicator on the number of projects (O21-cooperation projects and O22-project promoters) are incomplete for some country and region. For this reason, these cases have been excluded from the calculation of the national value, to avoid wrong results.

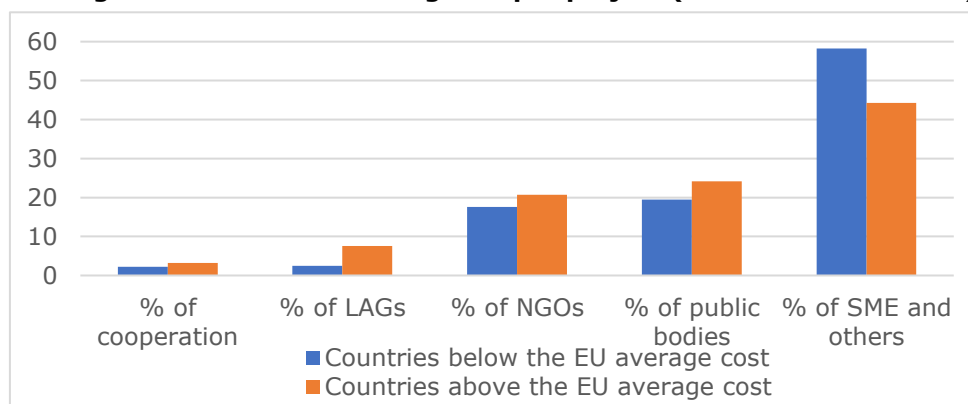
Figure 5.35: Animation and running costs per project (Euro) in EU countries (end 2020)

Source: Study team, from AIR 2020 (note: some MS data is missing – see section 3.3)

This indicator is influenced not only by delivery efficiency, but also by several factors:

- average project size (LAGs selecting small projects have lower delivery costs)
- type of project promoter and investment: LAGs and public bodies promote mainly collective investments (infrastructure and service-related) which usually require more financial resources and technical support than private investments
- the available budget size: LAGs with significant budget resources can devote more funds to animation and running costs than LAGs with small budget
- methods of communication and capacity to reach as diverse beneficiaries as possible. Among these, the latter component is closer to the concept of efficiency.

The influence of project promoters is shown in Figure 5.36: promoters of collective projects (more infrastructure/social oriented) like LAGs, NGOs and public bodies are more common in countries with animation and running costs per project above the EU average. The complexity of these type of projects increases animation and running costs. Where SMEs and other private promoters are more common, animation and running costs are distributed among a greater number of projects allowing lower running costs.

Figure 5.36: Distribution of types of project promoters in MSs below and above the EU average animation and running cost per project (data at the end 2020)

Source: Study team, elaborations from AIR 2020

Data gathered from some case studies allow us to estimate with greater precision the delivery costs per project. Except for Belgium-Wallonie, in all other considered cases the average costs per project are similar and no higher than the EU average of EUR 11 500 per project. Still, there is great variability in Toscana and Wallonie related to the factors

mentioned above. An interesting indicator to assess the capacity of LAGs to fulfil demand from local public and private operators is the ratio between applications received and available budget resources. This also shows how much LAGs have stimulated local demand for investment support through animation and information. In three case studies (Table 5.6), LAGs received requests for 50 to 100 per cent more than the available budget.

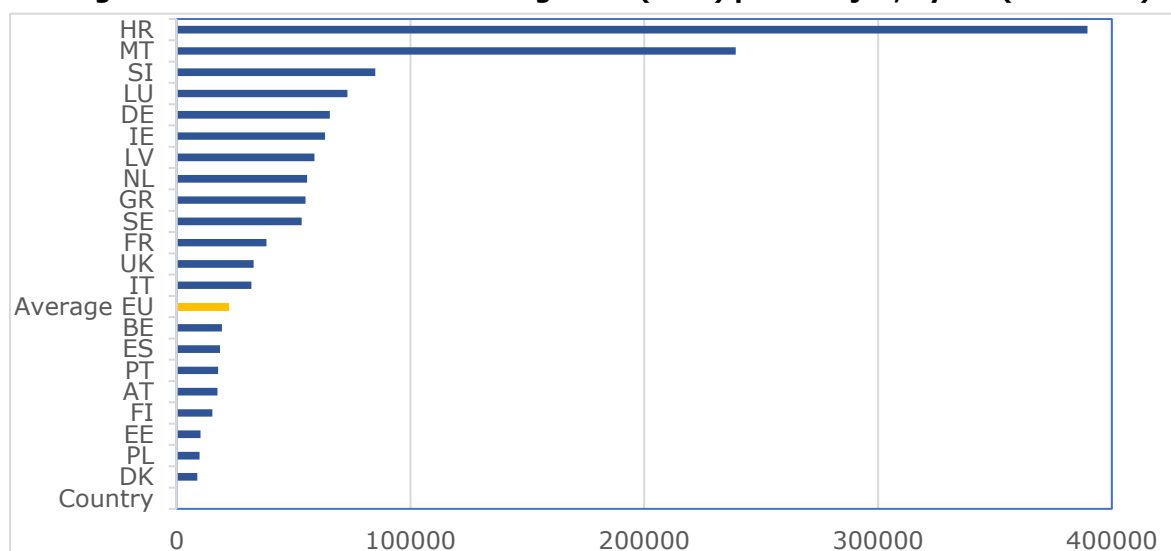
Table 5.6: Animation and running costs per project in some case studies

Case studies	Animation and running costs per project (range of costs)	Ratio between value of submitted applications and available budget at LAG level
Italy - Veneto	6 705 – 8 108	1.5 – 1.6
Italy - Toscana	3 800 – 8 200	2.2 – 2.3
Czechia	6 000 – 10 000	1.0 – 1.5
Ireland	9 200	Not available
Belgium -Wallonie	25 000 – 64 000	Not available

Source: Study team, elaborations from case studies 2021

Based on AIR 2020 information, we assess the delivery costs per new job created in FTE. Average cost at EU level is about EUR 23 000 (Figure 5.37), with great variability among MS⁵⁸. The type of investment and project promoter contribute to differences: projects promoted by SMEs and other private firms show lower costs than public bodies and NGOs. Efficiency strongly depends on the types of projects implemented by LAGs. The MA survey shows that LAGs' strategies are tailored more to addressing economic than social problems in their areas. In the LAG survey the different levels of efficiency (high, medium and low) suggest that the higher the efficiency of LAGs, the higher their capacity to achieve outcomes in terms of economic impact, innovation and economic coherence (see section 5.6 ESQ6 for more detail). There is a less evident relation between efficiency and social impact, but high efficiency helps interventions for social inclusion and social services.

Figure 5.37: Animation and running costs (Euro) per new job, by MS (end 2020)



Source: Study team, elaborations from AIR 2020

⁵⁸ In the case of T23 indicator (new jobs created by LEADER LDSs) some MS/regions did not present a result thus the information is missing. Furthermore, some doubt is raised regarding the accuracy of AIR information related to jobs. In some MS the cost per unit of job seems too high with respect to the average, and is probably due to either particular types of investment or partial information.

SECTION 3: Summary answer for the whole ESQ

Efficiency analysis is conducted at different levels: LAG selection; and implementation of LDSs. Implementation divides in two steps: at PA and MA level, and at LAG level. All these processes are highly differentiated by countries and regions' different delivery systems.

The process of LAG selection was efficient in most cases, except in the cases applying a CLLD-multi-fund approach. The selection process was particularly complex due to different fund administrations' involvement and a need to coordinate times and responsibilities of varied selection bodies. **Mono-fund approach appears more efficient than multi-fund approach** in the implementation phase of LEADER.

A clear division of tasks and roles between MA, PA and LAGs improves efficiency, by limiting possible duplications, especially in the field of administrative checks. Projects' assessment and approval is done more efficiently by LAGs than PAs.

The provision of a series of tools by LEADER authorities improves LAG efficiency (clear information guidelines, manuals, specific websites supporting interpretation of legislation, public forums, standard forms for documenting project selection, regular meetings, etc.).

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 payments from PAs are efficient in some cases, but there is a decreasing efficiency due to the lack of personnel available in PAs, project complexity, low quality of submitted documents, IT platforms and related accessibility, and other factors.

Average delivery costs at the LAG level are EUR 11 600 per project, and EUR 21 000 per job, with high variability among MS. The type of investment and project promoter contributes to differences among MS: projects promoted by SMEs and other private operators show lower costs than those led by public bodies and NGOs.

5.8 ESQ8: To what extent has the current implementation of LEADER reduced administrative burdens: a) at the level of the beneficiaries; b) at the level of the Member States' administrations and LAGs; c) at the level of the Commission services?

SECTION 1: How this question is addressed

In this study the administrative burden depends on the process through which the new CLLD approach has been implemented (multi-fund approach, increased funds and number of LAGs, etc.), in the national/regional translation of the EU principles and rules. It covers processes at all levels of public administration, including EU, national, regional and sub-regional levels, and may also be assessed in respect of the experience of main stakeholders. The main challenge in measuring the administrative burden is data availability. Many public administrations do not monitor the precise costs of delivering certain elements in policy as both staff and procedures commonly deal with multiple responsibilities and processes in combination.

Judgement criteria (JCs):

1. Resources at EU level have been adequate for M19 design and implementation across EU
2. Resources at RDP level have been adequate for M19 design / implementation / payment / control procedures
3. Resources at LAG level have been adequate for the delivery model used in the RDP
4. Degree of complexity of the different phases of the administrative process
5. Delivery improvements that minimise the administrative burden at LAG and applicant/beneficiary level – do the best approaches involve the most devolved delivery?

SECTION 2: Judgement criteria answers

JC1-2-3: Resources at the EU, RDP and LAG level have been adequate for M19 design / implementation / payment / control procedures

Resources at the EU level

Resources at the EU level information was provided by the Commission services, directly and through guidelines, workshops, good practice exchange and technical advice by the European Network of Rural Development (ENRD). In particular, to promote the reduction of administrative burden, the ENRD outlines the development of a series of mechanisms which have been diffused through the web-site: web-based applications, approval and payment tools, and simpler delivery systems for small projects. Furthermore, a series of documents and practical applications in the 2014-2020 programming period have been made available to LAGs and MAs on simplified cost options and practical examples of simplification in the LEADER delivery chain.

Resources at the RDP level

Personnel at MA and PA level has been evaluated as adequate by most LAGs interviewed. Only in very few cases (Austria-Lower Austria, Germany-Rheinland-Pfalz, Italy-Abruzzo) did LAGs complain about the low number of personnel available in MA and PA. However, evaluating the adequacy of personnel depends on a large number of conditions: the number of LAGs approved, the type of delivery system adopted in the country/region (mono/multi-fund, type of call, presence of intermediate bodies supporting MA activities in respect to LDS, etc.) and finally the degree of specialisation in LEADER management of the personnel. In this regard, staff involved in LEADER management or payments are mostly engaged in other measures' management, and only in few cases MA and PA personnel are fully allocated to the LEADER activities.

As already mentioned in discussing the results of the EU survey, according to national and regional MS interviewed (63 respondents), the personnel are adequate for 51% of MAs and 41% of PAs. Still, it must be noted that 31% of MA respondents and 27% of PAs disagree or strongly disagree on this opinion: they acknowledge the existence of some difficulties in managing LEADER by the current staff. MA respondents perceive a high level of administrative burden in three types of task: checking the eligibility of support (54% of total respondents), payment claims (48%) and controls (49%).

Resources at the LAG level

The LAG survey shows that the majority of LAGs perceive a high level of administrative burden in three tasks: payment claims (61% of LAGs), support for project applicants (51%), controls (50.8%). Other tasks are perceived as highly burdensome, such as checking support eligibility (49.7%) and project assessment and ranking (49.2%).

Comparison with results from the case studies are consistent with these perceptions but allow us to go more in-depth into the causes of the administrative burden. According to interviews with LAG managers, the causes are varied but the most significant are:

- Eligibility checks in project assessment and approval increase the administrative burden both for LAGs and beneficiaries (Germany-Rheinland-Pfalz, Ireland);
- Strong rigidity and complexity of the software platforms to upload applications (Slovenia, Italy-Abruzzo, Ireland) causes many inefficiencies and time waste to LAG personnel. In other cases (Germany-Rheinland-Pfalz, Italy-Abruzzo), there was also a completion delay of IT systems for information exchange;
- Smaller projects require as much administrative activity as the large ones, especially for controls, thus highlighting the lack of proportionality in controls' activities (Ireland, Italy-Veneto and Toscana).

JC4: Degree of complexity of the different phases of the administrative process

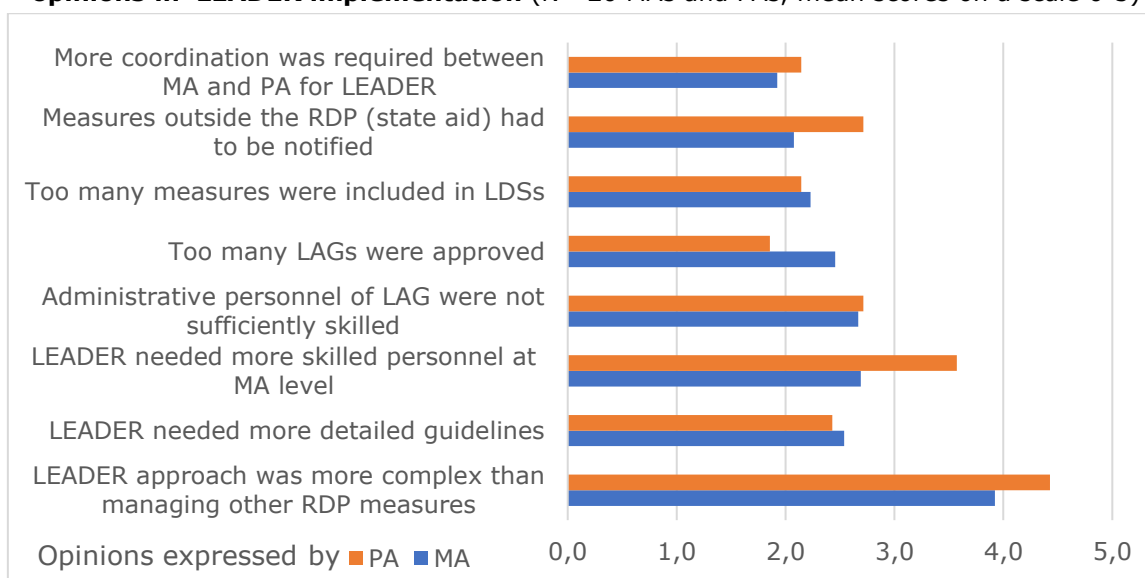
Shifting from mono-fund to CLLD-multi-fund approach has been one of the main reasons for increasing administrative burden in some countries (Sweden, Slovenia and Czechia). This problem mainly concerns the implementation phase, in particular:

- There were high initial learning costs and administrative lengths, especially for the administrations with no previous experience in selecting and implementing local development strategies. In Sweden, high learning costs were outlined at the implementation start in preparing guidance documents, handbooks, etc.
- CLLD requires more human resources in terms of Co-ordination (which appear as not necessary in a context where EAFRD is the dominant fund, as in Sweden) and monitoring four funds rather only one.
- Each fund presents different procedures and multiple rules and guidelines, making implementation challenging to harmonise (Slovenia, Czechia).

Although Sweden had simplified the process, by introducing only one MA (the Swedish Board of Agriculture) and PA for all funds, in the next programming period, it is moving to a mono-fund implementation. An analysis of the activities of the 2014-2020 period financed under the CLLD approach revealed that the LEADER can also be solely implemented under the EAFRD, without losing significant scope (90-95% of activities can be funded via the EAFRD).

According to the MA perception of the administrative burden in MS/Regions (Figure 5.38, CS interviews), the tasks with the highest level of administrative burden are project monitoring (mean score 2.91), payment claims and controls (mean scores 1.91 and 2.36 respectively) falling mainly under responsibility of MAs or PAs. Managing LEADER is usually more complex than other RDP measures, as further explained in case study interviews (Figure 5.38). Complexity is inherent in the approach and requires more skilled personnel. PA officers identify this problem being mainly for the MA's significant role of co-ordination.

Figure 5.38: Reasons increasing administrative burdens according to MA and PA opinions in LEADER implementation (N= 20 MAs and PAs, mean scores on a scale 0-5)



Source: Study team, compiled from case study interviews, 2021

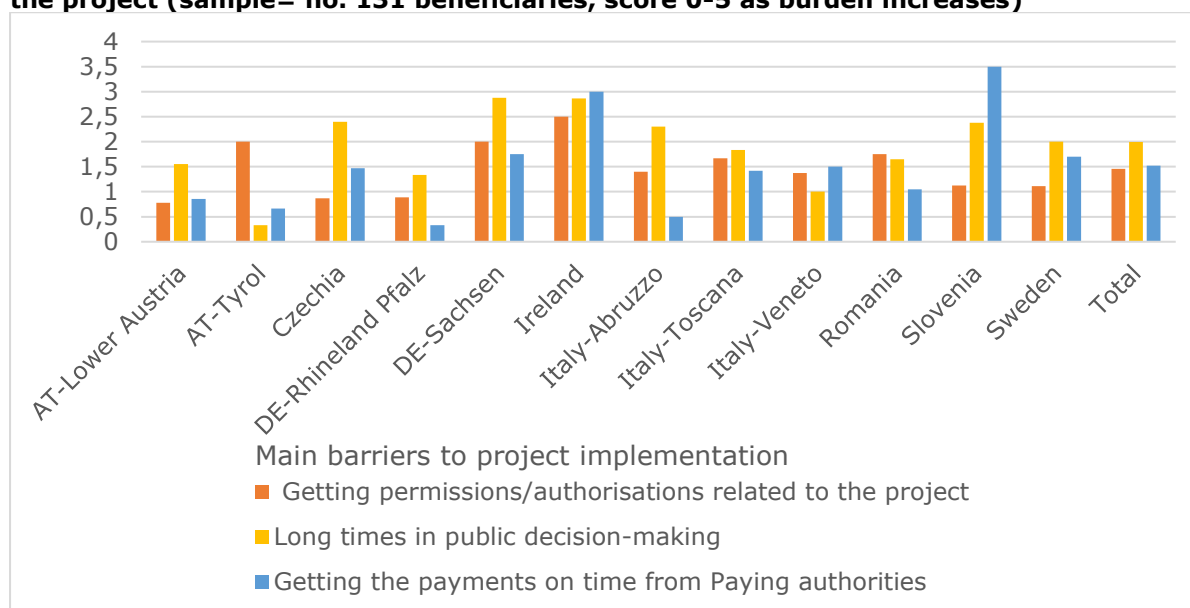
Shifting from mono-fund to CLLD approach has caused an administrative burden also for LAGs, as reported by CS interviews. LAG managers underlined the following reasons:

- in the first years, MA and PA lacked clarification on operational issues (Slovenia). Furthermore, frequently LAGs have to adapt to changing guidelines (Czechia).
- different MAs evaluating LDSs, one per fund, prolonged the assessment (Czechia).
- the responsibility of each fund under different Ministries had negative consequences for local management of CLLD. LAGs had to respond to different methodological guidelines (Czechia), heterogeneous procedures and software to upload information on applications (Slovenia), separate PAs for each programme (Czechia).

The complex delivery framework regarding integrated local development strategies implementation also negatively impacted animation activities and LEADER cooperation projects, resulting in LAGs searching for alternative ways to cooperate, communicate, and encourage participation (Czechia). The Czech LAGs considered RDP not burdensome compared to other ESI Funds (especially ERDF) and needed to assign different personnel to specific interventions as the methodological environments are vastly different.

Beneficiary opinions on administrative barriers in implementing projects are, in general, not so negative. There is some concern about getting payments on time from PAs in Ireland and Slovenia, and a long time in public decision making in Germany-Sachsen and Ireland, where they report a moderate level of difficulty. Overall, beneficiaries' positive perception can be explained by technical assistance and LAG support. This is consistent with what most LAGs say about the support for project applicants being a relevant source of administrative burden.

Figure 5.39: Main obstacles/barriers that beneficiaries have experienced in implementing the project (sample= no. 131 beneficiaries, score 0-5 as burden increases)



Source: Study team, from case study interviews 2021 NB Belgium-Wallonie and Spain data incomplete

JC5: Delivery improvements that minimise the administrative burden at LAG and applicant/beneficiary level – do the best approaches involve the most devolved delivery?

A series of delivery improvements minimise the administrative burden and have been introduced in different steps of the implementing phase:

- Closer support to LAG activities (Belgium-Wallonie) was provided through the technical assistance of intermediate bodies (like the Foundation Rural de Wallonie and the regional rural network) and semestral meetings to monitor the state of the art of LAG's projects. Similar support applies in Germany-Sachsen and Romania.
- A closer collaboration between PA and LAGs can avoid bottleneck effects and delays in crucial tasks such as eligibility checks and assessment and approval of applications. This collaboration has been institutionalised in specific joint technical-evaluation commissions composed by LAGs, MA and PA (Italy-Veneto).
- Specific project types can reduce administrative costs: for example, umbrella projects (Austria) or projects where the LAG is the beneficiary, carrying out the project on behalf of a wider group (Belgium-Wallonie and Italy- Abruzzo CSs).

Decentralising LEADER implementing tasks to LAGs gave more room for manoeuvre for LAGs, but increased their administrative burden. Comparing administrative burden based on the level of autonomy Figure 3.26 indicated that higher level of autonomy implied higher administrative burden, particularly in payment claims and controls (chapter 3.2). According to the EU survey, LAGs applying SCOs confirmed a reduced administrative burden (Table 3.2, section 3.2.4), particularly evident in sub-measures M19.1 and M19.4 Table 3.3.

Impacts of simplified cost options (SCOs) on administrative burden are mainly positive:

- In CSs applying SCOs (Belgium-Wallonie, Slovenia, Sweden, Austria, Germany-Rheinland-Pfalz), the reduction of administrative burden has been more than in non-using countries. In Austria, one LAG manager reported a 30% reduction.
- SCOs impacted on the reduction of documentation (the number of supporting documents that applicants have to submit to the call has decreased, and the eligible cost does not have to be proved in several places) (Belgium-Wallonie, Slovenia). . During the project assessment and approval, SCOs allowed project promoters to submit only a calculation of the net floor area for housing projects (Austria).

- SCOs also reduced administrative costs for LAGs and speeded up calculating personnel costs based on pre-defined qualification profiles. For implementation of projects under sub-measure 19.2 in Slovenia, an hourly rate for voluntary work, i.e., contributions in kind, has been introduced and the tendering procedures have been simplified to some extent. An important change in M19.4, which relates to the operation of the LAG, is the introduction of a single hourly rate. Another important change in the implementation of the programme which led to a reduction in administrative burden was the introduction of a 15% overhead rate.
- Payment procedures have been shortened owing to more straightforward controls (Slovenia). SCOs reduced the administrative costs for beneficiaries related to payment claims with the delegated authorities as PA (Germany-Rheinland-Pfalz)
- A series of shortcomings characterised SCO implementation in some cases. SCO application in Sweden, according to CS LAGs, was uneasy and limited to the biggest projects. SCOs were applied in the form of lump sums and grant rates. However, the interviewee could not confirm that the measures reduced the administrative burden on LAGs and beneficiaries. A statement was made by one LAG manager that SCOs were implemented in bigger projects and "it actually simplifies but can be hard to implement". Both LAGs agreed a need to integrate more proportionality in controls, burdens were too harsh for small enterprises. In Austria CS, only one LAG implemented SCO in Umbrella projects, and commented that only a few costs were simplified.

SECTION 3: Summary answer for the whole ESQ

Administrative burdens in LEADER are noted especially in some specific tasks: checking eligibility of support, payment claims, and controls are considered by MA and PA as the most critical tasks. LAGs perceive a high administrative burden in three activities: payment claim, support for project applicants and controls, there is less perception of burden in checking eligibility for support and project assessment and ranking. There is a consensus on problems related to controls and payment claims. Based on CS comparison, specific analysis allows us to conclude: **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.

Even **shifting from mono-fund to CLLD-multi-fund approach** has been one of the main reasons for increasing administrative burden in some countries (Sweden, Slovenia and Czechia). This conclusion is valid both for LAGs and for MAs.

In some cases, **delivery improvements that minimise the administrative burden** has been introduced, representing three types of governance/procedural innovations:

- A stronger support to LAG activities by Managing Authorities through the technical assistance of intermediate bodies and a closer monitoring of the LAG projects.
- Promotion of management arrangements (in technical commissions/working groups) based on more cooperation / collaboration between MA and LAGs (Belgium-Wallonie and Italy- Veneto).
- Promotion of 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 (trying to overcome the limitations which meant that simplification has not occurred in all cases).

5.9 ESQ9: How coherent are LEADER measures, LAG's activities and support provided under local development strategies for local development with each other; and with other CAP instruments and measures?

SECTION 1 – How is this question addressed?

In addition to the aspects of internal coherence which are explicit in the ESQ, the *extent to which LEADER has been used in synergy with other Rural Development measures supporting social inclusion, poverty reduction and economic development in rural areas is also addressed.*

Internal coherence is analysed at three levels, LDS, RDP and CAP level. This is shown in the three judgement criteria.

