

OECD Rural Development Policy Conference
"Innovation and Modernizing the Rural Economy"

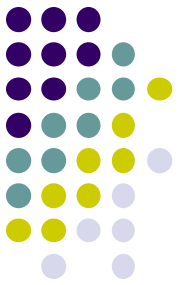
Russia, Siberia, Krasnoyarsk, 3-5 October 2012



**EVALUATION TOOLS FOR INTEGRATED EU
MULTISECTORAL development INITIATIVES:
the case of LEADER+**

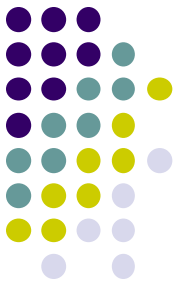
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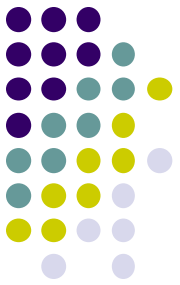
Presentation Description

- Research objective
- LEADER Community Initiative
- Operational Programmes and LEADER Evaluation
- Methodology
- Results
- Conclusions - Policy Implications



Research Objectives

- To investigate LEADER planning and implementation procedures
- To illustrate their effects to Local Action Groups (LAGs)
- To suggest a model, useful as a starting point for LAGs' evaluation
- To demonstrate endogenous rural development planning and elaborate evaluation importance



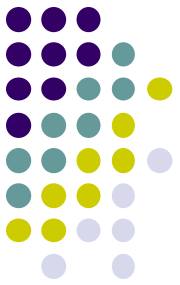
LEADER Community Initiative

- *“Liaison Entre Actions de Developpement Rural”*

It was introduced as an endogenous, territorial/terrestrial model of rural development.

Started in 1991, as a result of:

- The 1988 EU Structural Funds' reform
- Fiscal pressure for Common Agricultural Policy reform of 1992
- Structural Policy's failure for cohesion, until then
- Moving from mainstream Agricultural Policy towards a territorial approach of Rural Policy

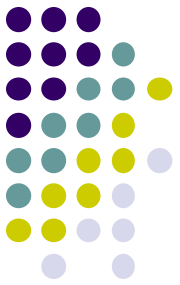


LEADER Evaluation

Individualities in LEADER evaluation:

- Assessment of LEADER special characteristics, individually
- Association of the above characteristics with their consequences on rural development
- Results' aggregation at national as well as at European level
- Need for evaluation on different administrative levels
- Need for both quantitative as well as qualitative evaluation methodological approaches

Even though these individualities are taken into consideration, LEADER's evaluation remains a rather exogenous than endogenous procedure so far



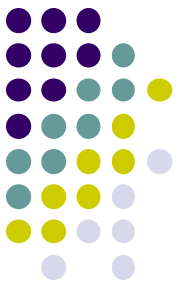
Methodology (Shift – Share Analysis)

Shift – Share Analysis

A standard Regional Quantitative Analysis method. First implementation in 1960, Dunn

Traditionally applied in sector employment data, at national level, in order to estimate changes of regional economic structure, within a time period, attributed to three components:

- The national growth effect
- The structural -industrial mix- effect and
- The regional competitive effect



Methodology (Shift – Share Analysis)

$$\underline{CH_r = EN_r + ES_r + ER_r},$$

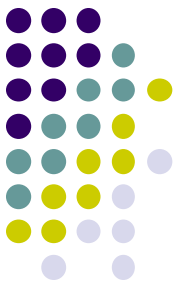
where:

- CH_r = Change of the variable
- EN_r = National Effect Component
- ES_r = Structural Effect Component
- ER_r = Competitive Effect Component

Change at national level

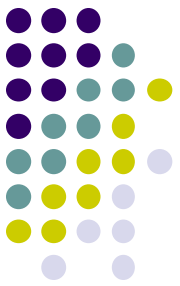
Region's industry mix

Specific regional factors/characteristics



Methodology (Shift – Share Analysis)

- **National Effect Component, EN_r**
The regional employment estimated change, if this was to follow the same trend of the variable at national level
- **Structural Effect Component, ES_r**
The deviation from the National Effect, due to external factors
- **Regional Effect Component, ER_r**
The deviation from the National Effect, due to specific local/regional characteristics



Methodology (Shift – Share Analysis)

- LAGs' classification according to Budeville's criteria (values of ES and ER)
- LAGs of the first three Types display better performance than the average, LAGs of Types 4, 5 and 6 present opposite performance

Regional Type	LAG
1	$ES > 0 \quad ES > 0$
2	$ES < 0 \quad ER > 0 \text{ and } ES < ER $
3	$ES > 0 \quad ER < 0 \text{ and } ES > ER $
4	$ES < 0 \quad ER > 0 \text