Judgement criteria (JCs):

1. LEADER measures and LAG activities are coherent and in line with the local development strategies (LDS).
2. LEADER is operating coherently within Pillar 2 of the CAP in supporting local development addressing: first the coherence of the four LEADER sub-measures (M19.1, M19.2, M19.3 and M19.4) with each other, and second LEADER with other RDP measures.
3. LEADER is coherent with the CAP objectives and other relevant CAP instruments (excluding Pillar 2 from this JC) in relation to supporting local development and/or social inclusion, poverty reduction and economic development in LAG areas.

SECTION 2 – Judgement criteria answers

JC1: LEADER measures (M19) and LAG activities are coherent and in line with the local development strategies (LDS)

The internal coherence between LEADER measures, LAG activities and the Local Development Strategies (LDSs) is addressed at different stages; during the drafting of the LDSs, the selection of projects, and the implementation of LAG activities. There are different ways of addressing internal coherence between Member States or Regions as shown by the case studies.

Drafting of the LDS

During the elaboration and drafting of the LDSs, a high level of coherence with the LEADER sub-measures and planned LAG activities is achieved through the elaboration process (article 33 of Regulation (EU) No 1303/2013), as confirmed in a majority of the case study Regions and Member States (Austria, Belgium-Wallonie, German CS regions, Italy- Abruzzo and Veneto, and Sweden).

To ensure internal coherence, **the analysis conducted in the course of the LDS drafting plays a key role.** As observed in Austria, Ireland and Wallonie (Belgium), the LAGs-in-the-making undertake a SWOT analysis and needs assessment involving a broad range of local stakeholders. This analysis forms the basis for the LDS and lays the foundations of internal coherence. In Sachsen (Germany), the proofing of coherence and a description of how it is achieved in LAG project selection was required to be included in the LDS design.

Internal coherence is further linked to other specific factors:

- The availability of financial support for LDS preparation under sub-measure 19.1 supported the LAGs in their public participatory consultation exercises (Austria, Belgium- Wallonie, Ireland and Czechia, the latter using ERDF funding instead of M19.1) but also in hiring external expertise (Romania);

- For the longstanding LAGs, lessons learnt from developing and implementing their LDSs in 2007-2013 influenced their 2014-2020 LDS drafting (Belgium- Wallonie, Romania) - LAGs that had already drafted a LDS in the previous period were more familiar with the RDP, and thus it was more easy for them to ensure internal coherence;
- In certain regions and Member States a greater degree of guidance provided by the MA, the N/RRN and/or the official or unofficial federations of LAGs was also beneficial. In Rheinland-Pfalz (Germany), individual feedback with concrete needs for revision of the LDS was given to potential LAGs.

During the selection of projects

Whether pre-defined in the LDSs or established independently when drafting calls for proposals, LAGs' **project selection criteria also play a key role ensuring internal coherence**. In Germany, CS regions confirmed that internal coherence of LDS measures is ensured by all LAGs through compulsory selection criteria to ensure that selected projects contribute to the objectives of the LDS, the RDP and EAFRD. Similar mechanisms ensuring coherence between projects and the LDSs were observed in Abruzzo and Toscana (Italy). In Spain- Castilla La Mancha, each LAG established selection criteria to streamline the selection of projects and competition ensured that projects best fitting the LDS were selected (rather than first-come, first served, as previously). In Spain- Extremadura, a uniform set of selection criteria was applied by all LAGs in the region.

As detailed under ESQ2, **co-ordination mechanisms** between different decision makers also enabled the selection of projects most suited to address LDSs. Where the LAG management was the central point of contact for applicants but also responsible for the implementation of the LDS, internal coherence was naturally considered (Germany-Rheinland-Pfalz). The Swedish CS also confirmed that thematic foci and objectives set in the LDSs were in line with the projects supported, ensuring coherence of LAG activities.

During the implementation of LAG activities

Good internal coherence of the LDS during preparation does not necessarily guarantee that coherence is fully maintained during implementation, as projects, contexts and activities evolve over time. **Across the majority of CSs, internal coherence was maintained during implementation by adapting to changed contexts and opportunities:**

- in some CS, adaptations of the LDSs were made (Austria, Czechia, both German CS regions, Ireland, Italy- Abruzzo and Slovenia);
- other LAGs adapted projects and activities (e.g. Belgium- Wallonie and Sweden).

However, no adaptation of LDS and no record of adapted activities were found in Spanish CSs.

In Austria, LAGs were allowed by the MA to **amend LDSs** only twice in the programming period, which they felt was reasonable, and only 2-3 LAGs actually did this. In German CS regions, many more LDS amendments were recorded. In Italy-Abruzzo, only one revision was originally allowed but from 2019 onwards the Region allowed more flexibility in revising the strategy, together with granting more autonomy to LAGs. In Germany CSs, LDS amendments were partly due to the LAGs' desire for simplification (e.g. in decision-making processes), and adaptation to needs, but also due to implementation issues early in the funding period. In Czechia, measures for implementation via LEADER were limited and strictly pre-defined by the MAs. Basic services and village renewal were added only after AIR evaluation at the end of 2019, and had to be aligned with the LDS SWOT and needs analysis; LAGs thus adapted LDSs to access these new measures.

Where **projects or activities were adapted**, this often happened within 'umbrella' projects in Belgium- Wallonie and Sweden, giving flexibility to adapt activities without revision of the LDS. In Belgium- Wallonie the adaptations were closely monitored between

LAGs and MAs in termly meetings. Detailed and thorough self-evaluation in 2018-2019 was important for assessing internal coherence during implementation.

Because no formal adaptations were provided for in Spanish CS LAGs, Extremadura (Spain) reported issues for demonstrating internal coherence. To respond to important changes in context and difficulties with some definitions and procedures, LAG managers made necessary adaptations of LAG actions and moved away from what was initially planned, but they could only do this informally, such that no formal record of these changes was kept. Self-evaluation was acknowledged as a possible way to identify and record this, with hindsight. In Ireland, adaptation was not a problem as LDS themes were described in very broad terms, enabling a wide range of projects to meet requirements.

For maintaining internal coherence, **LAG self-evaluations are an important tool**. Many self-evaluations (with diverse methods as noted in ESQ2 answer) assess whether the LAGs are achieving the objectives of their LDS and remain coherent. In Belgium- Wallonie, attention to the link between projects, activities and LDS was reinforced by self-evaluation. In Italy- Veneto, coherence of LDSs was ensured by self-assessment. In Italy-Toscana, the CS judged self-evaluation of coherence in LDSs could be improved.

Managing Authorities may monitor coherence between LDSs and LAG activities. This is the case in Wallonie (Belgium) where the MAs added a LEADER LDS coherence question in the AIR, ensuring it was fully assessed in LAGs' 2018-19 self-evaluations.

The high level of **internal coherence between LDS and LAG activities is slightly less positive for LEADER cooperation M19.3**. Cooperation projects are essential but more difficult to identify, and ensuring complete coherence with the LDS is more complex. Further information is given in JC2.

JC2: LEADER is operating coherently within Pillar 2 of the CAP in supporting local development

Coherence between different M19 sub-measures

Case studies ascertain **strong synergies or complementarities between the four LEADER sub-measures**. As summarised in Austria CS, each has a precise role: "*M19.1 supports the elaboration of the LDS, M19.2 promotes the implementation of the strategy by funding projects, 19.3. fosters national and transnational cooperation and 19.4 funds the LAG management and awareness-raising*" (though animation and co-ordination). The majority of CSs (Austria, Belgium- Wallonie, Czechia, Germany CS regions, Romania, Slovenia and Sweden) note strong synergies between M19 sub-measures due to their distinct roles, emphasized in the RDP.

The sub-measures effectively complement each other in terms of:

- Timing: covering the different stages from preparation to implementation (starting with M19.1) to project completion (supported by M19.2/3/4 after LDS validation).
- Scope of activities: with complementary and parallel actions, such as animation supporting project implementation; and LAG activities creating opportunities for improved animation/co-ordination.

Some limitations in coherence were found for sub-measure 19.3, in CSs. These projects are sometimes less coherent due to differences in guidance and implementing rules across RDPs. The implementation constraints of cooperation projects (also due to territory differences, language barriers, etc.) reduce coherence with other sub-measures. This was noted in Belgium- Wallonie, Czechia, Germany-Sachsen and Slovenia CSs. In Czechia, 80 LAGs were initially interested in cooperation projects, 26 consulted on projects with the PAs, but only 10 projects were implemented by July 2021, involving 14 LAGs. In Germany- Sachsen, implementation of M19.3 is also lagging. In Belgium- Wallonie, Ireland and Slovenia, where some LAGs have not yet implemented any, active cooperation projects are mostly within national borders. In Slovenia, most cooperation is focused on development of basic services and environmental protection among 30 of the 37 LAGs.

Coherence with other Pillar 2 measures

Internal coherence within the RDP is also supported by the share of M19.2 spent by Focus Area. Around half of the MSs provide an actual breakdown of projects by Focus Area, based on the projects' main goals (see section 3.3, Figure 3.43). Projects are very well integrated within Priority 6 (the most common Focus Area after 6B "fostering local development" being 6A "diversification, creation and development of small enterprises and job creation"). But a variety of other Focus Areas are also significant in specific national or regional contexts. Even in those RDPs where Managing Authorities linked LEADER exclusively to Focus Area 6B (to facilitate registration), in practice LAG projects have addressed a wide range of local needs contributing to many Rural Development Priorities.

Both surveys (LAG and MA) and case studies largely confirm the good internal coherence of LEADER with RDPs. From the LAG survey Figure 3.11, section 3.2), around 90% of respondents (N=480) consider LAG activities either coherent with other measures of the RDP, or without specific interaction. Where coherent, they worked well together in a complementary way and where there was no interaction, one did not influence the other. LAG activities and other RDP measures were viewed as conflicting and creating difficulties by only ten percent of respondents. This was mainly in four MSs (Bulgaria, Spain, Italy and Portugal), where new LAGs more often cited conflict between LAG activities and other RDP measures than long-established ones. In Spain, this was notably due to no adaptation of the LDS or projects during implementation. The MA survey found similar patterns (Figure 3.12, section 3.2). The other key RDP measures supporting local development are M7 'basic services and village renewal'⁵⁹ and M16 'cooperation'⁶⁰, followed by M4 'investments' and M1 and M2 'knowledge exchange and advice'. The first two are broad measures with many sub-measures.

Mutual reinforcement is especially strong between LEADER and M7 (M7 largely supporting investments in infrastructures, LEADER supporting the required soft skills). In Austria, M7 (strengthening and renewing functioning economic and social structures) in particular contributes to the promotion of local development in rural areas, in synergy with LEADER activities. In M7.1.3 "Local Agenda 21", special emphasis is placed on citizen participation, strengthening the bottom-up approach. Reciprocally, actions of LAGs using M19 contribute to M7 goals (as well as to M1, M2 and M16). In Sweden, M7 and M16 are particularly coherent with M19 as their focus relates to activities also undertaken under LEADER. For example, M7 is mainly used for physical investments benefitting local populations and visitors, which must be compatible with municipal and regional plans and LEADER LDSs. Networking, feasibility studies, pilot projects and dissemination of results are also an important part of M16. In Spain CS regions, LEADER plays a complementary role in relation to M4.2 to support the agri-food industry. In Belgium- Wallonie, projects under LEADER operate a different approach (bottom-up and participatory) to other RDP measures, but are complementary to M7.2, M7.4 and M7.5 (tourism infrastructure) as well as M6.4 (a and b). In Ireland M7 was specifically focused on traditional farm buildings only, with allocation planned under M7.6, therefore there was little overlap with M19. In Czechia, M7 was not allocated funding within the RDP.

JC3: LEADER is coherent with the CAP objectives and other relevant CAP instruments (excluding Pillar 2 from this JC) in relation to supporting local development and/or social inclusion, poverty reduction and economic development in LAG areas.

LEADER is coherent with all three general CAP objectives⁶¹ with a focus on balanced territorial development. Other CAP instruments concern CAP Pillar 1 Direct payments, Common Market Organisations, and Horizontal regulations⁶². Several LEADER

⁵⁹ M7 is composed of 8 sub-measures including basic services, Natura 2000 management plans, investments in small scale infrastructure including in renewable energy and energy savings, broadband infrastructure, leisure/culture and tourism, cultural and natural heritage etc.

⁶⁰ M16 is composed of 9 sub-measures including the EIP Agri, pilot projects, tourism, short supply chain, non CLLD strategies, diversification of farming activities to health care, social integration etc.

⁶¹ Viable food production; sustainable management of natural resources and climate action and balanced territorial development.

⁶² Regulations (EU) 1307/2013; 1308/2013; 1306/2013 respectively.

projects support diversification and adding value at farm and supply chain levels, other activities enhancing farm incomes, and activities maintaining farm diversity (see Figure 3.43), mirroring CAP Pillar I objectives. Few links were identified in CSs between LEADER projects and these CAP Instruments.

In a few cases, links are identified when **LEADER is reinforcing other CAP measures**. In Italy- Toscana, an example of complementarity between LEADER and the wine CMO was observed. A LAG introduced specific selection criteria to address niche farms or specific sectors. The priority given to farms processing wood boosted local production of barrels, with a positive impact on the wine sector. In Spain CS regions and especially in territories with a strong agri-food business, LEADER also enhanced the development of small wineries which were otherwise excluded from other CAP measures due to demarcation lines intended to avoid double funding. Based on the case study, in Castilla La Mancha and Extremadura (Spain) the interrelation between LAGs and the rest of the CAP measures is explicit. Actions promoted in these regions by the LAGs (improvement of services, dynamization of the population, promotion of the territory, etc.) and their impact on improved quality of life and socio-economic development, reinforce the effects of the other CAP measures. In Belgium- Wallonie, activities of a LAG in supporting an integrated and sustainable agricultural sector highlighted the difficulties faced by farmers in a very fragmented agricultural knowledge and innovation system. The LAG officer was thus able to provide one-off advice to the farmers already involved in a LAG project.

Rather than focusing on synergies or complementarities, **mechanisms ensure that there should be no overlap or duplication**. LAGs in Austria, Czechia, German and Spanish CS regions, Slovenia and Sweden rely on the design of the RDPs⁶³ to ensure coherence with other CAP instruments and measures.

SECTION 3 – Summary answer for the whole ESQ

The internal coherence between LEADER measures, LAG's activities and support provided under LDSs is confirmed as largely positive. It is addressed at different stages starting with the drafting of the LDS to the selection of projects and implementation of LAG activities. The consultation process conducted by the LAG candidates in the course of their LDS drafting plays a key role, also regarding coherence. But it is not sufficient and, to ensure that the internal coherence remains during the implementation of the LDS (as attested across many of the case studies), adaptations to the LDSs (Austria, Czechia, Germany and Italy CSs) or to projects and activities (BE-WL and SE) were made. LAG self-evaluations are key to assess whether projects are achieving LDS objectives and coherent.

The case studies find **strong synergies or complementarities between LEADER sub-measures (M19.1, M19.2, M19.4 and to a lesser extent M19.3)**. They complement each other covering either the different stages from the preparation to implementation (starting with M19.1) or complementary parallel activities (such as LAG animation). Only for the cooperation sub-measure (M19.3) some limitations were found: these projects are essential but are more difficult to identify (and to implement) and sometimes less coherent notably due to differences in guidance and implementing rules across the different RDPs.

LEADER is also operating coherently within Pillar 2 of the CAP in supporting local development. Projects are well integrated in Priority 6 (Focus Areas 6B "fostering local development" and 6A "diversification, creation and development of small enterprises and job creation"), but other Focus Areas are also significant in specific national or regional contexts. Even in the RDPs where the Managing Authorities linked LEADER exclusively to Focus Area 6B (to facilitate registration), in practice LAG projects addressed a wide range of local needs contributing, even if in lesser extent, to other Rural Development Priorities. Other RDP measures supporting local development are mainly M7 (basic services and village renewal), M16 (cooperation) and to a lesser extent Measures 1, 2 and 4. Mutual reinforcement is especially the case between LEADER and the multifaceted M7. Surveys confirmed that LEADER and these RDP measures work together in an integrated way.

⁶³ Section 14.1 of RDPs on complementarity with ESI funds and Pillar 1.

LEADER is coherent with general CAP objectives. Some LEADER projects support adding value and other activities enhancing farm income, as well as maintenance of agricultural diversity, relevant to CAP Pillar I, **but few concrete links were identified in case studies between LEADER and other CAP instruments** (with the exception of some rare and indirect contributions to CMOs or agricultural knowledge systems).

5.10 ESQ10: How coherent are LEADER measures, LAG's activities and support with other relevant EU and national/regional policy initiatives?

SECTION 1 – How this question is addressed

In addition to the aspects explicitly mentioned in the ESQ, the *extent to which LEADER has been used in synergy with other ESIF policies supporting social inclusion, poverty reduction and economic development in rural areas and community-led local development, is also addressed. The assessment should consider how this coherence is influenced by the delivery approach adopted (e.g. whether integrated as in CLLD, or standalone).*

Judgement criteria (JCs):

1. LEADER is coherent with the European Structural and Investment Funds (ESIF: ESF, ERDF, EMFF) policies relevant for community-led local development.
2. LEADER is coherent with the European Structural and Investment Funds (ESIF: ESF, ERDF, EMFF) policies, in supporting social inclusion, poverty reduction and economic development in LAG areas.
3. LEADER is more / is less coherent with the relevant policies when it is in a multi-funded CLLD approach (compared to a mono-fund situation).
4. There is evidence of synergies between LEADER and other relevant EU instruments and/or EU programmes such as Interreg and LIFE.
5. LEADER is coherent with national/regional policy initiatives supporting social inclusion, poverty reduction and economic development in rural areas.
6. LEADER is more / is less coherent with other relevant national/regional policies when it is a multi-funded CLLD approach (compared to a mono-fund situation).

N.B. The two judgement criteria focusing on the effect of multi-funding (compared to a mono-fund situation) on the coherence of LEADER with ESIF and with relevant national/regional policies have been answered jointly, as these JC involved considerable overlaps in evidence and findings.

SECTION 2 – Judgement criteria answers

JC1: LEADER is coherent with the European Structural and Investment Funds (ESIF: ESF, ERDF, EMFF) policies relevant for community-led local development

The ex-post synthesis of evaluations of EAFRD programmes 2007-2013 concluded there was insufficient robust evidence upon which to base any conclusions concerning the external coherence of CAP Pillar 2 funding, including LEADER (Ecorys, 2018). In the current period, coherence between EAFRD and the other ESI funds is planned explicitly via the Partnership Agreements. Application of LEADER is possible under all ESI funds since 2014, under the terms of CLLD (see section 1.2.2). **In the survey of MAs, the overwhelming judgement of respondents was that there was little overlap, conflict or duplication between LEADER and ESIF policies in the sphere of CLLD.**

Among the case studies, evidence is mostly positive. In Slovenia, considering external coherence of the CLLD, LAG and MA/PA personnel note good coherence between local development strategies and the operational programme of Cohesion policy in Slovenia, as well as with cross-border funds and programmes including ERASMUS. LAGs are noted as acting helpfully to signpost applicants towards other larger or more appropriate funds where needs arise, encouraging this coherence. A similar situation is observed in Czechia.

In Spain, the regions selected for case study include one which also adopted Spain's Integrated Territorial Investments (ITI) approach, using ESIF funds. The ITI in Castilla-La-Mancha is judged as a significant instrument to achieve greater coherence between funding sources and to focus attention and resources upon areas that face the greatest

depopulation challenges. In interviews in both CS areas with Managing Authorities and LAG networks, it was confirmed that LAGs keep well informed of the targets and operating priorities of ITI and other programmes, so the relationship is complementary and avoids duplication of effort, with good cross-referral at case file level. The fact that the RDP MA is also the Regional Ministry of Economy and Finance helps ensure co-ordination between LEADER, EAFRD and wider EU and national funds. Both regions have fund co-ordination committees which make joint analyses of how funds are deployed.

The German case study describes a variety of ways in which formal procedures strengthen synergies and avoid overlap or conflict between LAG projects and those with similar objectives under other funds, including ERDF and ESF (differences in scale and sectoral scope help to demarcate choices, and project level co-ordination is explicit), also national funding programmes – e.g. the joint task programme for village renewal (where if a project is funded with EAFRD by a LAG, it must show additional LDS value-added by comparison to joint-task projects; in some instances LAG endorsement of a regional project application can increase the level of funding awarded by 10%). Thus, coherence is strong at the level of individual LDSs, between LEADER and other sources of funding.

In all three of the case study regions in Italy, LEADER and LAGs are found to operate in a coherent way with the wider context of the National Strategy for Internal Areas, which prioritises the regeneration and recovery of the most remote and marginal rural territories in Italy and mobilises relevant ESIF funds to this end through the Partnership Agreement. In all regions except Sicily, the Managing Authorities chose to operate a mono-fund approach to CLLD, but close co-ordination of LEADER operation with ERDF operational programmes is noted, particularly in the fields of tourism and infrastructure enhancement.

JC2: LEADER is coherent with the European Structural and Investment Funds (ESIF: ESF, ERDF, EMFF) policies, in supporting social inclusion, poverty reduction and economic development in LAG areas

Evidence from the MA survey suggests that in general, the LEADER measure either works in a complementary way or doesn't interact with other EU funds. Most complementary fields are: creating employment opportunities (46% of respondents agreed), supporting innovative projects (42%) and supporting new business development (40%). Fewer than 10% of respondents said LEADER conflicts with other EU funds.

The case studies provide examples of co-ordination and complementarity between LAG activities and the social and economic strategies and goals of other funds, including both national/regional initiatives and ESIF operational programmes. In general, the Partnership Agreements are cited as setting out coherent frameworks and then the LAG technical staff and the LDS are seen as the key operational elements ensuring coherence of LEADER with relevant Operational Programmes. Evidence presented for the previous JC in this ESQ answer is relevant to this JC, e.g. from Germany, Slovenia, Czechia, Spain and Italy CSs.

Ireland's LEADER is delivered by an integrated structure of Local Community Development Committees (LCDCs) combining local governance and multiple funding programmes, ensuring coherence between LAG activities and strategies and priorities of local, regional, national and EU development funds. These target needs including rural employment, social inclusion, sustainable development and rural youth. Because the main implementers of LDSs are Local Development Companies (LDCs) that deliver LEADER along with social and economic development policies and programmes, there is strong coherence between them through integrated delivery systems and knowledge. Interviewees noted complementarity between programmes and the benefits of working across multiple programmes with similar objectives, also avoiding duplication. The integrated delivery system proved beneficial especially after significant cut to the LEADER budget for the 2014-20 period, when all LAGs experienced reduction in funding. Strong relationships between LEADER and other programmes enabled LDCs to accomplish more than would have been the case had LEADER been working in isolation, through more effective targeting of resources. A LAG in County Clare listed 13 economic development initiatives, 16 social development initiatives, and 11 local environmental enhancement initiatives with whom they partner

closely, ensuring funds are used in complementary ways. Funds being channelled via the same local delivery agents is key: at higher/more strategic levels, specific activities to promote coherence are less evident.

In Wallonie (Belgium), there is no real link with ESF and ERDF: it was a conscious decision by the ERDF authorities that it would not connect with LEADER as it focuses on larger projects and operates in a very different way. However, LEADER operates well with other EU funds and the Action Plan for Social Cohesion supported by Europe and revised in 2010. For all these, coherence at both LDS planning and implementation phases was ensured by close liaison and exchange between relevant actors.

In Romania, a background study (Tesluic et al., 2015) for the National Strategy on Social Inclusion and Poverty Reduction noted a high proportion of the most needy/marginal communes within the territories of the 163 LAGs, in the 2007-2013 period. However, the published Strategy makes minimal reference to LEADER and CLLD only as a potential intervention. The Partnership Agreement makes a clear distinction between addressing social inclusion and poverty reduction via "rural" LAGs mono-funded by EAFRD, and "urban" LAGs multi-funded by ESF and ERDF, only the latter being described in Romanian legislation as CLLD. The EMFF-funded F(fisheries)LAGs do not address social inclusion and poverty reduction. In rural areas and small towns, the main complementarity between LEADER and other EU funds is made explicit in the Partnership Agreement between Priority 6 (Promoting social inclusion and economic development in local areas) of the NRDP and Priority 5 (Local development under the responsibilities of the communities) of the ESF-funded Operational Programme for Human Capital (POCU). For social infrastructure in disadvantaged communities, LEADER provides funding for hard infrastructure and ESF makes this "operational" with soft measures. But where (perhaps because) the main Romanian social programmes are World Bank-funded, there appears little coherence between them and LEADER. National stakeholders at the validation workshop called strongly for better connection between LAGs and wider social policies for inclusion and poverty reduction, saying they could do more to help close the gap between more and less developed rural areas; currently, LEADER is more active in better-endowed rural areas.

In Sweden, under the eligibility criteria for LEADER, LAGs cannot directly finance activities that are in the purview of public authorities, including poverty reduction. However, some LAG actions targeting excluded groups indirectly contribute to broader social policy goals.

So, the evidence on this criterion is largely positive but with some potential missed opportunities in some MS or regions, where LAGs could work more closely with other funds to support social inclusion, in particular.

JC3 and JC6: LEADER is more / is less coherent with the relevant policies when it is a multi-funded CLLD approach (compared to a mono-fund situation)

To judge whether multi-funded CLLD makes a difference to the coherence of LEADER with other funding programmes and policies, as compared to a mono-fund approach, it is important to understand how LEADER CLLD has operated.

The Commission Staff working document on the synthesis of evaluations of ESIF and EAFRD 2014-2020⁶⁴ reports that Member States produced 42 evaluations covering integrated territorial development approaches: 18 on integrated territorial investments (ITIs), 6 on community-led local development (CLLD), 3 on both ITIs and CLLD, and 15 on sustainable urban development (SUD). The evaluations mainly examine the governance, procedures and implementation of the instruments, based on a mix of quantitative and qualitative methods and most include case studies. Cooperation between different regional and local interest groups and public participation in local development strategies was a key success factor of CLLD in Austria, Poland and Romania; in the latter, they were more effective if concentrated in specific neighbourhoods and communities.

⁶⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021SC0086>.

Managing and monitoring the contributions of different funds and programmes proved difficult and administratively burdensome in Czechia and the Netherlands. Too many organisations were involved at different levels in Italy and Hungary, with unclear allocation of tasks at local, regional and national level. Estonia reported difficulties integrating projects and different types of measures in one territory.

From the MA survey in this evaluation, the identified benefits of multi-funding are reported to be: greater resources for LAGs, and sometimes more flexibility or more options in how funding can be used (depending on the conditions applied to the different funding sources), whereas for mono-funding the main benefits reported are clarity and simplicity of operation. Some multi-funding approaches sought to reduce the complexity of working with multiple funds, as has been discussed in the evidence for ESQ7. Among 60 respondents to this question in the MA survey, the mix of models is reported in Table 5.7.

Table 5.7: Multi-funding use by LEADER as reported by MAs.

In your RDP territory:	Not used by any LAGs	Used by some LAGs	Used by all or almost all LAGs
M19.4 (EAFRD)	2	2	56
ERDF	30	12	8
ESF	28	10	7
EMFF	28	16	2
Other EU funding	25	12	1
Regional or National funding	18	11	18
Other additional funding	13	5	10

Source: study team, MA survey dataset 2021

In our sample, about one in three RDPs delivered EAFRD LEADER along with ERDF money, and almost as many combined EAFRD with ESF and/or EMFF money; while a higher proportion of RDPs had LAGs that used regional or national funds alongside EAFRD. Almost all LEADER programmes use measure 19.4 to cover running costs and animation of the LAGs, but there are 2 programmes where this does not happen because ESF covers these costs for all the LAGs, and 2 other examples where some LAGs appear to find other funds to cover these costs.

Among the CS countries, Austria allowed the decision as to whether LEADER should be mono or multi-funded CLLD to be made at a sub-national level, and only Tyrol chose the latter approach. Regarding coherence with other ESI funds, all LAG managers see a coherent approach, but the Tyrolian LAGs perceive the multi-fund approach itself as promoting coherence and efficiency, a view that is also supported by an independent academic who has evaluated LEADER in the current period. Both Lower Austrian LAG managers say they would prefer the multi-fund approach, but the provincial government has so far denied this. Comparing coherence scores, the multifund LAGs report stronger coherence than the mono-fund ones, overall (Table 5.8).

In Slovenia, the CLLD approach uses EAFRD, ERDF and EMFF. In the current programme, LAGs cover all the rural territory of Slovenia and their budgets are significantly higher than in the previous programme: their role in rural development is thus correspondingly more prominent. In CLLD the different funds cover different shares of eligible costs in projects, and may target different goals within each LDS – for example ERDF being used mainly to create jobs, in one LAG, while its EAFRD funding is directed more strongly to development of basic services for the rural population; whereas both funds are used to target environmental protection and involvement of young people, women and vulnerable groups but with different scales or types of action. In both CS LAGs, EAFRD covers all the LAG running costs and animation.

Table 5.8: Austria – coherence of LEADER and other funds as judged by the 4 CS LAGs

LAG name: Fund	Tyrol LAG 1 (multifund)	Tyrol LAG 2 (multifund)	Lower Austria LAG 1 (EAFRD only)	Lower Austria LAG 2 (EAFRD only)
EAFRD	integrated + synergies	overlaps + synergies	overlaps	none
ERDF	integrated + synergies	overlaps + synergies	synergies	overlaps
ESF	synergies	overlaps + synergies	none	synergies
EMFF	not relevant	not relevant	not relevant	not relevant
Other EU	synergies	synergies	none	none
Regional/National	synergies	synergies	integrated	overlaps
Local	synergies	not available	synergies	overlaps

Source: Austrian case study report, 2021

An independent policy analysis (Erjavec and Rac, 2020) concluded that overall rural development policies remain too sectoral, and rural appraisal is too agriculture-dominated, in Slovenia; however, multi-funded CLLD was highlighted as an appropriate mechanism to help change this perspective. The Co-ordinating Office of CLLD in Slovenia helped to ensure a unified approach among the fund managers of EAFRD and ERDF, although the existence of separate monitoring and reporting for each ESIF means that it is not easy to get a clear picture of overall achievements and there will be no overall CLLD evaluation. Interviewees in the LAGs and MA considered CLLD had provided a more coherent approach to local development which offered benefits by comparison with LEADER LAGs funded only from EAFRD, in the previous programme.

In Czechia the CLLD approach involves three ESI funds - EAFRD, ERDF and ESF implemented through four Operational Programmes. Funding focus is determined by thematic areas, with EAFRD supporting primarily economic development (RDP measures targeting agriculture, food, forestry and non-agricultural business), ERDF supporting primarily capital investments with the main focus on investment in public facilities and services, while ERDF funding through OP Environment focuses on strengthening biodiversity and ESF supports employment and social inclusion. ERDF covers LAGs running cost and animation activities, with LAGs required to secure 5% co-funding from other sources. Ministry of Regional Development acts as main CLLD coordinator.

In the Spanish CS, LEADER examples were mono-fund EAFRD, and LAG and MA interviewees were unconvinced that the benefits of multi-funding outweighed the added administrative burden, given that *'the [CLLD] proposal is not oriented as a bag of money to finance the LDS from three funds with a common procedure, but focused on managing three different funds, and this is too complex'* (Spain CS interviews). It was judged better for LAGs to offer facilitation and promotion to attract different funds to their territories. In Sachsen, Germany, the decision to operate a multi-fund approach combining EAFRD and EMFF was made because the lesson of the previous funding period was that operating EMFF as a regional top-down programme failed to deliver well-targeted or impactful projects, whereas LAGs operated much more effectively to meet local development needs. Thus, CLLD effectively enables EMFF funds to be channelled via a LAG and LDS/LEADER approach, along with EAFRD funding, in a complementary way.

LEADER is implemented in a multi-fund approach in Sweden for all four ESIF. EAFRD and EMFF are managed by the Swedish Board of Agriculture (Jordbruksverket, JBV), which also acts as the managing authority for the CLLD components of ERDF and ESF. Thus, all CLLD implementation, and the NRN and the PA are also within the JBV. In order to avoid double financing, a project can only be financed by the fund whose focus is directly targeting the specific project's objective. LAG interviewees reported that LEADER, ERDF and ESF are well integrated: *"there is no duplication, the LDS has clearly defined activities per fund, this is one of the strengths of the CLLD implementation"*. The same interviewees declared that synergies are created in *"cooperation with local projects in mobile and sustainable travel in the hospitality industry"*. However, the MA interviewees noted: *"as the*

programmes were written in parallel and there are separate rules for each ESIF, co-ordination is difficult". ESF and ERDF are structured along NUTS2 regions via regional nodes (bodies), while EAFRD is not, which *"leads to poor Co-ordination between the funds and has created obstacles"*. Despite these issues, most LAGs welcome the access to more funding sources and it is also welcomed by the MA.

Overall, therefore, it seems multi-fund CLLD can offer benefits of enhanced coherence with ESIF programmes but only insofar as they are able to minimise or overcome the additional complexities of administration and management. In a mono-fund situation, coherence seems to be more a matter of good communication than of truly joint activities between the funds, whereas in a multi-fund setup, functional cooperation is in-built, at least for that part of each fund channelled through the CLLD vehicle. However, lack of coherence with other funds overall appears not to be a significant issue for LEADER.

JC4: There is evidence of complementarities between LEADER and other relevant EU policies and/or instruments such as Interreg and LIFE

The Interreg programmes share the cooperation principle of LEADER. Interreg is one of the key instruments of the European Union supporting cooperation across borders through project funding, to jointly tackle common challenges and find shared solutions in fields such as health, environment, research, education, transport, sustainable energy and more. At a local level, the LEADER projects operate independently from the Interreg programmes, but a few strong complementarities were identified. It is important to note that not all regions have these programmes implemented.

Across case studies, a few LAGs were involved in the implementation of Interreg projects, with benefits of cooperation and networking. In IT-Veneto where the involvement of LAGs in the implementation of Italo-Austrian projects funded by Interreg ensured integration of the LEADER interventions with those of territorial cooperation. This strengthened their impact on the territory, while enabling them to leverage additional resources. In Slovenia, through participation as a partner in several Interreg projects (INSiGHTS, CityWal, MINE TOUR, etc.), a LAG established a new network of partners, later using this to prepare its cooperation programmes (M19.3) and in its partnership search.

Interreg may constitute a follow-up from an earlier LAG project, or have been considered as an alternative to applying for LEADER transnational cooperation funding. In Belgium-Wallonie, a successful LAG project focused on social agriculture was extended into an Interreg project between French and Belgian regions. Larger ESI projects may also grow from LAG pilots. In Czechia, all three case study LAGs take part in Interreg cross-border cooperation projects as an alternative to the implementation of LEADER's cooperation sub-measure (M19.3), for which rules are deemed too complicated and limiting. As example, one CZ LAG is participating (developing a web Application) in an Interreg project with Poland (Interreg V-A) on the potential of tourism to provide indirect support for jobs.

The Programme for Environment and Climate Action (LIFE) is the only EU funding programme exclusively dedicated to the environment, nature protection and climate action (EC, 2017)⁶⁵. In the current period, one of its general aims is to support better environmental and climate governance at all levels, and it aims to do so by including better involvement of civil society, NGOs and local actors (Article 3 of LIFE Regulation). At mid-term evaluation, the Committee of the Regions confirmed: 'local and regional authorities are amongst the main beneficiaries of the LIFE programme and make direct use of it by implementing LIFE projects and developing regional and local partnerships' (EC, 2017)⁶⁶.

At local level, LEADER projects mainly operate independently from the LIFE programmes but some rare interactions exist. As with Interreg, it is important to note that not all regions

⁶⁵ European Commission, 2017, Commission Staff Working Document accompanying the Report on the Mid-term Evaluation of the Programme for Environment and Climate Action (LIFE), COM(2017) 642 final - SWD(2017) 356 final.

⁶⁶ European Commission, 2017, Commission Staff Working Document accompanying the Report on the Mid-term Evaluation of the Programme for Environment and Climate Action (LIFE), COM(2017) 642 final - SWD(2017) 356 final.

have LIFE programmes. Throughout the LEADER case studies, LIFE projects were mentioned only in three of the regions studied (Belgium-Wallonie, Czechia and Sweden). LAGs supported by regional Nature Parks are more likely to establish links with LIFE programmes (France (lit review) and Belgium-Wallonie). CS LAGs involved with LIFE projects expressed benefits especially in terms of networking and cooperation. In Wallonie, a LAG benefited from the network established through an ongoing LIFE project managed by its linked Natural Park. The Swedish case study also indicated synergies with LIFE (and Interreg) programmes in "*cooperation with local interface projects in mobile and sustainable travel in the hospitality industry*". In Czechia, LAGs also embraced cooperation opportunities with LIFE projects.

Overall, case studies show some positive Interreg and LIFE collaborations. The framework and provisions of the funding instruments ensure coherence in the objectives and clarify the demarcation lines between these and LEADER, to avoid any duplication.

JC5: LEADER is coherent with national/regional policy initiatives supporting social inclusion, poverty reduction and economic development in rural areas.

Coherence is territorially sensitive and depends on the context (including historical and territorial evolution), the national/regional programmes, implementation architecture and provisions of the CAP and other EU instruments in each Region or Member State. Based on CS interviews, **LEADER is coherent with national and/or regional policy initiatives supporting local development, and these work alongside it.** The CS list and detail numerous regional, national or sometimes local policies in this regard.

Table 5.9: National, regional or local initiatives in CS supporting local development

Case study Member State – region	Presence of initiatives supporting local development		
	National	Regional	Local (municipalities)
Austria	Yes	Yes	No
Belgium– Wallonie	No	Yes	No
Czechia	Yes	Yes	Yes
Germany CS regions	Yes ⁶⁷	Yes	No
Ireland	Yes	Yes	Yes
Italy- Abruzzo	Yes	Yes	No
Italy- Toscana		No	No
Italy- Veneto		Yes	Yes
Romania	Yes	No	No
Slovenia	No	No	Yes
Spain CS regions	No	Yes	No
Sweden	Yes	No	No

Source: Study team based on case studies and interviews, 2021

In Ireland and Czechia, LAGs had to **demonstrate external coherence in their Local Development Strategies (LDS)**. It encompassed a wide range of policies and plans, as relevant to the LAG strategy (e.g. development plans of individual municipalities, county development plans, strategic plan for social inclusion, land management plans, RDP, regional economic development strategy, concept support for SMEs, action plan for jobs, growing tourism strategy, national strategy for growth of agriculture and food industry, national recommendations to energise rural economy, employment strategy, rural retailing strategy, national youth strategy, EU sustainable development strategy, etc.). Many other CS LAGs (Austria, Belgium-Wallonie, Italy- Abruzzo and Toscana) also consider these complementarities and demarcation aspects while building LDSs. In Austria, it is mandatory for LAGs to refer to and coordinate their measures with national, provincial and regional policies, and broad participation in the LDS elaboration process ensures important stakeholders (e.g. regional development, tourism, youth representatives, etc.) take part and thus integrate "their policies" in the strategy.

⁶⁷ Federal programme 'regional budget'.

During implementation, a high level of coherence with national and regional initiatives is observed in a majority of the case studies (Austria, Belgium- Wallonie, German CS regions, Ireland, Italy CS regions and Sweden). Initiatives generated at a local level to support local development are less numerous but good coherence with LEADER is noted in the Irish and Veneto (Italy) case studies. Examples of these coherent initiatives encompass themes including economic, social, agricultural and environmental issues.

With national programmes: In Ireland, there is a high level of coherence between LEADER Measures, LAG activities, and national programmes. This coherence is strongest for social inclusion and enterprise development (especially related to rural tourism). In particular, the Social Inclusion and Community Activation Programme (SICAP), the Town and Village Initiative, and the Rural Resource Programme were identified as having strong links. The coherence occurs most strongly at the implementing partner level (LDC) due to relationships developed over long time periods between LEADER project officers working in LDCs and the coordinators and delivery organisations of other funding programmes.

In Austria, the MAs highlighted the importance of the Co-ordination with the national programmes "Climate and Energy Model Regions (KEM)" and "Climate change Adaptation Regions (KLAR!)" as well as with the regional tourism funds. Ferner et al (2017)⁶⁸ conducted a study that showed that almost all of the 77 LDSs contain goals and measures in the areas of energy, climate change, climate protection and/or adaptation to climate change which showed potential synergies with KEM in almost all thematic clusters. Potential synergies with KLAR! can be found only in the field of awareness rising for climate change adaption and the development of climate change adaption concepts. As there is many spatial overlapping between these programmes, it is important for the managers to be in contact and coordinate their activities in order to gain synergies.

In Italy- Toscana, the most significant initiative relevant for social inclusion, poverty reduction and economic development is the National Strategy for Inner Areas (NSIA). The strategy combines all ESI Funds with national funds to support strategies for both local development and service innovation. It adopts a place-based approach so it is very similar to LEADER for many aspects. Many LAGs have been involved in the programming and implementation of the strategy at different levels. The synergy with the national policies, particularly with the Strategy for Inner Areas, gave the LAGs the possibility to leverage the impact of the LDS and cover aspects and sectors not directly financed by the LEADER funds. It is the case of public services and mobility which were excluded or scarcely sustained in the local plans.

With regional initiatives: In Belgium- Wallonie, several regional policy initiatives support rural and/or local development, funding activities close to the scope of LAG actions including social cohesion activities, education and awareness-raising around local food and nature issues, and local municipality rural development plans. The Walloon Region (Belgium) has developed a regional rural development policy at municipal level already since the 1980s. This policy rests on some the same principles as LEADER, namely bottom-up and participatory approach, territorial, but at the level of individual municipalities. In the 2000s, municipal nature development plans were added. All these operate in a very coherent way with the LAGs in theory. The objectives of these numerous initiatives and projects are coherent with those of the LEADER programme. At the level of implementation however, actual complementarities can be more limited (due to the need for municipalities to have a "PCDR" and differences in timing of the implementation).

LAGs operate coherently with the social cohesion plans. And the regional 5-year cultural programme contracts also share objectives with the LAGs such as strengthening supra-municipal cultural cooperation, enhancing territorial specificities and conviviality as well as a sense of belonging (Interview, Belgium-Wallonie case). More recently, the "Nourrir autrement" (Feed differently) initiative, launched in September 2020, selected 46 projects to support the relocation of food in Wallonie region. 10 selected projects were by LAGs.

⁶⁸ Ferner et al. (2017) Synergien LEADER and KEM and KLAR! Vergleichende Analyse der lokalen Entwicklungsstrategien 2014 – 2020 und Synergien mit den Unterstützungsmöglichkeiten und Förderungen KEM und KLAR! des Klima- und Energiefonds. Umweltbundesamt.

In German CS regions, since 2019 a new measure of the Joint Task for the Improvement of Agricultural Structures and Coastal Protection 'GAK 10.0 – regional budget', has been offered in LEADER areas in a call for funding by the EAFRD. LAGs register considerable demand for this measure as it fills a gap for voluntary, non-profit associations to realise locally effective measures. According to LAG managers and MAs, this has considerably increased the visible effects and image of LEADER, and civic engagement. Also, the federal GRW measure 'Regional development concepts, regional management and regional budget, cooperation networks and cluster management' overlaps in parts with LEADER, sharing its bottom-up principle. The GRW promotes 'municipal and business-related infrastructure', such as site development for tourism and public tourism facilities, coinciding with LAGs' objectives in certain areas.

With local initiatives: In Italy-Veneto, there are several Co-ordination tools of local programming, particularly the Area Programming Agreement - IPA (Veneto Dolomites and Belluno Prealps), which presents different aspects of complementarity and integration with Local Development Strategies (LDS) as regards the territorial control and the economic and social vitality of the territories (initiatives to support the vitality of local businesses and the tourist and non-tourist attractiveness of rural areas). The Co-ordination of the interventions is ensured by the participation of several associates to the LAG partnership.

Some cases also reported **lack of coherence (Slovenia, minor in Belgium-Wallonie) or lack of connection (Romania) between LEADER and other rural development policy initiatives**. Tentatively, the limitations to strong external coherence in these cases seem to link to a lack of clarity or common vision in national rural programmes themselves.

In Slovenia, the CS mentions current incoherence between LEADER and public policies in the field of rural areas as highlighted in the report "*Long-term vision for rural areas, the contribution of 20 science-society-policy platforms*" (Erjavec and Rac, 2020)⁶⁹. But it is the public programmes in the field of rural areas in Slovenia which are judged incoherent and unbalanced. A sectoral approach prevails, rural development lacks a common vision and priorities, and rural appraisal is dominated by the agricultural sector. Based on the CS, current policies need to be redefined concerning rural areas, with new approaches based on effective intersectoral and vertical cooperation, greater involvement of the population, bottom-up decision-making and direct democracy. In this context, the LEADER approach and its working principles are highlighted as an appropriate mechanism, and the LAG network has demonstrated visible progress in this direction.

In Wallonie, initiatives funding activities linked to rural local development are largely coherent with LEADER. However, recent initiatives for local development restrained the eligibility of LAGs, which were excluded by default from some calls for proposals⁷⁰.

In Romania, lack of connection between LEADER and other policy on social inclusion and poverty reduction is found. Initiatives to support the *National Strategy on Social Inclusion and Poverty Reduction* have continued to make explicit reference to LAGs but there is very little evidence of tangible connection between the national strategy and LEADER implementation. The available opportunities for complementarity and synergy have not been taken advantage of. Based on CS evidence, the reasons for this 'disconnection' are not apparent, but may (tentatively) be related to the fact that many national policy initiatives are supported by the World Bank which has a different perspective on fostering rural development to those prevailing in EU policy.

As demonstrated, the context and the national/regional programmes state of play and architecture play a role in the possible coherence between LEADER and other rural development initiatives. But **overall, the external coherence is positive, with numerous collaborations and complementarities developed** between the local actors of the different policy initiatives and the LAGs or other LEADER operators.

⁶⁹ Erjavec, E. and Rac, I. (2020). Slovenian rural development vision: long-term vision for rural areas: contribution from 20 science-society-policy platform: map position paper: multi-actor platform SVARUN. available on: https://rural-interfaces.eu/wp-content/uploads/2020/10/MAP_Discussion-Paper_UL.pdf.

⁷⁰ Only new partnerships were eligible, not existing groups.

SECTION 3 – Summary answer for the whole ESQ

LEADER is coherent with the ESIF policies for CLLD. External coherence between of the EARDF within the ESI funds was explicitly planned via the Partnership Agreements during the 2014-2020 programming period contrary to previous ones. During implementation, there was little overlap, conflict or duplication between LEADER and ESIF policies in the sphere of CLLD. Case studies provide evidence of coherence notably through Co-ordination of LEADER with operational programmes in specific fields or areas (e.g. tourism, village renewal, infrastructure enhancement or depopulated areas).

LEADER is overall coherent with the ESI and other national Funds policies supporting social inclusion, poverty reduction and economic development in LAG areas, but with some potential missed opportunities in particular where these other policies appear lacking external coherence. Interactions are more limited in some CSs than others. Sectoral, rather than integrated approach prevails in majority of MS/regions in respect of programmes implementation resulting in missed opportunities for closer, more integrated way of addressing complex and interlinked issues related to social inclusion and poverty

Multi-fund CLLD can offer benefits of enhanced coherence with ESIF programmes compared to a mono-fund situation, but only if additional complexities of administration and management can be minimised or overcome. Austria- Tyrol could be highlighted as an example of CLLD implementation, with the “one stop shop” approach, integrating funding sources and extending LEADER bottom-up approach to all European/Structural and Investment Funds. In a mono-fund situation, coherence seems to be more a matter of good communication than of truly joint activities between the funds, whereas in a multi-fund setup, functional cooperation is in-built, at least for that part of each fund channelled through the CLLD vehicle. However, lack of coherence with other funds overall appears not to be a significant issue for LEADER.

At LAG level, based on case studies, **complementarities were identified between LEADER and especially Interreg projects, and occasionally also with LIFE projects.** The Interreg projects share a strong complementarity with LEADER regarding its cooperation principle. The few LAGs (Italy-Veneto and Slovenia) which have been involved in Interreg projects noted clear benefits notably in terms of impact on the territory and networking. The Interreg projects have also been considered as an evolution from earlier LAG projects (Belgium-Wallonie) or even as an alternative to LEADER’s transnational cooperation projects (Czechia). The interactions between LIFE and LEADER programmes are less frequent; the few cases studied expressed benefits in terms of networking and cooperation (Belgium-Wallonie, Czechia and Sweden).

External coherence with national, regional and local policy initiatives targeting local development is largely positive. LEADER is coherent with the diversity of national and/or regional policy initiatives supporting local development. The case studies provided numerous examples of effective collaborations and complementarities encompassing initiatives in a wide range of thematic, covering economic, social, agricultural and environmental issues. In the Member States where a lack of coherence (Slovenia) or a lack of connection (Romania) between LEADER and other rural development policy initiatives was observed, limitations seem to emerge from a lack of clarity or common vision in these national programmes or between Ministries, not specific to LEADER.

5.11 ESQ11: To what extent have the LEADER measure and local development strategies been relevant for local economic development, promoting enhanced employment and rural vitality?

SECTION 1 – How this question is addressed

Judgement criteria:

1. Local development strategies and LEADER measures correspond to local needs in relation to economic development, employment, and rural vitality
2. LEADER measures and the LDS target appropriate needs related to local economic development
3. LEADER measures and the LDS target appropriate needs related to employment
4. LEADER measures and LDS target appropriate needs related to rural vitality
5. MA decisions have targeted LAGs and LEADER resources effectively in line with relative economic development needs

SECTION 2 – Judgement criteria answers

JC1: Judgement criterion: Local development strategies and LEADER measures correspond to local needs in relation to economic development, employment, and rural vitality

The literature on LEADER attributes significant ability to the LEADER approach in targeting local economic needs. The neo-endogenous approach allows local stakeholders to actively target needs within the frame of wider EU objectives (Furmankiewicz et al 2020). Mainstreaming of LEADER and CLLD have increased the scope of needs which can be targeted by allowing for a wider set of activities (Servillo 2017, Krivstgaard 2018). Due to their decentralized approach, LAGs can be more agile in terms of responding to local needs than higher-level policy actors (Lukesch et al 2020).

In terms of economic needs, the LAG survey (see Figure 3.5, section 3.2) highlighted employment, skills development, and access to markets as (either major or minor) problems across most surveyed LAGs. Particularly labour market concerns are highlighted, with 55.6% of the areas facing major difficulties in terms of lacking employment opportunities. LAGs play an important role in targeting these economic needs and addressing them, as found in both the LAG survey and the case studies. Over 80% of surveyed LAGs perceive their activities as well-targeted (see Figure 3.4, section 3.2). The case studies also attribute a generally high level of success to LAGs in terms of targeting economic needs (see Table 3.1, section 3.2), particularly in the Spanish, Romanian, and Italian CS regions. The MA survey attributed a high importance of LEADER in targeting economic needs related to rural incomes, as well as training and skills development, and to a relatively lesser extent, market access (see Figure 3.16, section 3.2).

The analysis of case study LAGs and their LDSs has highlighted the ability of LAGs to recognise valid economic needs and target them with LEADER actions and measures. The establishment of close relations between the LAG management and actors and experts within the area is essential to appropriately address economic needs. This is illustrated by the Slovenian case study, where -across Slovenia- project lead partners worked intensively with local communities and municipalities, although less strongly with business groups. This cooperation may have resulted in better targeting of economic needs: Slovenian LAGs saw more projects targeted specifically towards entrepreneurship, the tourism sector, and local value added in the food sector. In the Swedish CS LAGs, LAG management actively involved local stakeholders via participatory and outreach events. In the Italian case studies (Abruzzo, Toscana and Veneto), LAGs were successful in mobilising local partnerships to ensure that economic needs were understood and could be addressed by LEADER. For example, business associations act as sounding-boards to bring forward the needs of businesses within the governing bodies of the LAGs. Likewise, in Toscana, pre-call animation activities informed and made businesses aware of both the contents and criteria featured in the calls, thus facilitating their participation. In Veneto, the targeting

of the needs, particularly economic ones, was carried out based on statistical analyses conducted together with specific detection and local comparison surveys. In order to ensure that those identified needs are addressed, support for potential beneficiaries has also been set up in Veneto, to help them identify the best-suited intervention(s) and call for their project application.

Across the analysed pieces of evidence from the LAG and MA surveys and the case studies, the LDSs and LEADER measures are adequately targeting relevant economic needs in relation to economic development, enhanced employment, and rural vitality. The table below provides a comparative assessment of the evidence collected from the case studies, and the MA/LAG survey, in terms of the economic needs in rural regions. In addition, the table presents a judgment on whether these needs have been targeted directly or indirectly via M19 funding or whether (in the case of CLLD/multi-fund implementation) other ESIF play a more significant role in targeting these needs.

Table 5.10: Summary of evidence: LEADER's targeting of economic needs

	Economic development needs relevant targeting		Enhanced employment needs relevant targeting		Rural vitality needs relevant targeting	
LAG and MA survey	x	na	x	na	(x)	na
Belgium-Wallonie	(x)	indirect	(x)	indirect	(x)	indirect
Czechia	x	direct	(x)	direct	x	indirect, mainly other ESIF
Germany CS regions	x	direct	(x)	indirect	(x)	indirect
Ireland	x	direct	x	indirect	x	indirect
Spain CS regions	x	direct	x	direct	x	direct
Italy CS regions	x	direct	x	indirect	x	direct
Austria	x	direct	(x)	indirect	(x)	indirect
Romania	x	direct	x	direct	x	direct
Slovenia	x	direct	x	indirect		direct
Sweden	(x)	direct	(x)	indirect, mainly other ESIF	x	direct

Source: study team, survey and case study findings 2021; Note: (x) means identified low need, x means identified significant need

Across many CS regions such as Spain, Italy, Czechia and Sweden, economic development is explicitly recognised as a need and targeted with dedicated support in LAG LDSs. **In general, the targeting of economic development occurs rarely as a self-standing goal, but rather in a holistic and integrated manner within the context of territorial development.** However, fostering economic development is not always intended, or rather the main objective in the LDS. In the case of some MS, budget restraints mean that economic needs are less emphasized (Belgium – Wallonie), in others (Germany – Rheinland-Pfalz, Swedish CS LAGs) economic needs are targeted with actions to specific sectors, generally tourism development. Nonetheless, LEADER contributions to economic development and meeting local economic needs are significant via support to local added value creation, in the framework of an integrated territorial strategy.

Unemployment is an important and persistent issue, as highlighted in CSs and the LAG survey, in many rural areas. The mitigation of unemployment is recognised as an important need across most CS LDSs. Enhanced employment varies from a by-product of LAG support to a main priority for CS LDSs. However, LEADER is not always deemed the most appropriate tool to address this need, as highlighted in German CS regions where other (regional) policy instruments are favoured. In some RDPs, employment creation is a requirement for project funding (such as in Spain- Extremadura and Castilla La Mancha,

and Czechia⁷¹) in line with local needs. **LAGs' approaches to employment enhancement appear to be particularly relevant for maintaining jobs**, by supporting rural enterprises in modernisation, growth, marketing, and other investment.

Safeguarding rural vitality (primarily reducing out-migration of young and skilled people and providing basic services) is a pressing need in many rural areas. While land abandonment is not necessarily regarded as a major problem across many LAGs (see Figure 3.14, section 3.2), the CSs (e.g. Swedish CS LAGs) highlight rural needs to maintain basic service provision and mitigate out-migration. Rural vitality is targeted in various approaches by LAGs in the CSs. In some MS (German and Austrian CS LAGs), targeting is **indirect** and primarily occurs in the context of general economic development and business support, to increase the attractiveness of the region. In other cases, such as Czechia, Slovenia, and Italy- Abruzzo, contributions **directly** support basic service infrastructure. However, in the context of multi-fund CLLD, such needs were addressed by ESF and ERDF funds rather than EAFRD (Czechia).

JC2: LEADER measures and the LDS target appropriate needs related to local economic development

The analysis in the CSs shows that a territory's economic development and the way local economic needs are addressed is different in case study MS/regions, even between LAGs in a single region. Generally, addressing economic needs and the **LAGs' contribution to local economic development is not considered as a sole aim but rather integrated within a wider and more holistic understanding of territorial development and its needs and opportunities, in the local context.**

For example, Spanish CS LAGs appear to have largely prioritised productive activities and projects directly contributing to the area's economic development, possibly at the expense of non-productive areas of intervention, responding to needs for economic diversification and small business creation. Likewise, Slovenian CS LAGs considered economic development a main priority, in LAG areas with pronounced intra-municipal disparities in terms of economic development and enterprise growth. While a majority of projects demonstrated the central role and focus of LEADER in addressing and meeting local economic needs, it is reported that LAGs did not all have sufficient freedom to carry out the activities required to address these needs. Nonetheless, LAGs indirectly contribute to economic development in rural Slovenia by bringing together economic operators and enhancing cooperation between them.

In Belgium- Wallonie, while some LAGs have identified economic needs in their territories and addressed them in their LDSs, these activities remain reportedly limited as LEADER budgets are limited and these economic needs are mostly addressed by other RDP or ESIF measures. Some of the German CS LAGs did not place a particular emphasis on aspects related to economic development as in their local context, other priorities took precedence. In Sweden, CS LAGs' activities targeted economic needs particularly related to small businesses and tourism development; however, LEADER funding cannot meet all economic needs in these cases. The type of projects which could significantly support these areas' economic development (e.g. in manufacturing, which is a key sector) would require substantial co-financing and non-profit contribution of resources if financed through LAGs, making them less attractive for beneficiaries than other sources of support.

The role of the LAGs in promoting economic development through support for increased added-value among local businesses is emphasised in various case studies. The promotion of rural entrepreneurship and development of business support infrastructure are a key need targeted by the Romanian CS LAGs in an effort to diversify economic activities away from agriculture. In Austria, increasing value creation is one of the main strategic action areas. Support is provided for the production and marketing of regional products, innovative and authentic tourism initiatives as well as new ideas and

⁷¹ In CZ according to guidelines for every EUR 200 000 there must be at least one job created. Vyberova kriteria pro vyber strategie v ramci vecneho hodnoceni RO PRV, Priloha 1.

incentives for the regional economy. Similarly, in Germany CS regions, support is provided to strengthen the economic base by supporting innovative ideas to secure and expand the market position of regional companies. Promoting regional added-value is considered as one of the main economic needs to be addressed. In the Spanish and Italian CS regions, the role of the LAGs in the promotion of areas' or regional products' visibility is advanced as their main contribution to the region's economic development. LAGs have therefore directed funding to sectors/activities where it was most needed.

JC3: LEADER measures and the LDS target appropriate needs related to employment

Unemployment and low quality, low-waged work are persistent issues in many rural areas. This is indicated in the LAG survey, in which lack of employment and lack of training and skills development opportunities were ranked as most important issues by the majority of LAGs (Figure 3.14). CS findings shed light on relevant aspects influencing the extent to which LEADER targets employment needs and, more broadly, enhanced employment opportunities. **In Spain and Czechia CS regions, LEADER implementation actively targets reducing high rural unemployment by making project support conditional on job creation.** In Spanish CS territories, this is well-targeted by reference to domestic and EU-27 comparisons. However, while unemployment rates in the LAG territories are higher than in urban regions in Czechia, they are comparatively low in an EU-27 context.

Slovenian CS LAGs identified in their LDSs the need for projects aimed at developing the range of services and supporting local job creation, strengthening entrepreneurship, and fostering innovation and creativity, to target a lack of jobs locally. However, most supported projects target broader needs related to economic development and only a minority focus specifically on creating employment. Similar approaches were also seen in Italian CS regions' LAGs: local needs related to unemployment were clearly recognised by LAGs and primarily targeted within the context of business support and development. This approach is also evident in German CS regions. **Many LAGs mainly target local needs related to employment indirectly via business support, regional value-added and tourism development,** with improved economic performance supposed to lead to improved employment. In LAGs with CLLD/multi-funding in Sweden, similar findings are apparent but in this situation the needs related to employment (particularly labour market integration of young people and migrants) are actively targeted usually with ESF funding. Indirect targeting is also observed in the Austrian CS. LAGs focus on needs for local SMEs, creating regional added value and developing tourism. Employment *per se* is not assessed as a pressing need in rural Austria and thus not actively targeted with RDP funding. More tailored action for business development is supported with ERDF in Tyrol's (Austria) CLLD.

Some mono-fund LEADER LAGs actively target needs related to employment. To respond to the need to enhance non-agricultural employment, three LAGs have explicitly targeted it via a dedicated Focus Area in the LDS. In a similar vein, a major -albeit indirect- focus of many Irish CS LAGs' LDSs was job creation via enterprise development. Diversification of activities (particularly in tourism) is intended to move away from a high level of rural employment dependence on agriculture and industries such as construction and manufacturing, compared to the case nationally. On the other hand, **limited budgets constrain the number of actions that LAGs can support to target local needs for employment: this issue was most apparent in Irish and Belgium- Wallonie CS.**

JC4: LEADER measures and LDS target appropriate needs related to rural vitality

Identifying problems related to the vitality of rural areas and their attractiveness, the respondents of the LAG survey highlight two common issues seen to varying extents in rural areas (Figure 3.15). In the majority of surveyed LAGs, access to basic services is a problem affecting their territories. Land abandonment, while not a problem across all LAGs, is still a (minor or major) problem for the majority of surveyed LAGs. The LEADER approach can target rural needs linked to depopulation and mitigating the effects of structural change (ESPON 2018, 2020). Deficits in basic service provision can be actively targeted by LEADER interventions, as highlighted by Veveris and Puzulis (2019).

In Sweden, rural depopulation and out-migration of (skilled) women was identified as an issue across most CS LAGs. However, it proved difficult to address using the resources available to LAGs. CS LAGs also targeted infrastructure deficits, most notably via pilot projects to reintroduce rail transport links, and support for broadband connectivity. In addition, supporting 'meeting places' and associations are recognised as important factors contributing to the quality and vitality of rural life. These specific needs are targeted via LAG support. In Slovenia, LEADER targets numerous needs, including craft tourism, accommodation and e-mobility. Initiatives in infrastructure focus on soft infrastructure⁷² which have improved the quality of life in rural areas. However, in the CS LAGs, access to basic services was deemed to have not been targeted sufficiently by LEADER. In the Spanish case study regions, a need to improve infrastructure and basic services, to improve the quality of life in rural areas, was highlighted. CS LAGs in Extremadura and Castilla-La-Mancha have tailored actions to mitigate depopulation through economic revitalisation, and dedicated support for basic service provision. In Italy- Abruzzo, case study analysis highlights the need to sustain basic services as an important factor to maintain rural vitality, actively targeted with project funds. The same is seen in Toscana, where CS LAGs place a strong emphasis on revitalising rural centres and infrastructure. **Many investments are targeted at improving the social and economic conditions of inhabitants.** Deficits in basic services are clearly recognised and targeted in Romanian CS LAGs. They include basic infrastructure for businesses but also social infrastructure, across all four LAGs. In one LAG, broadband investment was also targeted. In Czechia, deficits in basic services are actively targeted across the three CS LAGs. However, funding from the ERDF and ESF plays a relatively larger role in addressing these needs. Contributions to rural vitality were indirect by LAGs in the German case study regions Sachsen and Rheinland-Pfalz. Needs like out-migration are targeted by village renewal actions, also support to public transport, and to social housing (e.g. one LAG with half of their funded projects under that theme).

Approaches to targeting rural vitality can extend past the provision of basic services. In Italy- Veneto, CS LAG areas face depopulation due to a lack of attraction in the local occupational and entrepreneurial system. So, LAGs have focused on increasing the economic and social attractiveness of their areas, with e.g. dedicated inclusion of youth and of women in one LAG and stronger and more specialised business networks in another. In Austrian CS LAGs, the targeting of relevant needs such as out-migration was also assessed as mainly indirect, via general economic development. However, targeted activities include broadband connectivity in one CS LAG in Lower Austria. As highlighted in the Irish CS, **needs related to out-migration and loss of essential services and infrastructure are widely recognised by LAGs, but indirectly targeted in the context of broad social inclusion and business support.**

JC5: MA decisions have targeted LAGs and LEADER resources effectively in line with relative economic development needs

The literature on LEADER highlights the autonomy of LAGs as an essential feature. The independence of LAGs in decision-making can play an important role in LAGs' ability to address local needs. LAG independence across EU-27 is influenced by the governance system adopted by MAs, and was reduced in the 2014-2020 period (Bitter 2018). Mainstreaming of LEADER introduced more rules and regulations, more high-level target-setting and increased top-down rigidity, detrimentally impacting rural governance (Navarro et al 2016, Konečný et al 2020). Increased top-down rigidity manifested itself in higher level of controls by MA and PAs, or stricter guidance and requirements when designing the LDS. This was echoed in the LAG survey (Figure 3.16): nearly 40% of respondents highlighted lack of autonomy in LAG processes addressing economic needs.

A key governance factor set by the MA that influenced the extent to which LAGs address economic needs is the available budget. In the case of Belgium- Wallonie, LEADER implementation is focused on small LAGs (less than EUR 2M budget) with no funding foreseen for projects targeting economic investments. Projects rather focus on animation

⁷² For example: numerous recreational and learning paths, playgrounds, polygons, multi-generational centers.

and networking. In Ireland, LAGs obtained less budget in the 2014-2020 period than in 2007-2013, but economic needs were addressed through RDP Theme- Economic Development, Enterprise Development, Job Creation - and more specifically via sub-theme Enterprise Development. Similarly, in Italy- Abruzzo, Tuscany and Veneto, LAGs obtained less funding for 2014-2020 and had to reduce activities in comparison to 2007-13. In Austria, limits of the available LAG budget reduced the scope of LAG activities.

LAGs in Austria (Lower Austria and Tyrol) faced strict rules when designing the LDS, influencing the type of actions which could be supported by LAGs⁷³. However, these strict guidelines can be seen as providing a clear framework for implementation. Strong thematic guidance can be beneficial if local capacity to implement bottom-up processes are constrained. In the Romanian CS, LAGs mirror the RDP in their LDS, rather than tailoring it to local specificities: LAGs have very limited capacities to fully and effectively facilitate bottom-up processes. Further, the CS highlighted that LAG management across Romania may be pushed to fund broad measures over more targeted measures, by local authorities.

Differences in set-up of LEADER implementation may account for differences in the abilities of LAGs to address economic needs: this is illustrated in the German CS. In Sachsen, LAGs had a comparatively strong focus on hospitality and tourism, as well as local commercial businesses and crafts. In Rheinland Pfalz, a comparatively stronger emphasis was put on networking and qualifications to tackle labour market and workforce development.

Specific types of project influenced the ability of LAGs to meet local needs. Umbrella projects in Swedish CSs enabled LAGs to fund projects enabling flexible definition of actions and target groups. Over the course of implementation, LAGs granted projects under this framework to new beneficiaries, targeting evolving needs. The assignment of a strategic role to LAGs to promote development of mountainous and marginal areas in Italy-Veneto gave ability to promote economic development, coupled with flagship projects, i.e. projects integrating at least two actions/measures. LAGs had flexibility to adjust level of support, investment amount and selection criteria to local needs.

In Germany- Sachsen, LAGs enjoyed a relatively higher level of autonomy than in the preceding programming period, with 182 LAG LDS revisions (mostly related to selection criteria and sub-measures) approved by the MA. This enabled LAGs to meet local needs flexibly, as well as to incorporate insights and learning from local actors. However, the interviewed LAGs of the German CS regions state that despite this, LEADER may not have been relevant to address these needs across all LAGs. In Sweden, LAGs have a high degree of autonomy in identifying and targeting local needs, including economic development. This autonomy stems, in part, from multi-fund CLLD allowing LAGs to tailor their funding more broadly by source, and a high degree of autonomy in project selection and approval.

SECTION 3 – Summary answer for the whole ESQ

The LEADER implementation structure plays an important role in terms of influencing the approach whereby LAGs target and address local economic needs.

Budget limitations play an important role in this regard: low budget allocation in relation to the number of inhabitants impairs LAGs' ability for impact. In some MS, LAGs faced budget reductions as compared to the 2007-2013 period (i.e. in Italy, Ireland), leaving needs untargeted. Additionally, lack of autonomy or independence in LAG decision making impaired LAGs targeting local needs in some instances (e.g. Spain, Romania, Slovenia).

In general, the relevance of LEADER in targeting local economic needs and supporting economic development is high.

CSs revealed a diversity of cases in which LDSs and LAGs respond directly or indirectly to this need, within holistic approaches. As echoed in the literature, LAGs' strong focus on creating regional added value is presented as an integrated strategy to address a wide variety of challenges faced by rural areas.

⁷³ Between the 2007-2013 and the 2014-2020 programming periods, LEADER focus changed considerably in Austria. In the 2007-2013 programming period, LEADER focused more on economic sectors such as agriculture (quality products), marketing and tourism. In the 2014-2020 period, LEADER focussed more on culture, renewable energy, forestry, consulting, education and networking.

Case studies highlight that most LAGs do recognise deficits in basic services and many LAGs actively target them with dedicated projects to support broadband, housing, transport and service provision.

In regard to employment creation, LAGs' approach varies from a chief priority to a by-product of LAG activities and/or supported projects, in line with local needs. While most LAGs identified rural unemployment as a persistent issue, LEADER support is not always considered the most relevant and appropriate vehicle to address the large array of socio-economic aspects influencing the creation of jobs in rural areas. Numerous LAGs have adopted a more indirect and cross-sectoral approach to support job creation and entrepreneurship, notably via the diversification of activities and bringing added value to regional production, which may lead to a wider range of employment opportunities. LAGs' approaches to employment enhancement appear to be particularly relevant for job maintenance. Supporting rural enterprises, particularly micro enterprises, has brought some security and certainty, which have helped entrepreneurs scale up their activities.

5.12 ESQ12: To what extent have the LEADER approach, local strategies and LAG activities been relevant in fostering the social fabric, promoting social inclusion and poverty reduction?

SECTION 1 – How this question is addressed

The terms social fabric, social inclusion and poverty reduction are defined in the glossary.

Judgement criteria:

1. The LEADER approach (and particular aspects among its 7 features), local strategies and LAG activities have been a significant factor in identifying and targeting local needs in support of the social fabric in LAG areas.
2. The LEADER approach, local strategies and LAG activities have been significant in promoting social inclusion needs in LAG areas.
3. The LEADER approach, local strategies and LAG activities have been significant in targeting poverty reduction in LAG areas.
4. MA decisions have helped to target LAGs and LEADER resources in line with relative social needs.

SECTION 2 – Judgement criteria answers

For each judgement criterion 1-3, we consider the evidence on both points:

- LEADER's relevance for meeting these particular social needs at the LAG level through all its activities; and
- The specific relevance of LEADER's seven principles in targeting these social needs.

For the final criterion, social needs are considered together because the focus is at a higher level, in respect of **MA influence** on LEADER's relevance.

JC1: The LEADER approach (and particular aspects among its 7 features), local strategies and LAG activities have been a significant factor in identifying and targeting local needs in support of the social fabric in LAG areas.

Some examples of how LEADER has been targeted to address social fabric in LAG areas were reported in the literature review. Targeting of social needs in rural areas is identified as key for LEADER (Kleinert 2018, Servillo 2017), such as by supporting social infrastructure (e.g. for persons with care responsibilities). Broad initiatives to tackle gender disparity may perhaps best be viewed as addressing social fabric, rather than social exclusion, in the context of local rural development. In Spain, Aragon, Matteo and Navarro (2019) noted LEADER's role in supporting women entrepreneurs, as did Palomar and Hernández (2019). Positive moves by LEADER to increase women's participation in governance were found in Austria (Stoppacher et al 2019).

In the LAG survey (Figure 3.14), the social exclusion of certain groups; weak social capital; and the limited capacity of local stakeholders to address local problems; are considered (minor or major) problems by a considerable proportion of the 511 LAGs in the sample, across all MS (78.8%, 87.1% and 88.3% respectively) suggesting that social needs are significant for LAGs. 68.4% of respondents either agreed or strongly agreed that LEADER was a significant factor in meeting social needs in their territory, while 22.9% were neutral on this point and just 8.6% disagreed. When asked how well social needs would be met without LEADER (Figure 3.17), many judged that cooperation between actors to address social needs would be slightly worse (43.2%) or much worse (26.6%). The responses suggest that LAGs are aware of significant social needs in their local areas, and are focused on making a difference by addressing these needs in their strategies and actions. Nevertheless, counterfactual responses suggest that the largest group of respondents believes that LEADER is making a moderate contribution to address needs, rather than substantial.

In the MA survey, respondents judged weak social capital a major problem in 35% and a minor problem in 51% of their RDP areas. These figures are quite similar to those expressed by LAGs for their territories. In response to a question about how effective LEADER is at addressing social needs in the territory (Figure 3.6, Figure 3.16), answers given suggest the activities where LAGs are most relevant are fostering networking and cooperation between organisations and improving local services. In another question, MAs responded overwhelmingly (84%) that LEADER was very/extremely important in meeting local social needs, by building relationships and social capital in rural communities; and in improving stakeholder capacity to act to address local needs (79% said LEADER was very or extremely important for this).

When asked about whether LAGs have the resources effectively to address social issues in their territories, MA responses indicate a relatively high degree of confidence in this respect, with 43% saying all or most LAGs have these, and 37% saying that about half of their LAGs have them. Specifically, in respect of M19 funding, 38% MA respondents judged that all their LAGs had sufficient funds to address their social goals while a further 29% said that some of their LAGs had this. In meeting local social needs, almost half of MA respondents (48%) say that most or all LAGs in their areas are important contributors, while a further 23% say that around half of their LAGs make an important contribution.

The survey results suggest that LEADER has moderate to high relevance in targeting a range of social issues within the regions and MS of MA survey respondents. Its highest perceived effect is in the areas of networking, building social capital and capacity to act, also in supporting local services.

As discussed in Chapter 3.3, many of the RDP LEADER indicators for which values are provided in the AIR tables are not helpful for analysing social needs or the targeting of these needs by LEADER. The data for cooperation projects illustrates highly variable use of these across the MS, but the recording by MAs of most M19.2 expenditure under Focus Area 6 alone (most commonly, all under 6B), reduces the possibility of using project spending on different types of project to indicate where LEADER targets social needs. Nevertheless, the data available from around half of all RDPs shows specific targeting of innovation and knowledge, as social issues (Figure 3.43).

The extent to which the social needs of the local community are addressed by LEADER and the LDS is intrinsically related to the ways in which rural needs have been identified in the LAG area. The establishment of close relations between the LAG management and the local people is essential to appreciate and respond adequately to their social needs. In general, LAG targeting and planning activities (while drafting the LDS, or during the calls for projects) are considered pivotal factors enabling LAGs to better understand local communities' social needs. At the same time, where social needs negatively affect the capacity of actors and LAGs to work effectively together, this could reduce the quality or comprehensive coverage of needs within the LDS. Both the LDS content and the way in which the LDS was prepared and refined, can be indicators of how relevant they are for addressing social needs. **Analysis of the case studies shows that a territory's social needs are differently approached in different case study countries and regions, and even between LAGs in a single RDP.**

LAGs in the Austrian case study identified specific rural social needs in the LDSs, as follows:

- Needs-oriented childcare facilities
- More women in public office
- Building up and strengthening endogenous potential (further education and lifelong learning, development opportunities for young people, regional identity)
- Social interaction (expansion of women's opportunities, optimisation of voluntary work and social services)
- Strengthening communities, cooperation between communities, improving mobility services
- Protecting intangible cultural heritage and talents
- New forms of social service
- Promotion of practical exchange of experience, education and training for all.

LEADER in Sweden has always had a focus on social inclusion and sustainability, and support to generate trust in local communities, strengthening the social fabric. However, an interviewee in the MA suggested LEADER is mostly about increasing rural quality of life. The main targeting of social needs at LAG level is reported by LAG managers and group members as being support for networking and associations. Supporting associations and providing infrastructure (physical or digital) is an important vehicle to revitalise rural life. Due to incomplete coverage of rural Sweden by LAGs, not all rural areas can benefit from these provisions. In Belgium-Wallonie, another relatively wealthy MS region, social inclusion and social fabric are mainstream targets of much LAG activity. A cross-cutting indicator (IND52) was created for LAGs to record in their self-evaluation the number of people involved or participating in LAG project activities related to social cohesion, social support or community service development. Target values range from 250 to 5 000 people per LAG and more than 10 800 people across the Walloon Region. Around 50% of this target was reached by the end of 2018.

The case studies in Germany highlight interesting and contrasting issues for the relevance of LEADER to meet social needs. In the relatively wealthy region of Rheinland-Pfalz, LAG interviewees report that the MA does not highlight social issues among its priorities for LEADER and that this, coupled with poor representation of excluded groups among LAG membership mean that these needs are not very much pursued in LDSs, although some project examples are given. In the less wealthy region of Sachsen, MA and LAG interviewees both confirm that their focus is strongly on LEADER enhancing rural service provision and infrastructure, which will have obvious benefits for socially-disadvantaged groups and those facing rural poverty, but without an explicit targeting of these needs above general socio-economic development.

In Ireland, a considerable focus is given by LEADER towards capacity-building and local empowerment. Examination of the process of LDS development in the CS LAGs also highlights the depth of analysis and consideration of social needs, including social fabric and social capital, social inclusion, diversity and equality, and rural deprivation, among all of them. Likewise, an emphasis upon the importance of the LEADER approach as a vehicle for direct social benefit via capacity-building, social capital formation and empowerment is evident in Italian case studies. In IT-Toscana, long-established LAGs have targeted social needs in their criteria for project selection, although the main focus of project activity is on improving local networks between different actors and institutions. Increased emphasis upon strengthening rural community resilience has emerged as a result of the Covid-19 experience, which should have clear social benefits for community regeneration and is supported by the MA as well as the LAGs. In the two regions of the Spanish case study, the processes involved in implementing the LEADER approach are highlighted as particularly relevant for addressing social needs and the social fabric of rural areas.

All three LAGs in the Czech CS highlighted strong links with the communities in their areas, highly effective networking activities- formal and informal within their LAG area, but equally across regions and nationally. Capacity building and strengthening social capital in the rural communities has been important for the LAGs under investigation and has been incorporated into their strategies. All three LAGs have participated in project developing community plans for social services, have supported a number of projects on social enterprises, social farming and community social workers.

Romanian initiatives of the four CS LAGs include many with a broad focus on social needs:

- Investments in social infrastructure
- Increasing the capacity of minority groups
- Healthy Rural - increasing the health level of the population in the territory
- Rural 21 - investments in infrastructure, basic services and planning of the territory
- Development of infrastructure and basic services for the population
- Investments for capitalization, protection, and modernisation of the territory
- Support for the association of small agrotourism operators in the territory
- Attractive Rural - capitalization of the local heritage and tourist potential

- Promoting the cultural identity, traditions, and local customs.

As one LAG manager explained, the general picture is “*Our LAG does not directly solve the problems of poverty, but solves them indirectly by supporting investments that benefit the entire community*”. At the same time, the case study notes that independent reviews of local social processes in rural Romania highlight significant weaknesses in respect of social inclusion and capacity-building among disadvantaged groups, which will in turn weaken the ability of LEADER and LDSs to address social needs. The decision for the current programme to ensure that LAGs are present across the entire rural territory appears to have meant that LEADER’s ability to target specific disadvantage has been reduced, leading to an implied low level of general social enhancement, by comparison with the scale of the challenges of rural social disadvantage.

The case studies provide many examples where LAG interviewees, evaluations and MA interviewees agree the value of the LEADER approach as a stimulus or vehicle for the strengthening of rural social fabric, through the bottom-up approach to design of the LDS and the promotion of networking, in particular. However, some cases also provide cautionary notes – in Romania the quality of the approach is questioned in some areas for not achieving inclusion of all local groups and thus insufficiently reflecting local social needs, while in Germany- Rheinland Pfalz the absence of strategic emphasis upon social needs reduced actors’ incentives to exploit this potential.

JC2: The LEADER approach, local strategies and LAG activities have been significant in promoting social inclusion needs in LAG areas.

The literature is quite rich in examples of LEADER’s positive role in targeting social inclusion of vulnerable groups and the relative priority given to social inclusion in the current programming period (Servillo 2017; Kleinert 2018; ERGO 2019, EPRS, 2017). In previous times, LEADER was judged more limited in this respect in contexts where social fabric is weak or political will lacking (Dargan and Shucksmith 2008, Lukesch et al. 2018). Studies by Bosworth et al (2020) and Secco et al (2016) identified the LEADER mechanism of empowering local groups as fostering social innovation.

One question in the MA survey asked specifically about how well LAGs were targeting excluded groups. The response highlights the way in which LEADER is felt by MAs to target remote or peripheral communities, with a lower degree of targeting of general social inclusion – women, youth, the unemployed – and a lower targeting of disabled, ethnic minorities and migrants from within and beyond EU (Figure 3.17).

Where Member States’ rural areas are considered relatively well-provided for in respect of general social needs, LAGs often focus their social goals on specific local issues of social inclusion. For example, Austria is a relatively wealthy MS, but its most rural and most farming-dependent communities are more likely to be at risk of poverty than other groups. The higher costs of service access in rural areas mean that generally excluded groups like elderly and (women with) young children have greater disadvantage in such areas.

Project of “Desired grandparents” (“Wunschgroßeltern”) Austria:

The idea behind this project is that there is often a lack of intergenerational networks in society. Many families and single parents often live far away from their grandparents. At the same time, there are many older people who are alone and would like to spend their time with children. The project brings families and older people together. The aim is to generate a long-term relationship between people from different generations within the same region. The project has high impact, while investment is small.

Via the multi-fund approach, most LAGs in Sweden use ESF, which addresses social inclusion, so they were required to address it in their LDSs. With a large inflow of refugees in 2015 and 2016, LAGs played an important role fostering social inclusion and introducing newcomers. Depending on territorial-specific needs, the CS LAGs in Belgium-Wallonia targeted social inclusion through innovative projects aimed at different groups including

women, the elderly, youth, and also disabled and vulnerable groups (e.g. in social farming initiatives). By contrast, LEADER groups were not identified strongly with poverty reduction initiatives or needs, either in their LDS or in their self-evaluations. A strong focus on education involving marginalised groups and targeting social inclusion was also reported in the Czech case study, in all LAG and MA interviews, although it was noted that these topics tend to be funded using ERDF and ESF funds rather than EAFRD.

In Ireland, LEADER activities are judged by LAG and non-LAG interviewees, as well as in evaluation reports, to have had a significant focus on social inclusion, but as with economic development, the 'huge scale' of Irish rural problems outweighs what can be achieved by the relatively small LEADER budget. All three case study LAGs indicate a significant number of projects address social inclusion and 41% of LEADER spending in these LAGs, 2016-2020, was targeting social inclusion, with programmes for youth, basic services for vulnerable groups and innovative tactics to reach traditionally hard-to-reach communities and groups. This combination of specific focus and dedicated resources has proven very popular: project applications considerably exceed the budgets available for social actions (the ratio in one LAG was reportedly four good applications received for every one that could be funded). As a result, LAGs report that what they are able to achieve for social needs is modest, by reference to the scale of problems. One LAG worked with social needs partners to create a scoring system for applications which ensured that projects targeted the most socially-deprived areas and communities.

In Italy-Abruzzo, case study interviewees in the LAGs noted that several projects took steps to encourage a good level of participation by excluded groups, in their design and execution. Tackling rural poverty has not been a focus of LAG activity in this region.

In Slovenia, LAG and MA interviewees agree that the process of LAG animation and outreach is itself a valuable tool to address social needs in rural areas, building social capital and involving relatively excluded groups in exchange, mutual learning and identification of project ideas and activities which then proceed to secure LEADER funding. This has meant that in both the case study LAGs, funding for animation, facilitation and networking have featured strongly and promoted social inclusion and strengthened social fabric in the territory. Again, rural poverty is not tackled by LEADER in any direct way.

In Italy-Veneto, an explicit decision by the MA to promote LEADER in the most marginal and declining parts of the territory, coupled with a high degree of LAG autonomy in LDS design, has meant that these actors identify the LEADER approach as a key source of meeting social inclusion needs, in their territories. Social inclusion is indirectly favoured by scoring systems for project applications which encourage women, young people, etc., and the LAGs' focus on rural regeneration is broadly viewed by LAG managers and beneficiaries as positive, to help tackle general issues of economic and social decline. Nevertheless, as in Ireland, the scale of challenge is felt by these same interviewees as too great to be capable of resolution via LEADER alone and wider regional and national initiatives are called for.

The LEADER application considers territorial cohesion and the difficulties for less populated areas to attract developers. In Castilla La Mancha, for example the majority of funds go to the least populated areas: 75% of the LEADER budget must be committed and implemented in municipalities with less than 10 000 inhabitants.

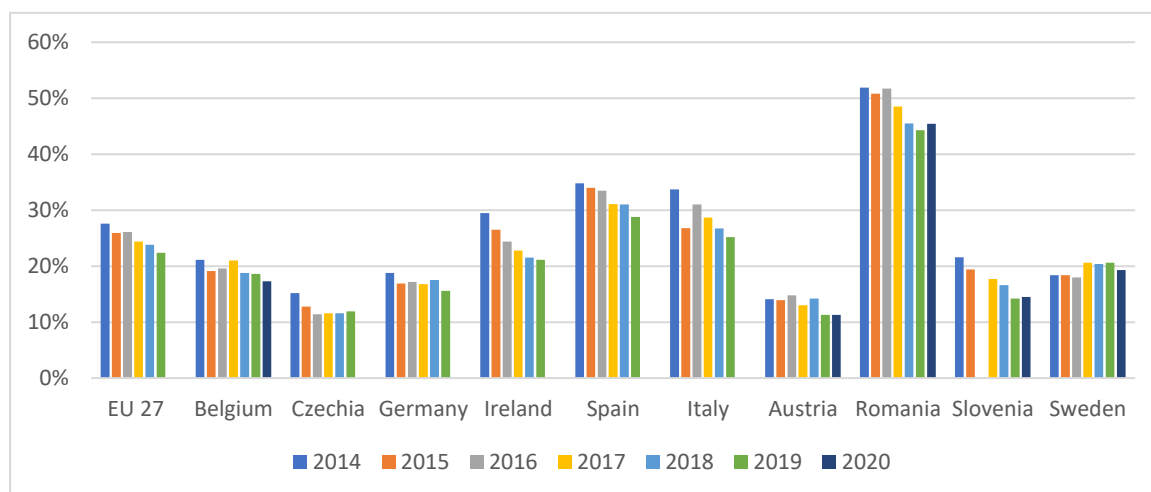
In Romania, relevant measures of the four case study LAGs include social services for the integration of vulnerable groups: and Inclusive Rural - combating poverty and social exclusion. One LAG interviewee commented: "our LAG does directly support actions for the creation of infrastructure for activities, and finances actions that lead to the integration of vulnerable groups in the community."

JC3: LEADER measures and the LDS target appropriate needs related to tackling rural poverty

The target indicator for jobs created by LEADER is the only result indicator for which AIR values have been provided, in 2020 reports. Whilst this is an economic indicator, it could be regarded as a partial proxy for LAGs' impacts upon rural poverty, as job creation is clearly beneficial where it helps to increase household incomes. Looking at these figures shows significant variation between MS (Figure 3.48, section 3.3). Nevertheless, the scale of impact – with the higher levels being only a few thousand jobs overall in very large MS like Poland and Spain – would suggest, in line with case study evidence, only very minor relevance of LEADER is likely in respect of addressing rural poverty.

The widespread view among interviewed and surveyed LAGs, MAs and scientific evaluators seems to be that LEADER is not an appropriate mechanism to address this as a primary goal, and that other policies are better suited for that purpose. The diverse focus on SI and poverty in the CS MS/regions is linked to the degree of relevance of this problem in the respective rural areas. **There are significant differences between the CS MS in regard to the number of people at risk of poverty or social inclusion, with Czechia, Slovenia and Austria being at the lower end of spectrum, falling significantly below the EU average.** Rural poverty has not been identified as a major problem within their RDPs and this problem is addressed by LEADER only indirectly. **At the other end of the spectrum is Romania, where the level of poverty is very high** and LEADER has limited tools and budget in addressing the complex challenges present.

Figure 5.40: People at risk of poverty or social exclusion in rural areas



Source: Eurostat, 2020

LAG and MA interviewees in Ireland were clear that LEADER was not an appropriate vehicle to target poverty more broadly, as a wide range of national policies and programmes exists for this purpose, and in Sweden it was explained that tackling rural poverty was a Swedish government responsibility which meant that LAGs were legally not allowed to target it.

Nevertheless, many sources in CSs and literature refer to situations where LAG activities can have a positive, indirect effect through economic stimulus and promoting social and economic innovation. Specific CS or published examples are provided where LEADER projects have some significant local economic impacts (IT-Veneto, Sweden, Ireland, Scotland, Aragon) which will have knock-on benefits for improving incomes and raising living conditions, alleviating rural poverty among certain beneficiary groups.

Poverty reduction is not a direct target of LAG actions or the LEADER approach, in rural Romania. Nevertheless, as a significant feature of the territory and its population, poverty colours what LAGs do and what they achieve, such that LEADER actions should have some beneficial results. At the same time, concerns are discussed in the Romania CS that, by spreading LAGs across the territory and giving insufficient support (KE and resource) to

enhance the capabilities of LAG actors in areas facing the greatest poverty challenges, LEADER is failing to target rural poverty effectively.

JC 4: MA decisions on LAG scale, coverage and priorities are appropriate for meeting social needs

Relatively little specific evidence was provided on this particular point. However, from the Spanish case study there is evidence that a general and new application of rules governing the rate of grant available via LEADER groups, for any projects that generate income for particular beneficiaries, is having a strong negative impact upon LAGs' ability to target social projects. The MAs emphasize LEADER's role as an agent of local economic development, but in any cases where benefits would accrue to both private and public actors and groups, the projects are eligible only for up to 50% of grant aid. This makes them barely accessible for many smaller community actors.

In the responses to the LAG survey, some evidence also suggests that LAGs perceive social goals as more difficult to pursue within LDSs because of a very strong steer by the MA towards projects bringing the biggest economic stimulus and creating jobs, in particular. LEADER activities and initiatives which are focused upon social inclusion may not have an immediate economic impact and this may mean that in situations where demand exceeds available funding, they lose out to projects which show stronger economic results. Only in the Swedish case study is a connection made between the multi-fund approach and a strong emphasis upon social goals in the LDS, ensuring that LAGs include social actions as well as economic ones. In Ireland, a strong emphasis upon social inclusion is also fostered via strong linkage between LAGs and the wider government infrastructure of rural social policies, as well as requiring LAGs to focus a proportion of their funds on social projects.

Some secondary evidence relevant to this specific question is data from the JRC Degurba project on rural depopulation across the EU, which enables a brief qualitative assessment of how it compares to LEADER targeting (see Chapter 3.3). This suggests no immediate and simple linkage between the number and budgets of LAGs within RDP areas and the relative incidence and severity of rural population decline in the current period (using data from 2011-2018), but it gives supporting evidence to the value of deploying LEADER and other mechanisms to promote local development broadly across the territory, because the areas in decline are also quite broadly spread – few MS have no such areas.

SECTION 3 – summary answer for the whole ESQ

The combined evidence from all sources discussed here suggests that LEADER is relevant to meeting social needs within a given LAG territory. Nevertheless, there also seems to be a 'hierarchy' in respect of which goals are pursued and secured more effectively, reinforced by decisions made at MS or regional level (the level of the RDP MA). Generally, LEADER is primarily targeting needs closely linked to economic development through business and service innovation, and reaching out to the most geographically remote communities to better understand their needs. On the other hand, there are many examples of projects, as well as MA/RDP and LAG selection criteria which target social inclusion of specific groups – most commonly those living in the most remote areas, but also generally disadvantaged groups including women, the elderly and young people, and some specific disadvantaged groups such as non-EU migrants.

The evidence from all sources is fairly consistent in suggesting that LEADER is relevant in identifying and targeting social needs, especially in respect of social fabric and social capital, and also promoting social inclusion. Literature review and LAG and MA surveys suggest the strongest relevance arises from the networking, bottom-up approach and capacity-building elements in the LEADER approach as well as from applying principles of social inclusion in the targeting and selection of projects to women, youth and the elderly.

The case studies provide further detail of relevance in respect of the LEADER approach and its potential to strengthen social fabric (Italy, Slovenia, Ireland, Belgium-Wallonie), also of targeting the assimilation of migrants and refugees into rural

communities and rural life (Sweden, Austria), and relevant actions to help disadvantaged groups such as disabled and those with special needs – e.g. by supporting social farming (Belgium-Wallonie, Czechia). However, these cases also illustrate the very variable scale of action by LEADER across the EU territory and a frequent conclusion that its resources and modes of operation do not allow a significant scale of impact particularly in situations of greatest rural social need (Ireland, Romania). Nevertheless, there is also evidence from both MA and LAG surveys that without LEADER, the social fabric and social inclusion in rural areas of EU could be significantly worse.

5.13 ESQ13: To what extent have the LEADER approach, local development strategies and LAG activities been relevant for promoting sustainable and balanced territorial development?

SECTION 1 – How this question is addressed

This question requires an understanding of the goals of sustainable and balanced territorial development (BTD), which is the overarching focus of all evaluation studies under this framework contract. A meaning of balanced territorial development was given in the 2020 study led by OIR and brief definitions of this term and sustainable development are given in the glossary but it is important to emphasize the three pillars of sustainability, in considering the answer to this ESQ: covering economic, social and environmental goals and outcomes in a balanced and locally-appropriate way.

Judgement criteria (JC):

1. The LEADER approach has been relevant in addressing needs for sustainable development in LAG areas, considering net zero and the protection of natural resources alongside socio-economic development.
2. The LEADER approach has been a significant factor in addressing needs for balanced territorial development in LAG areas, closing the development gap there and more widely across Region and Member State rural areas.
3. The ability of the LEADER approach, LDSs and activities to address these needs varies in relation to differing models of delivery and levels of LAG autonomy, in different RDP areas.

Due to the similarity or overlap in sources of evidence for each of these JCs, this answer deals with all three of them, together.

SECTION 2 – Judgement criteria answers

JC1: The LEADER approach has been relevant in addressing needs for sustainable development in LAG areas, considering net zero and the protection of natural resources alongside socio-economic development

The literature review found no sources relevant to assessing the contribution of LEADER towards sustainable development including climate neutrality and the protection of natural resources. As with the evidence for relevance of other kinds (ESQs 11 and 12), the case studies reveal a range of evidence in support of LEADER's relevance for sustainable development, which varies partly in response to different socio-economic contexts for LAG activities, as well as in reflection of MA and LAG priorities and decision-making.

In the survey of MAs poor environmental quality was assessed as a significant problem in only 5% of RDPs, and a minor problem in 52%. Fewer than a quarter of respondents felt that most or all of the LAGs in their RDP area had sufficient resources and skills to address the territory's environmental problems, although 64% judged the financial resources in M19 to be sufficient for most LAGs to address the environmental issues identified in their own LDSs. In the analysis of secondary data, Figure 3.43 indicates that LEADER in just two Member States – Belgium and Slovenia – focuses a notable share of projects on biodiversity and/or landscape enhancement, whilst environmental goals are also visible in project allocations in some Italian and Spanish regions as well as in Czechia and Sweden. However, across all the EU territory, environmental goals are clearly less prominent among LAGs' project targets than goals for socio-economic themes.

Taken together, these findings suggest that whilst environmental aspects are incorporated within the general working approach of most LEADER LAGs, relatively few of them are focused on making a significant impact on local environmental issues, challenges or opportunities with LAG actions.

For a balanced and sustainable development, all three pillars of sustainability (i.e. social, ecological and economic) must be addressed in the regions. A LAG interviewee in Austria said that the economic development of a region is the basis for the other two pillars: "if

there are no jobs, people leave the rural area, which in turn makes the funding superfluous". Nevertheless, the LAGs seek to identify and support projects which can exemplify the three pillars of sustainable development, and many examples were cited including 'green care' which is a kind of social and ecological farming, also a 'blackout simulation' pilot project whose aim is to help rural communities to become more resilient. Interviewees note that resilience has risen up the agenda especially since the Covid-19 pandemic. They also explain how by the stimulation of greater awareness and involvement by local actors, knowledge of needs at local level is enhanced within the LAG and developed in the LDS, which stimulates new thinking and project ideas to better meet these needs.

In Belgium–Wallonie, LAG records show that projects funded by the case study LAGs mostly cover at least two of the three pillars of sustainable development and some cover all three. Examples include the 'short-circuit' project supporting farm development, strengthening connections between farmers and communities and favouring environmentally-friendly practices in production; the 'Milles feuilles' project linking farmers and volunteers for environmental action; and workshops raising awareness of landscape and nature, for local people.

In Czechia, the multi-fund approach leads to an explicit balanced coverage of economic, social and environmental needs via clear demarcation. EAFRD targets the economic needs while ESF and ERDF target the social and environmental needs, within the LAG/CLLD LDSs. Nevertheless, the EAFRD funded projects also support environmental aims because the scoring systems favour projects delivering against environmental as well as economic goals. However, support for environmental goals represents only 9% of total LEADER disbursements (CS interview), and the multi-fund approach has increased the complexity of implementation leading to some limitation on achievements, to date, particularly for the Operational Programme (OP) Environment but also in respect of all goals. LAGs agree that multi-funded LEADER promotes sustainable development but at a modest scale.

In Italy, sustainability is integrated as a criterion in project selection priorities among the LAGs, and is a strategic element cutting across all topics and initiatives of the LDSs. In Veneto, the two case study LAGs have adopted different strategies but both target environmental outcomes alongside other goals: one with a major flagship green project and the other with many smaller projects improving the local environment and the sustainability of production processes.

Ireland's case study LAGs and LEADER activities embrace sustainable development in their LDSs but were limited in the choice of environmental themes which focused on renewable energy, local biodiversity and water protection. There is evidence that different LAGs responded differently to these themes, in ways which made considerable sense by reference to their specific geographic locations and socio-economic situations; which gives confidence that these strategies are highly relevant. Nevertheless, implementation results are less positive, and mid-term evaluation findings suggest that low stakeholder enthusiasm for environmental projects was a key factor, itself linked to low awareness of the need for these activities. One LAG stakeholder said that the decision to have such a specific focus at national level reduced local interest and that more benefit would have been possible if the LAG could make its own decisions concerning environmental projects and innovations; another said that the minimum grant threshold had been set too high for small-scale community environmental projects which could still have been valuable.

In Spain CS regions, whilst all LDSs have to have an environmental SWOT and subsequent target, LAGs express a view that environmental elements are less prioritised now than they were under previous LEADER programmes. To quote one LAG interviewee : *"There has been a lot of loosening up on the environment. In this period the environmental theme was worked on at the level of training and above all with the collaboration with associations and initiatives that work on the theme of environmental awareness. We have had to decide to prioritise and concentrate our efforts on the productive sector and social development."* Nonetheless, the case study LAGs all had some good examples of projects which had a high environmental component alongside a socio-economic one.

Slovenian LAGs explicitly have to take environmental considerations into account in all project appraisal and selection procedures, and it is included in the scoring of applications. LAG managers strongly agree that LEADER has promoted sustainable development in the area, with sufficient resources, and the NRN concurs with this view. In Sweden, environmental priorities are integrated into LDSs, but direct contributions to the environment remain not fully developed by them, as the focus of LAG activities seems more about economic activities and sectors. However, a number of interesting projects has been implemented in the field of environment, climate change and self-sufficiency in food strategies. As one stakeholder noted *"Our work in LAG has contributed to more sustainable activities and that more people know and take into account the value of ecosystem services."* They also pointed out that LEADER implementation framework acts sometimes as a barrier to implementing innovative, environmentally focused projects *"It has been a weakness that LEADER support is associated with a regulatory framework that is not very flexible when it comes to exploring a process or method. There is a risk that applicants will not receive the money if the conditions change. On the other hand, it has been a strength that we have provided project support to companies. Several new companies have been created in small-scale food production"*.

In the commentaries from interviews in CS, several reasons are put forward why LEADER is not so relevant to address environmental goals, including local communities' low levels of environmental awareness and lack of motivation to act to tackle environmental needs. While these characteristics may be common across many groups in society, they undoubtedly reflect a serious gap which needs addressing in the near future, in the light of net zero and the importance of better protecting natural resources. The fact that some CS also provide examples of LAGs working to increase environmental awareness and to stimulate local initiatives involving communities in practical environmental enhancements such as recycling and local agenda 21, indicates that LEADER can be a relevant vehicle for tackling the very same problem which is cited as an underlying reason for why it is currently a less relevant mechanism. In this situation, therefore, it would appear that LEADER's latent relevance could be strengthened through stronger guidance, KE and training or capacity building for LAGs, board members and other key LAG actors, to help them to identify and promote more relevant environmental initiatives. At the same time, it must be noted that other elements of RDP funding give a high priority to environmental goals, thus ensuring coherence would also be important for any process aiming to strengthen LAGs' environmental focus.

JC2: The LEADER approach has been a significant factor in addressing needs for balanced territorial development in LAG areas, closing the development gap there and more widely across Region and Member State rural areas

In respect of promoting BTB and reducing the income gap between territories, both LAG and MA surveys make positive assessments of LEADER's relevance. However, it is also relevant to review survey findings in respect of answers to ESQ 11 and ESQ 12, where it was noted that LEADER is judged very important at the local level in strengthening social fabric and promoting innovation in rural enterprise, but less for environmental needs.

In respect of the Degurba population trends mapping also presented in chapter 3, it is possible to conclude that LEADER can be seen as relevant to tackling problems of decline in rural areas in most EU Member States, because there appear to be local areas in all of these countries which have been suffering recent population declines. However, in order to check this point more precisely it would be necessary to have a map showing the location and area coverage of all LEADER LAGs, at a similar scale. To the extent that these declining areas and LAGs coincide, this probably increases LEADER's relevance to BTB.

It was emphasised by the Austrian MA that LEADER is the only element of the RDP which is really locally embedded. It reflects local priorities and it also promotes the visibility of EU programmes among the population. LEADER is targeted at territorial development, but it is still just a "moped with which one tries to fly to the moon". According to the LEADER expert, LEADER could be used to set more priorities in individual regions. Especially in larger regions, spatial differentiation can be discussed in more detail. It is assumed that

all rural regions are the same, but this is not the case. Through different local initiatives, however, the needs of the individual regions are well addressed. According to the network representative, LEADER has achieved a lot within its possibilities. In relation to the very low financial resources, the contribution of LEADER in the field of territorial development is very high and LAGs are an important player at local level.

LEADER in Belgium-Wallonie covers 25% of the population of the region and prioritises local needs in respect of balanced territorial development, across this population, as indicated by the broad scope of its projects and confidence of the MA and LAGs in the LDSs. It is judged relevant for promoting sustainable and balanced territorial development but with a limited impact because most resources focus upon animation, awareness-raising and networking rather than direct investment in renewable energy or energy efficiency.

In the case of Czechia, LAGs cover nearly 95% of the eligible rural territory and project funding is well-spread across this area, so interviewees affirm a positive contribution of LEADER to balanced territorial development.

In Germany CS regions, interviewees emphasise the contribution of the LEADER approach as crucial for achieving sustainable and balanced territorial development: 'in the promotion of self-efficacy, the regions develop self-confidence to start on their own initiative' (national expert interviewee), while in Sachsen the main contribution of LEADER is identified by the MA as employment generation. Analysing the funding amounts per capita and priority areas, LEADER seems particularly relevant to promote balanced territorial development across the RDP territory:

- areas with a comparatively low GDP/capita such as the Sächsische Schweiz-Osterzgebirge (70.4% of EU-27 average) receive higher funding amounts in total and per capita;
- the distribution of funding across thematic funding areas varies in relation to local needs and is also indicative of being adapted to uneven regional development needs;
- the project data suggest that less affluent municipalities profit relatively more from trans-regional LEADER projects, whereas projects with a focus on one municipality tend to be more common in more affluent municipalities because of the need to provide supporting finance for private investment measures, or to levy funding from inhabitants in order to co-fund municipal projects.

Across the two regions, the case study authors note that LAGs tend to identify a stronger relevance of LEADER for BTM in situations where LAGs have been long-established: *"appreciation of territorial development approaches seems to grow with rising experiences with their application"* (Germany CS authors).

In Romania, LAGs and MA personnel affirm their belief in the relevance of LEADER for sustainable and balanced territorial development, but concern is expressed by experts and non-LAG interviewees about an apparent lack of capacity of some LAGs to facilitate the bottom-up LDS process in such a way that these strategies are really relevant to local needs. Where the capacity of LAG leadership is not strong, there is a tendency for LDS to follow a 'standard' pattern based closely on the needs as written into Romania's RDP 2014-2020, rather than seeking out the specific needs of their own territories. Furthermore, during interviews with the LAG managers, sustainable development was repeatedly interpreted as economic development, which suggests a lack of awareness of wider needs and opportunities, particularly in relation to the environment. The result is that the LEADER approach and LAG strategies and actions have a significantly greater focus on addressing balanced territorial development than they have on sustainable development, and that balance is interpreted in a fairly narrow economic sense.

In Ireland CS LAGs also noted that, by calling early on for expressions of potential interest in projects during the phase of drafting and finalising the LDS, they were able to achieve a closer tailoring of the strategies to local needs and opportunities. Additional preparatory work also helped: one municipal area produced a 'heat map' of communities facing particular issues of deprivation and exclusion to help them concentrate animation and support facilities in these areas. Another municipal area targeted the most remote communities and those with no pre-existing tourism infrastructure. In terms of relevance

for balanced territorial development across rural Ireland, though, the level of funding, and even more so, the level of animation support is insufficient to address the scale of the problems. The LAG focus on the harder-to-reach sectors of society maximised the value of investment, and without LEADER, rural communities would be worse off, so in that sense it is very relevant.

In Italy- Abruzzo, internal territorial disparity is a very important aspect within LDSs and is linked to major problems of depopulation and land abandonment in the most remote inner areas of the region. These areas get higher funding and require lower minimum size projects, to help stimulate applications. LAGs have helped inform the region's Inner Area Strategy and collaborate to improve animation and awareness-raising in these territories, working across primary, secondary and tertiary sectors to create integrated actions. LAG interviewees stress the value of working closely with stakeholders via discussion groups and events to consider the LDS, using animation and facilitation to build a shared agenda. This results in significant promotion of sustainable and balanced territorial development.

In Toscana, the fact that the case study LAGs have been in place for more than 20 years means they have constructed a sustainable governance approach with broad shared ownership of the LDS and in-depth local knowledge among the LAG technical staff. In each case, the LAG has chosen a development model based upon local specificities and capable of delivering economic, social and environmental benefit together. One LAG promotes valorisation of products and supply chains for organic and high welfare farming, coupled with rural tourism. The second promotes small business development for economic regeneration combined with hospitality and enhanced infrastructure to reinforce relations between businesses and citizens, civil society and commerce along with local government. The LAGs feed their experience and insights into other policies at regional level, and enjoy a wide margin of freedom from the MA to identify the instruments and methods most suitable for the local context. Equally noteworthy is the way that these LAGs have become a vector for the LEADER approach within other programmes, helping to ensure that they follow similar principles of local engagement and sensitivity.

In Veneto in addition, resources are targeted preferentially towards areas suffering the most acute economic and social disadvantage, largely due to peripherality. In this way, and with strong support for their approach by the MA, these LAGs make an important contribution to promoting balanced territorial development.

All actors in Spanish CS regions recognise the role and relevance of LEADER for balanced territorial development. One MA said: "*LEADER is in areas with more difficulties, with less population, in the end they are municipalities that cannot have certain basic services that they can have through LEADER in a quicker, more direct, closer way, knowing the needs of the territory.*" Another interviewee questioned whether ultimately, trying to support the smallest communities is really viable, and if it might be better to enable LEADER to fund initiatives in the main towns within the rural territory, with more than 10 000 inhabitants.

JC3: The ability of the LEADER approach, LDSs and activities to address needs varies in relation to differing models of delivery and levels of LAG autonomy, in different RDP areas.

The evidence presented in many of the earlier ESQs is relevant to this JC. In models of delivery, contrasting examples show how LAGs and LEADER can be effective in addressing needs irrespective of the particular delivery model. There is no clear relationship between 'LAG autonomy' as represented by the number of distinct tasks and responsibilities, and LAGs' ability to identify and address needs. Some evidence in the analysis of governance, leverage and general effectiveness suggests LAGs with larger budgets had more significant impact on the goals of balanced and sustainable development, but that is not strictly evidence of relevance, but of impact. There is also evidence that even with small budgets, LAGs targeted local needs effectively (e.g. Belgium-Wallonie and Slovenia).

On the other hand, there is evidence that certain features of LAG operations and activities make a difference to their ability to address needs. One is skilled personnel with the ability to become experts in the specificities of the LAG territory. Another is a sufficiently strong and positive relationship between LAGs and the MA and PA, to help provide LAGs with the

flexibility and responsiveness they need in order to design their LDSs and activities in ways most relevant to meeting needs. Finally, a degree of maturity and confidence linked to being well-known, well-connected (embedded) and respected within a locality, helped LAGs function more effectively targeting balanced and sustainable local development.

Finally, there is also evidence of situations where LAGs feel notably constrained in seeking to target or address the needs for balanced and sustainable development within their territories. LAGs facing goals, measure choices and budgetary allocations which have been decided before they draw up their LDSs have less room for manoeuvre in targeting the real needs and opportunities to achieve these aims, compared to those in situations where these 3 features have not been pre-defined and pre-determined. LAGs with a heavy administrative load may have insufficient additional resource to manage this at the same time as investing sufficiently to identify and target needs. LAGs for whom measures are standardised and prescribed in detail (e.g. by reference to EAFRD individual articles) feel that their ability to target local needs has been unnecessarily constrained by this approach, especially when LAGs in other parts of Europe have much greater choice. Nevertheless, a lack of clear guidance and/or definition of higher-level priorities also hindered LAG ability to be relevant – discussion above in respect of the lower priority given to the environment among some LAGs in some countries and regions shows a danger inherent in allowing local bodies to act without any guidance on key strategic priorities at national or global levels.

In sum, the most important factor ensuring LAG relevance must be a strong, open and continually-learning relationship between LAGs, MAs and PAs and the range of territorial actors within each LAG area, who together will influence LDSs and LEADER outcomes.

SECTION 3 - Summary answer to the whole ESQ

The combined evidence suggests strongly that the LEADER approach has been relevant to both sustainable and balanced territorial development in LAG areas, in many ways. In respect of sustainability, LAGs promote environmental benefits within their socio-economic projects (meeting environmental needs) and many specifically target or give particular attention or priority to areas within their territories which are economically disadvantaged, peripheral or remote or which host vulnerable communities (meeting social needs), even though most CS evidence supports the view that local economic development is the strongest focus of LAG activities (meeting local economic needs). In addition, the LEADER approach, in cases where it is well-applied by skilled and experienced LAG leaders and technical staff, is evidenced as a key precursor to enabling balanced territorial development because it helps to ensure that local knowledge is effectively captured and local experience understood in the preparation of the LDS, the setting of local priorities and identification of local needs and opportunities. At the same time, LEADER's impact upon social fabric enables a greater mobilisation of local resources than would have been possible without LEADER, in the pursuit and support of balanced territorial development. In that respect, therefore, and at local level and scale, LEADER is shown to be very relevant and a significant factor in addressing needs for balanced (local) territorial development. However, the overall scale of resource of LEADER across most regions and countries was clearly too modest to see significant impacts across the whole rural territory. LEADER funding levels typically represent only a fraction of a percentage point by reference to the scale of all rural economic activity, with the GDP of rural areas amounting to an estimated 2 516 billion in PPS (EU 2012), and LEADER funds totalling just EUR 7 billion; they represent an average level of 20 Euros per capita of the rural population that is covered by LAGs (figure estimated from AIR indicators, 2020).

The case studies provide examples of situations where relevance was reduced either by a low level of knowledge or recognition of needs among LAG leaders and stakeholders, or by inappropriate MA constraints - in the permitted scope of LAG activities or type of LAG beneficiaries, also eligibility conditions and scoring systems for project applications and grant rates. These details largely concern decisions made by MAs: therefore, it seems important to focus on highlighting the negative effect of these constraints on the targets and outcomes of LEADER, so that MAs avoid them, in future.

5.14 ESQ14: To what extent have the LEADER approach and its implementation at national, regional and local levels created European added value?

SECTION 1 – How this question is addressed

This question focuses on the EU added value of a specific approach to local/territorial development through LEADER. According to the Better Regulation Guidelines (COM (2015) 215 final), "European added value is the value resulting from an EU intervention which is additional to the value that would have been otherwise created by Member State action alone [...]."

In addition, the European Evaluation Helpdesk for Rural Development and the H2020 project SIMRA define the added value of the LEADER measure as the combination of three elements, namely (1) improved local governance, (2) improved social capital, and (3) enhanced results/impacts of LEADER implementation.

The EU added value analysis was therefore conducted with a specific focus towards these elements, and areas where LEADER has achieved additional outcomes.

Judgement Criteria:

1. The LEADER approach has contributed to improving EU, Member State, and Regional policies acting on territorial development
2. LEADER approach improved local governance
3. LEADER approach improved social capital
4. The LEADER approach and its seven key principles enhanced results/impacts of local development project implementation
5. LEADER created added value in other domains

SECTION 2 – Judgement criteria answers

JC1: The LEADER approach has contributed to improving EU, Member State, and Regional policies acting on territorial development⁷⁴

LEADER has contributed to improving EU, Member State, and Regional policies acting on territorial development. Above 82% of the Managing Authorities who responded to the online survey agreed or strongly agreed with the statement that 'The LEADER approach has contributed to increasing the impact of EU, National, and Regional policies acting on territorial development' (only one respondent disagreed – See Figure 3.20, Section 3). These statements are notably confirmed in case studies (Austria, Czechia, Ireland and Sweden). In Czechia, LAG personnel felt that without LEADER there would be less focus on rural areas and that despite the overall small scale of LEADER budget "the positive thing is that it is still a programme that is enabling to make decisions on the development of the areas in not strictly top-down manner" (Czechia CS interviews).

In the case studies, the LAG interviewees were asked to assess whether the LEADER approach has contributed to improving EU, Member State, and Regional policies acting on territorial development (rating from high (5) to none (0)). The response was largely positive with an average score of 4.12 for the 33 LAGs studied (Figure 5.41 presents the consolidated scores of the LAGs studied per CS Member State or Region).

⁷⁴ The two following subsidiary questions were addressed in case studies: Is the LEADER approach providing additionality in local development by comparison with what Member States' policy initiatives achieve on their own? Is the LEADER approach providing additionality in local development by comparison with what EU policy initiatives achieve on their own?

Figure 5.41: LAGs' response on LEADER's contribution to improving EU, Member State and Regional policies acting on territorial development

Source: Study team, collated from case study interviews, 2021. Ranking 5=high and 0=none.

The recognized success of the LEADER approach since 1991 has led to its incorporation into the other ESI funds through the CLLD common provisions. Furthermore, some successful pilot projects conducted by LAGs have led to their incorporation into mainstream measures and sub-measures of the RDPs. As further detailed under JC4, LEADER's cooperation sub-measure (M19.3) itself is the result of the bottom-up and innovative approach followed by LAGs of previous programming periods, which led to the introduction of a specific sub-measure under LEADER II with a dedicated budget.

The LAGs have also generated increased trust in local policies among the local population: Austria, Germany and Slovenian case studies confirm it. In Austria, LAGs' activities have a very high impact involving the community in decision making processes, hence fostering trust in public policies. In Germany CS regions, through their area-based and bottom-up approach, the LAGs studied enhanced legitimacy and trust in the public and policy sphere, while also contributing to rural vitality and civic engagement. Significant positive impacts are registered including increased participation in LAG working structures (also of private actors), improved collaborative public-private relations, fostering trust in regional governance arrangements among the local population and an overall increased community/stakeholder participation in LAG decision-making. In Italy- Abruzzo, the role of the LAGs and of the LEADER approach proved substantial also for other policies and strategies at local level: they managed to stimulate and organise local partnerships and to give continuity to the vision of local development, also connecting to other policy instruments, thus strengthening and enhancing mutual results. In Romania, where distrust of local people in their local institutions/governance structures is deeply embedded, the LEADER programme led to numerous aspects improving the quality of life in the LAG territory and to a certain change of mentality for the people in rural areas, that "*good things can happen with European money*" (Romania CS interviews).

JC2: LEADER improved local governance

According to the ENRD guidelines as mentioned in ESQ4, improved local governance may be identified by considering:

- 1) the community and stakeholders' involvement in the decision-making process;
- 2) LAG capacity to build partnership and cooperative management;
- 3) the LAG role in a multi-level governance context;
- 4) the capacity to manage funds from various public and private sources.

Figure 5.42: How can added value be observed for improved local governance?

Source: European Evaluation Helpdesk – Guidelines for Evaluation of LEADER/CLLD (2017)

Considering the scope and criteria, **the literature and case studies are unanimous that a key added value of LEADER is its recognised effect on local governance.** As LEADER is unique within local development policies, this is also European added value.

Community and stakeholder involvement in decision making process

LEADER's contribution to improving local governance emerges from its involvement of local actors. Involvement of local actors in decision making processes, and its positive impacts (as detailed under ESQ4), are observed in the majority of the case studies (Austria, Belgium- Wallonie, Czechia, Germany CS regions, Ireland, Italian CS regions, Slovenia and Sweden). In Wallonie, the large consultation exercise prior to LDS drafting generated initial involvement of a very wide range of local actors (invitations to the main actors of the territory and to all inhabitants). Those interested joined the thematic working groups, effectively participating in decision-making for LAG priorities and corresponding activities as detailed in the LDS. In Czechia, despite the overall scale of LEADER budget being small⁷⁵, interviewees felt *"the positive thing is that LEADER is enabling to make decisions on the development of the areas in not strictly top-down manner"* (Czechia CS interviews). In Austria, LAG activities have a very high impact involving the community in decision making processes. The LAG is able to reach hard-to-reach groups, by including different sectors of the population and actively engaging them, so capacity to address social needs and increase social fabric and local governance is improved. *"Without LEADER there would be a lower culture of cooperation in the regions, less innovation and less regional identity"*. (Austria CS interview)

Through bottom-up approaches and a range of activities, LAGs have created effective communication channels with the local population. In Germany- Sachsen LAGs include the population at large, notably through annual regional conferences to report on progress and present projects. As a result, an increased participation in the LAG working structures and of community/stakeholders' participation in LAG decision-making was noted, affecting the balance of power among the local actors involved. In Spanish CS regions, the participation of the different socio-economic sectors in drafting the LDS was organised, among other things, through sectoral tables. In some LAGs, these sectoral tables are active throughout the programming period, meeting several times a year, and continuing to propose guidelines for the LAG as well as share their needs and problems. In Italy- Abruzzo, LAG managers confirm that community and supply chain projects are slightly engaging in terms of LAG animation and administrative effort, but they are highly effective in governance improvements⁷⁶. The LEADER partnership principle and private-public constitution of LAG Boards ensure that local actors remain consulted and involved in decision making throughout, as noted by project beneficiaries. As a result, local governance is strengthened and LAG actions better target local needs.

⁷⁵ The budgets of the 3 CZ LAGS are respectively 1.6M€, 2.9M€ and 5.3M€.

⁷⁶ In IT-AB, both LAGs invested much effort in integrated approaches, which engage local participation of cooperating groups, which was positively perceived by beneficiaries: LAG1 interventions had a stronger impact on cooperative relations within the supply chains. LAG 2 invested more effectively on the revitalisation of the small villages and the related economic and social activities, and this contributed to improve the perception of beneficiaries of the quality life improvements and relations with other stakeholders more than in LAG 3 case study."

Building partnerships and cooperative management

The LAG's capacity to build partnership and cooperative management is recognised and detailed under JC2. LAGs' in-depth knowledge of the territory and of its key actors is widely recognised by the MAs and actors beyond the territory. LAGs rely on an effective network, to the benefit of their partners. **Multiple examples were observed** (notably in Belgium-Wallonie and in Spanish CS regions) **where partners of a same or different LAG project met thanks to the LAG, but later developed new collaborations outside the context of the LAG but still beneficial to local development.**

LAG activities improved local governance, by enhancing co-ordination and cooperation between a variety of public and private actors (from civil society and economy). Over 50% of MA respondents to the survey declared that the current period was more effective at "cooperation between local government, private sector and civil society organisations". In Italy- Toscana, the additional influence of LEADER on territorial development in comparison with other policies could be identified in the quality of the relationships: the mutual exchange and collaboration between institutions, and between public and private actors, the identification of the population demands thanks to the proximity of the governance level, the connection with other territories and stakeholders, etc. In Sweden, the ex-post evaluation (Gunnarsdotter et al 2016) concluded that LAGs succeeded in engaging representatives of the business community and civil society in decisions about and management of public funds. In Spain, the CS LAGs are unanimous that they help to generate a "*sense of territory*", so that the interests of the territory take precedence over municipal, sectoral or individual actor interests. Even in Czechia, where the overall impact of LAGs on local governance is modest, LAGs are increasingly important players in their territories and regions.

LAGs' role in a multi-level governance context

Over 80% of LAG respondents and 70% of Managing Authorities respondents to the surveys agreed that "LAG activities have **improved co-ordination between different levels of governance**". In Rheinland-Pfalz (Germany), the Managing Authorities pointed out cooperation across administrative borders and overcoming parochial thinking as the most important LEADER impacts on local governance and structural changes in communities. In Sweden, improved governance was mainly observed at **municipal level**, as also in Belgium-Wallonie, as well as **between local actors at various governance levels and beyond regional or national borders.**

Considering the age of LAGs, it appears fewer responses from 'new' LAGs strongly agreed. This contradicts the findings of the Austrian CS, which claims that "*young LAGs have high participation rates, as they work a lot on engaging with local stakeholders and are less burnt out by the bureaucratic constraints*". A different perception was observed in Wallonia (Belgium) where historical LAGs benefit from established recognition and networks, hence easier access to local public and private actors (from economy and civil society). 'Newer' LAGs have a harder time to establish links between actors but their 'breakthrough' role is essential, especially in territories with no other supra-communal entities.

Limiting factors in local governance

The improving effects of LEADER on local governance may however be hindered when restrictions exist, notably in terms of LAG autonomy or LEADER scope. As detailed under ESQ4, there are strong interlinkages between the quality of the governance relations between LAGs and the Managing Authorities and/or Paying Authorities and the quality of the local governance achievements. An "enabling context" does not imply exclusively LAG autonomy, but mainly clear and stable rules, institutional arrangements dominated by collaboration and trust, clear division of roles, etc. (see ESQ7-ESQ8 for more details). In this context, autonomy is only one of the components of the institutional frame.

Konečný et al. (2020) also remarked that the **development of alternative governance structures, such as LAGs, may be perceived as a threat to pre-existing structures.** Rare examples were noted across the case studies. One of the LAGs in Wallonie (Belgium) did express a concern in terms of the changing perception of the LAGs by other actors of

the territory, notably due to their expanding role (providing advice on emerging topics notably related to energy) towards the municipalities (interview with LAG manager and restitution workshop). In Veneto (Italy), problematic relationships were noted only at the beginning of the programming period. The LAGs were initially seen as competitor or duplicate by trade associations and public bodies. The technical staff of LAGs had to work hard to gain trust and involvement of all local actors.

Governance also has an impact on LAGs and their activities. In certain Member States or Regions (Spain and Ireland), restrictions on LEADER's scope (determined by the RDP) implied that some needs of the local stakeholders were excluded. Over 30% of LAG respondents to the LEADER online survey indicated that LAGs don't have sufficient freedom to effectively address either environmental, economic or social development needs. Those perceptions mostly came from LAGs in the federal countries Spain, Italy and Germany. As a result, these local actors are less involved, notably in territory governance. The restrictions can also arise from the insufficient inclusion of local stakeholders (as already detailed in the literature review - section 3.1) or the lack of experience in participative consultation process, resulting in an uneven targeting of local needs. In Romania, some local authorities or local elites, members of the LAG boards, emphasised economic development of the area and regarded LEADER mainly as a source of funding for infrastructure projects, resulting notably from an underuse of local stakeholders' inclusion (Romania CSR, ERGO 2019).

JC3: LEADER improved social capital

As defined in the glossary of terms, 'social capital' refers to "networks of relationships among people who live and work in a particular society, enabling that society to function effectively". The OECD (2001)⁷⁷ and the Evaluation Guidelines of LEADER-CLLD from the European Evaluation Helpdesk for Rural Development (2017)⁷⁸ further define social capital as "**networks together with shared norms, values and understandings that facilitate cooperation within or among groups**". For this reason, 'social fabric' somehow pre-determines social capital, as it refers to the connections between people – networks, social organisations, formal and informal, which create a sense of belonging and can foster confidence and pride in place, as well as ability to act collectively to address challenges. Based on these definitions, **the literature and case studies are unanimous about EU added value of LEADER in its recognised effect on social capital.**

The following factors constitute elements of improved social capital and/or social fabric:

- 1) actors' relationships and interactions (e.g. forms of collaboration, building social contacts, networks; attitudes, values, sense of common identity, behaviours, etc.);
- 2) fields of activity (e.g. social entrepreneurship and social enterprises, new social projects, new opportunities, new platforms or places for people to meet and exchange information, etc.);
- 3) governance arrangements (e.g. cooperation, negotiated agreements, etc.).

LEADER's added value is seen in multiple and interconnected dimensions in case studies: network cooperation; trust; shared understanding of problems and development of ideas; motivation of members and/or actors; empowering local groups; etc.

LEADER widely contributes to implement new personal contacts and create new networks, through LAG activities and the application of the LEADER principles (Austria, Belgium-Wallonie, Italy-Abruzzo, Italy-Veneto, Romania, Spain). LEADER vastly contributed to it through its public-private partnerships and networking principles, but also through continuous animation activities by the LAGs, and creation of full-time positions to support it. LEADER creates and/or directly increases social capital for local territories.

⁷⁷ OECD (2001) The Wellbeing of Nations: The Role of Human and Social Capital, Education and Skills. OECD Centre for Educational Research and Innovation, Paris, France.

⁷⁸ https://enrd.ec.europa.eu/sites/default/files/evaluation_publications/twg-03-leader_clld-aug2017.pdf.

In Italy, LEADER contributed to social capital by strengthened public-private partnerships, relations with the local actors (public and private), and relations with regional/national institutions through animation and networking as elaborated in ESQ 4 and ESQ6. In Ireland, the LAGs and their partners enhanced social capital through extending networks and sharing best practices in two main focus areas: rural youth and basic services infrastructure. In Germany, social capital was generated through networking in relation to development of regional brands.

LEADER also unanimously increased the level of collaboration among local actors, and in a more limited extent with actors outside of their territory. The application of LEADER's cooperation principle but also the cooperation sub-measure (M19.3) play a role. In Belgium-Wallonie, the LAGs have regular 'G20' meetings regrouping managers from all 20 LAGs. Through exchange of concerns and best practice, collaboration and cohesion between the LAGs has increased leading also to their empowerment, notably in joint responses towards the MAs. The LAG project officers have also started to meet, regrouped by thematic expertise. The Slovenian LAGs implemented local and national level cooperative projects, and more active involvement of LAGs with local stakeholders.

In their 2014 study on LEADER's 2007-2013 cooperation sub-measure (Measure 421), the ENRD Contact point already concluded that the main achievements of cooperation include: increased knowledge and awareness raising, establishment and strengthening of long-term contacts, improvement skills and competences, multiplier effects, building social capital and enhanced potential of LAG territories⁷⁹. It further illustrates that LAGs cooperation projects reinforce the other dimensions of improved social capital.

The empowerment and capacity building of local actors promoted by LEADER is also key, for the inclusion of socially excluded groups as well as increasing local ability to take collective action. The added value of LAGs and their projects, in enabling the development and acquisition of new knowledge and skills in various domains for the local actors, was highlighted in Slovenia and Italy- Veneto case studies. In Veneto, both LAGs studied support capacity building for local municipalities (particularly in access to EU and national policies), which suffer from lack of adequate skills and personnel in their current planning and management activities (CS interviews). Similar LAG activities (assistance with tenders and access to external funding) are observed in the Czech CS, where LAGs collaborate closely with local municipalities, as well as respective regional LEADER authorities. The integration of third-country nationals projects were very important in LEADER in Austria. At the time when the AIR 2019 was published, there were 68 such projects with a funding volume of EUR 2 565 292 (Austria CS report).

In Ireland, CS LAGs noted successful efforts to access the harder-to-reach elements of the population (women, young people, socially isolated, travellers, migrants). In Germany Rheinland-Pfalz, a LAG project aimed to establish an inclusive community place for rural women. Another project was also selected to promote the inclusion of refugees (migrants) in the labour market through preparatory qualification courses aiming to qualify refugees for vocational training. Many LAGs in Belgium-Wallonie and Romania have addressed social inclusion and as such enabled these vulnerable or secluded groups get their ideas expressed and shared more widely, at least among the LAG territory. As such, LEADER has the potential to improve social capital, even if low at start. In Romania, where social capital is low in many communities due to low levels of interpersonal-trust, the case study confirmed that a LAG 'can enhance access to information and empowers local people'.

The structure of LAG Boards and General Assembly, in line with LEADER's partnership principle, also enables numerous private actors (from business and civil society) to be represented and intervene in collective decision making along with the public actors. Majority of the Managing Authorities (82%) who responded to the online survey agreed that the LEADER approach has empowered local actors and increased their capacity to work together. Thanks to the LAG activities, higher community engagement and an impact on involving the community in decision making processes was observed. In Belgium-

⁷⁹ ENRD Contact point (2014). The State-of-play of the Implementation of Rural Development Programme Measure 421 in the EU-27, Final Report.

Wallonie, emerging from new collaborations or projects launched by the LAGs, some of the partners later joined the LAG Boards. In Germany however, beneficiaries from one LAG pointed out that, although the LDS consultation process had been highly participatory, involvement of many of the less familiar stakeholders dropped away significantly during implementation, leaving public actors to 'dominate' and the 'usual suspects' to benefit from support and funding, thus losing some potential to generate further social capital.

For the promotion of empowerment and for capacity-building, the animation performed by the LAGs is key. In Czechia, the case study confirmed that LAG animations contribute to increased level of social capital, building capacity in the LAG areas and strengthening the social fabric. It is however important to remark that interviewees fear that relative reductions in animation budgets, to account for constraining and complex delivery of CLLD strategy, might hinder the expression of LEADER's added value regarding this domain.

LEADER also participates in building the essential trust among actors and a sense of cohesion. Especially longstanding and experienced LAGs have gained and built trust, from their partners, board members and population through projects and animation activities. They built trust among partners through effective collaborations on LAG projects and among administrators through co-decision mechanisms. The presence of a LAG in a territory can generate a feeling of belonging which enhances cohesion. In Austria, LEADER also provided needs-based targeted programmes at specific sectors of the population.

LEADER projects contribute to a certain extent to influence populations' values and increased tolerance of cultural difference. Social capital can be translated into increased tolerance towards cultural differences. The contact with other cultures enlarges the horizon of local people who become able to see beyond their small territories into other realities and experiences and respect and learn from the differences. In Germany Rheinland-Pfalz, a LAG project providing preparatory training for vocational education for refugees valorised and celebrated the human capital of newcomers.

Social capital through the fields of activity

LEADER's added value can also be observed in its promotion of social innovation initiatives and new social activities. In Slovenia, the main added value of all the LEADER projects is mentioned as the strengthened social relations and enhanced cooperation on the one hand, and the development and acquisition of new knowledge and skills in various domains on the other. These further allow more innovative approaches, notably in linking different contents among the growing number of stakeholders. In Belgium- Wallonie, the LAGs repeatedly implemented pilot activities for new forms of social inclusion projects and social agriculture, with one of these being later incorporated in a new RDP measure (M16.9) by the Managing Authorities. LAGs have also demonstrated added value in their adaptation to social crisis contexts such as migrant arrivals (Germany, Austria) or responding to the Covid crisis (Belgium, Italy).

LEADER NORDVÄSTRA SKARABORG, Sweden - Development of the area's hospitality industry with a focus on nature and outdoor tourism via collaboration and networking

The project aims to create a dynamic collaboration between entrepreneurs, LEADER, the local tourism organizations and the regional tourism organizations via promoting and building networks and clusters of companies and other stakeholders related to the nature-related hospitality industry. The purpose is to stimulate and create product and business development for profitable entrepreneurship in the hospitality industry. It is a collaborative project together with two other LAGs in the area.

The LAG has a horizontal goal: Number of new networks / meeting places that exist two years after the end of the project. The goal is to establish **50**

Governance arrangements

The LAG's capacity to improve local governance is well recognised (detailed under JC.1). Through animation and activities, the LAGs create new networks but also empower these to participate in decision making, with a clear bottom-up and networking influence on the existing arrangements. In Belgium- Wallonie, the LAG introduced a new supra-

communal dynamic at a level where no local development institutions were previously active. As a direct result, the relationships between mayors of the regrouped municipalities was greatly enhanced and is now also promoted through initiatives other than LEADER.

The positive effects of LEADER on social capital were hindered by restrictions in terms of LAG autonomy and budget. Almost a third of respondents to the LAG survey thought that LAGs don't have enough freedom to address social development needs. LAGs with small budgets were more negative about LEADER's impact in meeting social needs.

JC4: The LEADER approach and its seven key principles enhanced results/impacts of local development project implementation

The assessment of the added value of LEADER also refers to the benefits that are obtained as a result of the proper application of the LEADER method, compared to those benefits, which would have been obtained without applying this method. As such, **the added value of the LEADER programme, and the achievement of enhanced results, can be assessed through the application of its seven principles** (Good practice workshop: "showing the added value of LEADER/CCLD through evaluation", 2018). All sources (literature review, case studies and surveys) are unanimous that compliance with the LEADER approach and the correct and rigorous application of its seven principles make the difference with other interventions.

Each individual LEADER principle plays a role to promote achievement of enhanced results and/or impacts. They are the basis of LEADER's added value detailed in earlier JCs of this ESQ and summarised in Table 5.11.

Table 5.11: Enhanced results derived individually by the 7 LEADER key features

LEADER features	Enhanced results
Bottom-up approach with decision making power for LAGs to elaborate and implement LDS	<ul style="list-style-type: none"> • ensures responding to needs expressed directly by actors of the territory (including needs due to specific contexts and needs at a very small scale). Encompasses needs which are otherwise not addressed by other Member State, Region or EU measures, nor by the programmes of other actors of the territory. Also captures needs from regions or beneficiaries potentially excluded from these other aids. • ensures addressing local problems and needs in a more flexible and targeted manner, with tailored solutions resulting in development approaches best suited to the context in each local area (notably thanks to the better understanding of the local needs, the active and collective designing of projects with all local actors and the individualised coordination of projects by the LAGs). • inhabitants and actors consulted are later more deeply involved in the implementation of the LAG projects, but also the life of the territory and the decision making in their territory. Participates to the transition towards a greater rural vitality and civic engagement, hence enhancing local social capital. • raises confidence in the endogenous resources of beneficiaries and their wider communities. • enables to disseminate and share information concerning local needs and challenges (also to local and managing authorities).
Area based LDS	<ul style="list-style-type: none"> • enhances participation of local actors and inhabitants due to the close and lasting relationship with the LAG, leading to collective work and a higher level of civic engagement in the territory. • empowers local 'smaller' actors. • stimulates local networking (including interrelations between agents, sectors and parts of the territory), also generating collaboration opportunities outside the scope of the LAG projects. • reinforces the sense of community, hence increasing the local social capital. • enables local needs or priorities to be considered and incorporated into the programmes of other actors (cultural, touristic, etc.) • generates or reinforces a supra-communal / territorial dynamic, encouraging cross-municipal cooperation, actions and activities, and

LEADER features	Enhanced results
	where applicable even overcoming barriers (sometimes as a prerequisite to funding).
Local public – private partnership	<ul style="list-style-type: none"> • enables a better understanding of the partners' individual scope of action and priorities (notably through the interactions of the LAG Board members). • empowers the local private actors, notably in the decision making for their territory. • stimulates local networking, also generating collaboration opportunities outside the scope of the LAG projects. • promotes meetings and encourages exchanges and collaboration between public actors of the different municipalities within the territory (also outside of LEADER).
An integrated and multi-sectoral strategy	<ul style="list-style-type: none"> • promotes a more holistic and comprehensive approach to a local opportunity, constraint or activity. • promotes complementarities between LAG projects/activities. • enhances the awareness of actors of different sectors in terms of common or different needs and opportunities. • generates new opportunities emerging from complementarities between the different sectors. Encourages a more balanced local development (encompassing social, environment and economic aspects).
Networking (internal and external)	<ul style="list-style-type: none"> • reinforces the sense of community, hence increasing the local social capital. • empowers certain category of actors (social farmers, elders, minorities, etc.), hence improving the local governance. • empowers the LAG community (best practices shared but also common response to the Managing Authorities). • generates collaboration opportunities, including outside the scope of LEADER. • even if to a limited extent, leverages additional funding sources for local development.
Implementation of innovative approaches/projects	<ul style="list-style-type: none"> • enables to identify (and test through implementation) creative local solutions to existing issues or constraints at local level. • enables to capture emerging needs of the whole local society (notably in line with new sectors, climate urgency and adaptations, the Covid pandemic, etc.) and respond to these even at a very small and local scale, with the direct involvement of the territory's population. • enables to test projects later integrated in the RDP mainstream set of measures and sub-measures. • enables the acquisition of new knowledge and skills for the LAGs themselves (benefiting the implementation of the overall local development strategy) but also for actors of the territory. • even if to a limited extent, leverages additional funding sources for local development (with attention being drawn by successful pilot projects).
Implementation of cooperation projects	<ul style="list-style-type: none"> • increases social capital. • enables to capture and implement new ideas and approaches for the territories. • leads to a greater efficiency by the incorporation of best practices tested by LAGs in other territories and knowledge sharing. Hence, also leads to potential economy of scale in projects implemented together by multiple LAGs (with de-multiplication of actions and cost sharing among the LAGs). • encourages cooperation between LAGs of different regions or Member States (in addition to the more spontaneous cooperation and collaborations between LAGs of a same region).

Source: Study team based on the case studies, surveys and literature review 2021.

As already mentioned under ESQ9 (internal coherence), several LAGs experienced difficulties to implement cooperation projects (due to administrative constraints or differences between Member States). **The cooperation principle however remains essential.** First, the very existence of LEADER's cooperation sub-measure is a direct result

of a tangible bottom-up approach. LAGs first expressed needs to work with practitioners of other areas, then successfully tested trans-national partnerships under LEADER I which then led to the introduction of the formal concept of cooperation as a specific measure under LEADER II with a dedicated budget (ENRD, 2020)⁸⁰. Furthermore, the current LEADER cooperation projects have created EU added value related to local development, compared to the situation where Regions or Member States would have acted alone, especially in terms of trans-national cooperation. Through the overall cooperation, LEADER promotes innovative ways of thinking in local communities as well as innovative approaches/projects (interview with Evaluation Network). LEADER's cooperation projects have also created added value for the other LAG activities and evolving local strategies.

LEADER's focus on cooperation and networking delivers added value at the level of the LAGs themselves and at the regional level, e.g. through increased networking, capacity-building and improved governance. Yet the bottom-up approach as the defining characteristic of LEADER is not diluted by fostering clientelistic networks at the level of LAG decision-making. *Added value related to networking and cooperation goes **beyond the regional level**. The LEADER approach also significantly enhanced cooperation at the **cross-regional and transnational level** and stimulated horizontal knowledge transfer and regional learning for LAGs.* (German CS)

If the key principles are not applied properly, it restricts the EU added value of LEADER. To promote their application, certain regions (Germany-Sachsen) have determined the application by the LAGs of all principles of the LEADER approach as a prerequisite for approval of the LDS. But the context and LEADER implementation rules also have a key influence. Increased bureaucracy can appear as a result of a lack of LAG autonomy. Administrative burden can then hinder the implementation of the LEADER features and projects, limiting their added value but also LEADER's overall effectiveness (Czechia, Spain). For example, in Czechia, the case study observed that it is becoming more and more challenging to implement LEADER features due to stringent rules and heavy administrative burden. All LAGs noted that they had relative freedom to design the analytical and strategic parts of the strategy, including identification of needs, consulting broadly across the communities in their territories, but they were very restrained in addressing those needs through their action plans owing to the limited portfolio of measures they could select from. Political interference can also prevent LAGs to express correctly some key principles or further hinder their activities. In Romania, case study respondents admitted that some territorial and LAG partnership changes have a political basis and are a direct consequence of the local election results. This suggests that, contrary to the bottom-up approach principle, the public actors maintain a high level of influence inside the partnership, using LAGs as instruments of power.

JC5: LEADER created added value in other domains

To a lesser extent, LEADER's added value also lies in **emerging environment capital**. Responding to concerns of their local population, several LAGs (Austria, Belgium-Wallonia, Romania, etc.) have searched and implemented experimentation of local solutions to environmental issues (as detailed under ESQ6). Encompassing notably climate change and renewable energy domains, the number of projects has already increased in certain regions compared to previous programming periods and it is likely to remain an issue in the coming programming period. LEADER's added value lies in the integration of these new or emerging issues.

⁸⁰ ENRD, 2020. Leader achievements. EU Rural Review No 29. p36.

SECTION 3 – Summary answer for the whole ESQ

The LEADER approach with its seven principles which is unique across the EU, Member States and regions (now also in multi-fund CLLD) provides EU added value in many aspects, even if sometimes limited due to the administrative burden and/or hindered in specific region and Member State contexts by constrained LAG autonomy or LEADER scope. All sources (literature review, case studies, surveys and EC interviews) converge in the finding of multiple and interconnected dimensions of LEADER's EU added value. The increase in LAG numbers and population coverage since the previous programming period suggests Member States appreciate this added value aspect.

EU added value of LEADER lies in its **contribution to improving EU, Member State, and Regional policies acting on territorial development**. Successful pilot projects conducted by the LAGs have also led to their incorporation into the mainstream measures and sub-measures of the RDPs. The LAGs also play an important role in their capacity to generate trust, among actors of the territories but also and equally importantly an increased trust in local policies. The LEADER approach, and the combination of its seven key features, could however still be further incorporated in existing policies and regional initiatives.

EU added value of LEADER concerns **improved local governance**. The LAGs' presence in the territory based on bottom-up and area-based principles, implies the introduction of a new supra-communal co-ordination structure. The LDS consultation process and LAG activities led to a better mutual knowledge of the actors in the territories (and beyond) and to a common understanding of local issues and co-constructed responses tailored to local issues. Building of partnerships was observed across the local territories as well as development of local initiatives (even in projects beyond the LAG scope).

Another aspect of EU added value of LEADER is its **enhancement of social capital**. The animation and co-ordination performed by the LAGs, reinforced by the networking principles and private-public partnerships, lead to improved collaboration among local actors, but also the recognition of common values and a sense of belonging. Its promotion of the empowerment and capacity building of local actors, encompassing also socially excluded or vulnerable groups, increases the local ability to take collective action.

LEADER's added value also rests in its **achievement of enhanced results** by LEADER projects, compared to other initiatives acting on local development. Each individual LEADER principle plays a role and they are strongly intertwined. Together, they ensure that more flexible, holistic and targeted responses have been implemented to address needs expressed directly by actors of the territory. LEADER actively contributes to a greater rural vitality and civic engagement, further improving the social capital and local governance. It also enables to capture emerging needs of the whole local society (notably the climate urgency and adaptations, the Covid pandemic, etc.) and respond to these with innovative projects, even at a very small and local scale, with the direct and lasting involvement of the territory's actors and population.

Some limitations were found regarding cooperation projects and some LAGs experienced difficulties to implement them. Nonetheless, the LEADER cooperation principle remains essential and the projects have created a clear EU added value related to local development, especially in terms of trans-national cooperation which would not have been implemented by the Member States or regions alone.

To a lesser extent, LEADER's added value is in **emerging environmental capital**. Responding to concerns of the local population, numerous LAGs have searched and implemented experiments in local solutions to environmental issues. Encompassing notably climate change and renewable energy, this is likely to grow in significance in the coming programming period. LEADER's added value lies in its ability to integrate new and emerging issues.

6 CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

Overview

LEADER in the programming period 2014-2020 has demonstrated its relevance, effectiveness and added value for integrated and sustainable rural development at a local level, across Europe. Spending only a very minor share of total EAFRD funds – around seven percent, or EUR 7 billion over the period -to establish 2 784 LEADER LAGs spread across all Member States and regions, LEADER has been able to develop complex and locally-tailored solutions to rural development challenges in many contrasting rural contexts, as illustrated in case studies. EU-wide surveys of LAGs and Managing Authorities have provided strong endorsement for the particular distinctive approach of LEADER and its value within the wider toolkit of CAP and other ESIF policies.

Whilst covering a significant proportion of Europe's rural population, LEADER Local Action Groups had very limited EU resources to focus on their territories, averaging only EUR 20 per inhabitant. Targeted, well-designed projects and activities were essential to maximise impacts, which in turn depended on well-informed and inclusive local development strategies and implementing arrangements supported by transparent and strong positive relationships between LAGs and their Managing Authorities and Paying Agencies. These elements were achieved in many cases but examples were also found where some of these factors were not in place and performance suffered accordingly. Key weaknesses included:

- overly restrictive pre-determination of funding options, eligibility conditions, operational processes and strict targets by some MAs before LAG LDSs were in place and local challenges and contexts were sufficiently understood or recognised;
- lack of skills, knowledge and outreach capacities among some LAG management teams, failing to ensure high quality LDSs, strong partnerships and networks with relevant local actors, and efficiently-managed operations;
- budgets squeezed by increased administrative burdens and limited funds leading to low resources for animation and facilitation actions, compromising beneficiary demand and project quality;
- insufficient dialogue and structures for regular and open communication between all main actors involved in realising LEADER results and outcomes, within an RDP territory.

Relevance

LEADER's relevance is clear for local development, considering needs and opportunities integrated at a local level; this is reflected in the scale of resources that it deploys. The study evidence suggests that the LEADER approach has been relevant to sustainable and balanced territorial development in LAG areas, in many ways. LAGs specifically targeted or gave particular priority to areas within their territories which are economically disadvantaged, peripheral or remote or which host vulnerable communities. Although environmental goals were less frequently the main focus of LAG activities and projects, they were frequently targeted in a subsidiary and integrated way (see below).

Economic and social needs, as well as the broader needs of sustainable rural development were recognised by LAGs and Managing Authorities across the EU and clearly targeted within the case studies. Economic needs (employment, business growth and development) appear to have had the highest priority and were targeted by all LAGs; social needs were identified and targeted in the majority (especially enhancing social capital), while environmental needs were prioritised in fewer cases. There were 3 main approaches: either direct targeting of particular needs or groups with needs, by specific calls / projects and/or actions; or holistic targeting as a consequence of wider territorial development activities, such as when the LDSs contained either project-fiches or strategic themes specific to the territory of the LAG which are given funding priority, or where new partnerships for delivery are forged between actors, to better reach certain goals. A third type of targeting was subsidiary and integrated, where a project designed to achieve one

goal also included design features to enhance impacts on the other goals of sustainable development identified within the LDSs.

Targeting was achieved through the combined actions of both LAGs and Managing Authorities. Evidence shows effective targeting required well-coordinated actions; it was less effective where good MA-LAG co-ordination was lacking and operational decisions were made at one level without taking account/being made aware of needs at the other level (regional/national and local). If MAs pre-determined LEADER priorities, details and budgetary allocations before LDSs had assessed local needs, this limited LAGs' ability to meet these needs (Czechia, Spanish regions). Conversely, if LAGs acted without sufficient MA guidance or technical support to fully identify needs and priorities, their LDSs were less able or likely to meet those needs (Romania, Italy-Abruzzo).

In the economic arena, LAGs particularly focused on targets including maintaining or improving jobs, supporting new or better rural enterprise, upscaling, marketing/adding value, and other investment. In respect of social needs, most LAGs prioritised strengthening the local social fabric through their activities and projects, and supporting marginalized or disadvantaged groups was also a frequent feature. Among environmental needs, most LAGs emphasized needs for raising environmental awareness and improving local amenities rather than prioritising specific environmental actions such as reducing biodiversity decline or improving natural resource protection. However, LEADER in some countries and regions gave priority to meeting environmental needs (Sweden, Belgium, Slovenia). MAs in most case study areas (except Austria, Sweden) exerted significant influence on LAG priorities. Whilst very little data is available at an appropriate degree of granularity for testing whether LEADER targets across the EU match objective evidence of relative needs, the indication of rural population decline between 2011 and 2018 at LAU level suggests widely dispersed rural needs which mirrors the dispersed nature of LAGs, and case studies found that LEADER was targeted to rural needs as identified in both LDSs and RDPs. Both MA and LAG surveys reported that LEADER was meeting needs.

Case studies found that LEADER's relevance was increased where it had skilled and experienced LAG leaders and technical support, to ensure local knowledge was captured and local experience understood when preparing the LDS, as well as to understand the breadth of rural challenges. Relevance was reduced by a low level of capacity among some LAG leaders and stakeholders (Romania, Austria), or by inappropriate constraints in respect of the permitted scope of LAG activities or type of LAG beneficiaries and the conditions and scoring systems applied to project eligibility, selection and grant rates, which arises from inexperienced or insufficient LEADER sensitivity or support among MAs, NRNs and other agencies, and/or technical assistance (Czechia, Ireland, Slovenia, Spanish regions).

Effectiveness

Study evidence suggests strongly that **LEADER was effective in developing regionally- and locally-specific, tailored solutions to address economic and social development challenges and opportunities**. Although EU data suggested that on average, LAGs had spent only 49% of their planned funding by September 2021 (totalling EUR 2.5 billion), surveys indicated a more significant level and wide variety of LAG activity, and most case studies showed high levels of LAG success in funding relevant projects and activities, with positive early impacts. LEADER projects connect different regional resources (actors, assets, knowledge), which has been effective in strengthening regional competitiveness and establishing links between economic sectors and key social groups.

Surveys and case studies suggest LEADER's strongest areas of focus and impact in the 2014-2020 period were job creation and maintenance, local added-value of products and enterprise modernisation. Enhancing local governance capacities and knowledge, within LEADER operations, was also widely reported and identified. Case studies gave examples of positive impacts to promote social inclusion and diversity especially among excluded or marginal groups including migrants, remote communities, unemployed youth, and poorer and older people facing problems to access services and support. Surveys indicated these impacts as less strong than LEADER's positive local economic and governance impacts.

Indicator reporting in 2020 AIRs suggests LEADER's first years of funding were strongly focused on local development action with smaller shares devoted to other priorities.

Case studies in all 14 regions and 10 Member States demonstrated good examples of LEADER's effectiveness and LAG and MA surveys confirmed strongly positive views in respect of the difference that LEADER made for rural economic and social development in respondents' own territories. Many case studies revealed a **focus on economic over social development**, often connected to regional/national (MA) or LAG Board emphasis on using LEADER funds to create jobs and help SMEs, but in some cases reflecting a lack of skills (Romania) or guidance (Toscana) on how best to address social and socio-economic cohesion, even where it was identified as important. In some MS there was a lack of recognition of disadvantaged groups (Germany-Rheinland Pfalz), or a limited focus on particular issues through the use of rather narrow project selection criteria, which could only deliver social objectives as indirect benefits of economic development activity (Spanish regions). By contrast, in some cases LAGs operate in territories with relatively high levels of income and employment, so action to target social inclusion among specific vulnerable groups was evident (Sweden, Austria, Belgium-Wallonie).

LEADER was effective, but limited, in addressing social inclusion as the level of targeting and achievement varied. MA and LAG surveys indicated varied effectiveness of LEADER in reducing gender disparities or social cohesion, but case studies showed clear evidence of LAGs addressing the needs of vulnerable groups. For social inclusion, a small number of MS/Regions reported medium impact and most a slight impact, in surveys.

LEADER was judged more successful in addressing social inclusion than rural poverty. In surveys, most MAs and LAGs indicated that LEADER was not the right instrument to tackle this complex issue. Germany-Sachsen case study found LAGs contributing to poverty reduction through investment in rural housing and infrastructure. However, problems were met implementing projects related to poverty reduction in Spanish regions, DE-Rheinland-Pfalz, Romania, Czechia⁸¹, Slovenia and Sweden (in other cases, no initiatives directly addressing poverty were identified). LAGs in many areas supported projects with indirect positive effects, e.g. enhancing incomes and employment among communities that suffer disadvantage and poverty. For marginal areas in particular, local support for LEADER was strong: case studies and survey responses identified it as almost the only measure which targeted small, locally-tailored actions in sparsely-populated places that are often overlooked by the operations of other economic and social development funds.

LEADER performance in improving the environment, developing environmental capital or fostering climate action, was less prominent compared to other impacts. The broad scale and scope of environmental issues, a lack of skills within LAGs, and insufficient interest among rural populations and actors, were all cited as factors. LEADER's small scale and mode of operation make it generally not well-suited to supporting (complex and costly) rural infrastructure. However, LEADER achieved indirect benefits for the environment via incorporation in economic and social projects; such as environmental awareness-raising/education, preservation of cultural heritage and sustainable tourism.

Case study findings suggest that **where LEADER features were fully implemented and LAGs received guidance in thematic priorities and needs, LDSs were more effective** in improving economic and social capital and in socio-economic cohesion. However, in some regions, strong *a priori* thematic foci were detrimental to LAGs' ability to respond to local needs (Czechia, Spanish regions). The size of the LAG budget, capacity of LAG personnel, and local political and economic context also played a strong role influencing LAGs' improvement of economic and social capital.

LAGs achieved relevant outcomes in local governance and innovative approaches, as identified particularly in case studies. There were strong interlinkages between the quality of governance relations between LAGs and MA-PA and the quality of local governance achievements. Expanded in findings on efficiency, an

⁸¹⁸¹ Poverty reduction in LAGs in Czechia was not funded by EAFRD, but by other ESI operational programmes.

'enabling context' of good relations made it possible for LAGs to implement good governance, innovative approaches, and lasting changes in communities. Both surveys also supported LEADER's positive impact on local governance.

Many examples among all case study LAGs demonstrated a wide range of innovation, from social innovation to product and process innovations, and including innovative governance approaches and animation and outreach activities. Innovation through cooperation was less strongly evidenced: a few examples were identified. In several countries and regions there were significant administrative and policy challenges to achieving transnational cooperation, in particular. However, in LAG and MA surveys, LAGs' perceived achievements in innovation ranked lower than other socio-economic impacts.

LAGs leveraged a significant mix of additional resources. As well as helping private and NGO beneficiaries to raise and apply project co-funding at varying rates, many LAGs created local access to other funding (i.e. available ESI, national, and regional funds), generating and co-ordinating funding knowledge and expertise among actors in local areas, and increasing public and community participation, also acting as a hub to draw upon local volunteers. LAGs in regions and MS with long and strong histories of LEADER implementation appear to have achieved particularly high levels of project match-funds (above 50% in German regions and Ireland), while those with less LEADER experience had generally lower amounts (e.g. 1-3% in Romanian LAGs). LAGs with significant experience using a variety of other funds have been able to transfer this knowledge successfully to other local actors, developing their capacity to bid and secure such funding.

Causal Analysis

The combined evidence cited above suggests that **LEADER has been effective** with significant, positive local development implemented in many rural territories across the EU through LEADER LDSs. The range of project types and funding identified in case studies was significant, including investment in private businesses, in infrastructure and support services, and in networks, events or exchanges that brought different actors together and stimulated new project ideas and partnerships. The many examples gathered in case studies identify how certain distinctive aspects of LEADER operation, deriving from its seven core features, were particularly important causal elements for effectiveness. These are:

- **the bottom-up approach**, ensuring involvement of local people, including stakeholders, beneficiaries, experts and communities;
- strong implementation of **participatory methods** in LDS design and delivery;
- **capacity-building** among local actors, to ensure active and meaningful participation in and influence upon LEADER strategies, actions and projects; and
- **animation and facilitation activities**, which are a particular feature of the way in which LAGs work, having a dedicated resource for these activities;
- **effective networking** and information exchange with a very broad and diverse range of partners and actors at both local and higher levels (notably including the MAs and PAs and key supporting agencies, to be most successful).

In addition, evidence showed **local decision-making** (reflecting a level of LAG autonomy) was also essential to LEADER performance, whilst noting that this can be achieved by a variety of different models, as illustrated among the case studies. Together, these processes helped to ensure that LEADER projects and actions delivered results, impacts and outcomes supporting LDSs and achieving local development in LAG territories.

Case study evidence showing the power and influence of these processes helps to explain the causal linkages underpinning the results of the survey analysis, which showed a clear correlation between LEADER's perceived effectiveness and the extent to which LAGs were able to fully implement the seven core LEADER features. The combined evidence broadly confirms the validity in practice of the Intervention Logic of LEADER described in policy and guidance documents, which emphasizes these seven features.

Achieving wide **participation of multiple actors through application of the bottom-up principle** and promotion and animation strategies including events, publications, web-based and direct communications for further engagement with stakeholders and the wider public were effectively applied in all case studies except Romania. This feature is intrinsically linked to the LEADER approach and was identified as essential for effective delivery, though some obstacles were also noted. By emphasising good participation, LEADER in all cases enabled the participation of actors who would otherwise not be involved, in developing their territory.

Networking was identified in both surveys and case studies as the most effective mechanism to stimulate social innovation. Communications, local connections and strong local social and technical knowledge were central to LEADER's effective and efficient functioning. This required skilled staff, experienced and enthusiastic Board members and trusting/trustworthy and diligent funding administrators and managers in the MAs.

LEADER has particularly benefited rural social goals through **indirect targeting via soft measures (e.g. hosting events, meetings and other opportunities to engage)**, especially targeting specific groups to broaden participation (women, youth, refugees). Such activity is in addition to other more direct action on social goals. By supporting 'non-productive' projects (i.e. those without a commercial gain), LAGs also improved living conditions in rural areas through projects with both tangible and intangible benefits (e.g. from community buildings powered by renewable energy, to cultural events and educational and leisure activities with a specific territorial focus). Case study findings illustrated how causality was indirect as well as direct in LAG projects and animation, and how single actions achieved different goals: economic, environmental and social.

The analysis highlighted that **animation was crucial to ensure LAG performance and capacity to achieve good results**. Animation proved essential both for effectiveness and efficiency. Among the costs referred to in Article 35 of Regulation (EU) No 1303/2013 for Local Action Groups, running costs and animation were identified as significant.

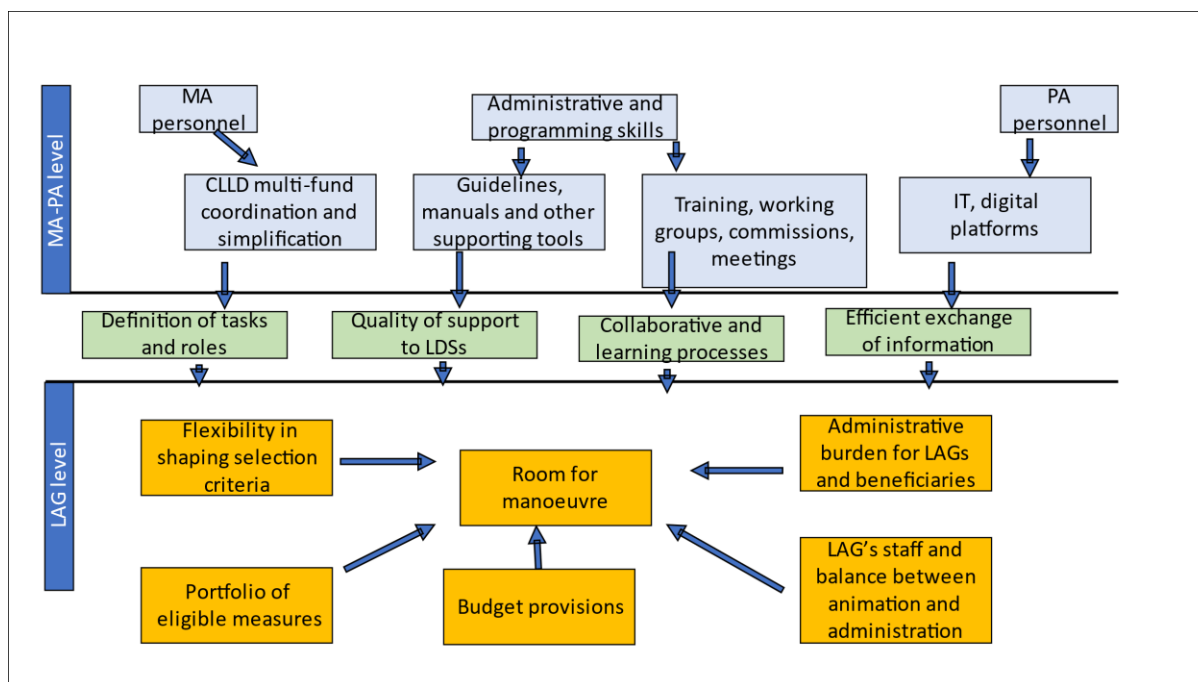
Efficiency

Efficiency strongly depended on the LEADER approach designed in each RDP, e.g. rules for LAG selection and approval. MA and PA capabilities to prepare timely guidelines and procedures were critical. Despite EAFRD deadlines for LAG selection, the process started late in some countries and delayed LAGs' ability to commence work.

Overall, over 60% of MA survey respondents felt the LEADER administrative burden had increased since 2007-2013. In countries/regions applying the CLLD-multi-fund approach, the selection process was particularly complex due to different funding administrations' involvement and the need to coordinate roles of different selection bodies. The change from mono-fund to CLLD-multi-fund approach was a main reason for increased administrative burden on LAGs, in some countries (Czechia case). Efficiency of M19 spending was highly variable, depending on the sufficiency of personnel in PAs, project complexity, quality of written or online applications, also ICT platforms and accessibility.

LAGs identified high administrative burden in handling payment claims, support for project applicants, controls, and eligibility checking/ranking. Case studies showed efficiency was also affected by LAG characteristics: budgetary provisions, LAGs' skills and capacity to find a proper balance between animation and administrative activities, and their ability to implement projects related to social issues (which tend to have higher cost to establish).

An enabling implementation context– of institutions, rules and instruments – was a strong factor helping case study LAGs to define and achieve objectives efficiently. Clarity in the distribution of tasks between MA, PA and LAGs, clear and stable rules, and a series of supporting elements for LAGs (guidelines, manuals, legislative interpretation, standard forms), also regular communications and meetings and mutual learning, eased LEADER implementation (Austria-Tyrol, Belgium-Wallonie, Italy – Toscana, Veneto).

Figure 6.1: LEADER implementation process and efficiency dimensions

Source: study team 2021

The diagram shows the main factors of efficiency, emphasizing that actions to improve efficiency included the following:

- A clear definition of tasks and roles, especially in CLLD multi-fund coordination and simplification.
- Support by MA and PA to LDSs and LAGs via guidelines, manuals, websites, FAQ sessions and working groups, regular communication and meetings, formal collaboration (specific joint committees, meeting regularly), greatly eased LEADER implementation and spending capacity. These “enabling factors” were also jointly supported (in a coordinated system) by complementary instruments or actors (e.g. technical assistance, programme evaluators, national rural networks, specialist LAG support agencies, etc.). Creating a collaborative and mutual learning process between administrative and programming bodies and LAGs is crucial for efficiency of the system.
- MA and PA introducing more efficient IT and digital platforms to facilitate online application uploading, payment claims and administrative controls.

While LEADER projects and activities are more complex and locally-tailored than many other EU-funded rural development initiatives, their measured costs include animation activities which are a valuable output, and not an administrative overhead. As evidenced in LEADER’s specific local effectiveness and added value, this approach represents good value for money.

Improvements identified to minimise administrative burden included simplification of CLLD multi-fund management via a ‘lead’ MA (Sweden, Germany regions), management arrangements based on more cooperation/collaboration between MA and LAGs, wider adoption of simplified cost options (SCOs) and IT and digital platforms to facilitate application, payment claims and administrative controls (as in previous paragraph cases).

SCOs were widely used for administration and running costs, among LAGs. Case studies included examples where they were also used for projects, with mixed success, but overall **it was concluded that simplified cost options offered distinct benefits in respect of reduced administrative burdens**, so long as LAGs and MAs learn how to avoid overly simplistic uses.

Coherence

Good internal coherence of LEADER within the RDPs was found in surveys and most case studies. A coherent framework was provided by the regulations, and internal coherence among M19 sub-measures, LAG activities and the LDS started during LDS drafting. Case studies found strong synergies and complementarities between LEADER sub-measures (though to a lesser extent for M19.3 cooperation). Cooperation projects were more difficult due to differing guidance and implementing rules between RDPs. LEADER also operated coherently with Pillar 2 of the CAP, and in line with general CAP objectives. Other EAFRD measures supporting local development were mainly M7 (basic services/village renewal) and M16 (cooperation and EiP Agri innovation), also M1 and 2 (training and advice) and M4 (investments). Few links were identified in case studies between LEADER and other CAP instruments (Direct payments; CMO; Horizontal reg) except where LDSs focused particularly on agri-food supply chains (Spanish, Italian and Irish cases -agribusiness, wineries).

LEADER was coherent with ESIF policies for CLLD. External coherence between EAFRD and other ESI funds was explicitly planned via Partnership Agreements introduced for 2014-2020 programmes. There was little overlap, conflict or duplication between LEADER and ESIF policies' implementation in the sphere of CLLD. Case studies provided evidence of coherence via coordination of LEADER with operational programmes in specific fields (e.g. tourism, village renewal, infrastructure enhancement, depopulated areas).

Multi-fund CLLD offered enhanced coherence with ESIF programmes (for social goals with ESF, economic and environmental goals/infrastructure with ERDF and EMFF) compared to a mono-fund situation, but only if additional complexities of management were minimised or overcome. In a mono-fund situation, coherence seems to have been more a matter of good communication than of linked complementary activities between funds, in many cases. LAGs essentially acted separately in scope and scale, often, but very close and effective partnership working favoured coherence and generated more integrated projects.

At LAG level, in case studies complementarities were found between LEADER and Interreg, and a few LIFE projects. **National, regional and local policy initiatives targeting local development were mostly strongly coherent with LEADER.**

Added Value and EU Added Value

Survey and case study results find the LEADER approach and its implementation provide added value in three main aspects. These are: improved local governance, capacity-building and better designed, more multi-impact projects.

For improved local governance, LAGs' territorial presence implies the introduction of a new supra-communal coordination structure for funds and actions. New distribution of power among actors evolved via the introduction of non-state actors into LAG governance. Applying LEADER's seven key principles challenged actors longstanding 'ways of thinking', fostering innovative approaches and developing shared identity and purpose.

The LDS consultation process and LAG activities gave better mutual knowledge of actors in the territories (and beyond) and promoted common understanding of local issues and co-constructed, tailored responses. They promoted empowerment and capacity building of local actors, also some socially excluded or vulnerable groups.

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 results and impacts, compared to other EU or national/ regional development policies.

A range of evidence from surveys and case studies demonstrated a strong link between the LEADER approach and recognition of EU added value, arising from the specific features of LEADER operation which make it distinctive and widely-recognized. LEADER has acted

as a stimulus to help MS and regions to identify connections between local and EU-level goals and to pursue both, together. In this sense, it has offered EU added value.

Conclusions on monitoring and evaluation of LEADER

The process of tracking and evaluating the performance of LEADER is not yet well-developed at EU level, largely because the EAFRD indicator set is not well-tailored to the specific approach and philosophy of LEADER. As an initiative acting at local level, macro-level impact indicators will struggle to pick up the significance of LEADER because its impacts are by design, meant to be local. Also, many indicators are difficult to distinguish in a context where most projects and many other supporting actions have multiple goals rather than just one, and where change is focused on a whole territorial system rather than sectoral or geographic elements within it.

LEADER projects were frequently pursuing integrated, multiple goals in a synergistic way and yet when reported, the detail of all these different elements was lost – either they were recorded simply as contributing to ‘local development’ under FA6B, or a choice had to be made concerning which of their goals was the ‘priority’ against which the project and its funding will be recorded. Case study examples illustrate how goals were tackled together in projects, with both direct and indirect positive impacts on economic, social and environmental outcomes.

In addition, the complex process of setting up LAGs and planning their operations via the LDSs means that significant time-lags affect implementation and, in a knock-on way, the realisation of results and impacts. This problem may diminish in future if more effort can be made to simplify and streamline the processes of start-up, in new programming periods. Nevertheless, it seems likely that LEADER will continue to experience delayed outputs and results and impacts, by comparison with other less complex and dynamic EAFRD measures.

Self-evaluation is clearly a central and increasingly valuable element in LAG operations – case studies give several examples where it helped LAGs to improve their performance. It also generates lessons at LAG level which are relevant to inform the enhanced design of Monitoring and Evaluation of LEADER at EU level.

6.2 Recommendations

The findings of the evaluation highlight the importance of information, awareness, clarity and trust in relationships, to ensure a cost-effective and value-added result from LEADER, in a wide variety of local situations and socio-economic and environmental contexts.

Therefore, many of the recommendations emerging from these findings concentrate upon mechanisms that can be used to strengthen and improve these aspects, with a particular emphasis upon **enhanced forms of Knowledge Exchange, between all parts of the governance and delivery system**. This includes between MAs and PAs and LAGs, between LAGs in a territory and between LAGs across territorial boundaries (national and international). It is also key between LAG board members, between LAGs and target beneficiary groups, and between the hierarchy structures that influence LEADER operations and funding – fund administrators, controllers, enablers and evaluators.

Study recommendations are presented in Table 6.1.

Table 6.1: Study recommendations

LEADER Evaluation Study Recommendations		
What to change?	By Whom?	Rationale and details
Confirm the enduring importance and value of LEADER as a distinctive method of local sustainable rural development	European Commission, Council and Parliament	The study has identified the continuing value-added and importance of the LEADER approach and its seven key features, for successful local rural development. This approach should be maintained as a distinct strand in future rural policy at the EU level.
Enhanced roles for networks, and promoting a more enabling institutional framework	EU network actors	ENRD should deliver a continued and enhanced programme of training & skill-sharing among LAG networks and LEADER Managing Authorities, expanding participation to multi-fund CLLD authorities and Paying Agencies (PAs), and emphasizing engagement activities over more passive forms of knowledge transfer.
	European Commission	<p>EU-level independent LEADER networks have important knowledge. They should be enabled to participate in key policy discussions around local rural development in Europe.</p> <p>Ensure that MAs understand, fully uphold and promote the 7 LEADER features in LEADER design and implementation. This will require more attention to encourage cooperation, innovation, good governance and consider future resilience, in guiding LDSs and selecting LAGs' proposals.</p>
	National Regional networks /	National and Regional Rural Networks are a key mechanism to build LAGs' capacity, enhance national and transnational knowledge exchange and LEADER know-how through dedicated events, online media and other novel communication. They should be sufficiently funded to enable a strong support for LEADER as a particular approach, and to help LAGs across the territory.
	LAG boards and management teams	Recruit retain and train members and staff with a wide range of skills and sectors of experience in local development. Facilitate balanced and open discussion of needs or priorities among members and ensure strong efforts on being inclusive, with balanced leadership, and alert to local needs.
Improved communications and clarity in roles	European Commission	<ul style="list-style-type: none"> Guidelines or implementing regulations for CAP strategic plans should require dialogue between current LAGs and the MAs designing CAP strategies, to ensure that these plans learn from LEADER experience in 2014-2020. Guidance should recommend that MS and Regions should identify dedicated LEADER teams in Paying Agencies, facilitating more efficient claims, checks and controls via greater familiarity with LEADER specificities. LEADER can be a key mechanism for future- and climate-proofing rural development at local level. The Commission should work with ENRD and ELARD to provide new guidance for MAs and future LAGs on the key new priorities (especially climate

		action, net zero) arising from the Green Deal and Farm to Fork strategies.
	Managing authorities and LAGs	<ul style="list-style-type: none"> • Commit to regular and trusted liaison mechanisms between MA/PA and LAG personnel, before, during and after LAG selection and implementation processes.
Simplification of procedures and new requirements	European Commission	<ul style="list-style-type: none"> • It could be important to specify a dedicated minimum budget for animation as a share of the total EU LEADER + ESIF CLLD funding in each region/MS: we suggest c.5 per cent - subject to discussion with ENRD/ELARD and other LEADER experts. • Guidance should be strengthened concerning a minimum (EUR 2.5 million) scale of LAGs' operational budgets, in view of this study's identification of the negative effects of reduced resources on LAGs' ability to meet local needs. • Guidance or implementing regulations should encourage MAs to avoid applying standard EAFRD Measure conditions and controls to LEADER projects, promoting the design and use of more flexible measures (taking examples of best practice from LEADER programmes in 2014-2020). • EC rules should apply a stronger principle of proportionality in obligatory financial controls and checks, to simplify the burden of these processes on LEADER implementation – reducing the levels of application in line with reduced financial risks for small scale projects and activities. The study identified that these tasks in particular represent a significant administrative burden on LAGs and Paying Agencies. • Further streamline the 'lead authority' approach for multi-funding: devise common rules / procedures for all ESIF devoted to CLLD. • adopt a common implementing regulation for the particular CLLD mechanism, which replaces separate implementing requirements of each ESIF. • Enable/promote a more extensive use of Simplified Costs Options for all LEADER sub-measures, including projects (give attention to resolving current issues that hinder effective application of SCOs to projects).
	MS / Region Authorities / LAGs	<ul style="list-style-type: none"> • Ensure MA/PA guidelines and the LAG/MA division of roles are carefully drawn and understood between all actors, with the explicit aim to reduce the administrative burden on LAGs and avoid any duplication of effort – especially for eligibility checks and simple administrative controls.

Enhanced Collaboration	European Commission	<ul style="list-style-type: none"> • Incentivise and promote more strongly, ways for LAGs and MAs to access/identify and establish transnational and domestic cooperation projects – harmonise rules for transnational cooperation.
	MS / Region Authorities	<ul style="list-style-type: none"> • Improve channels of communication and/or regular, formal meetings and cooperation between Authorities (MA/PA) and LAGs, to ensure smooth implementation and enable problem-solving discussions with LAGs early in the implementation period. • Consider funding a dedicated LAG support agency or network, separate from the NRN, to provide bespoke facilitation and guidance to LEADER LAGs in line with new strategic priorities for rural development, especially climate actions.
New indicators and monitoring approaches to better capture LEADER outcomes and measure its relevance	European Commission	<ul style="list-style-type: none"> • Identify a range of new social indicators to measure improved governance, social capital, and social benefits, from research/ good practice examples already used in LAG self-evaluations. These indicators should include evidence of participation, cooperation and networking and should seek to measure social inclusion and the quality and balance of local decision-making within LAGs, in view of the importance of these features for LEADER success and value-added. • Develop simple indicators and reporting protocols to record projects and actions that deliver multiple goals simultaneously. • Further expand work on fine-grained context indicators for rural development, along the lines of the JRC Degurba project, to enable geospatial mapping of key economic, social and environmental context indicators at LAU level, better to assess rural development needs.
	MAs and LAGs	<ul style="list-style-type: none"> • take stock of good practice and lessons learned through LAG self-evaluations and build these into improved common monitoring and evaluation approaches that can work for both local and EU levels, generating valuable advice.

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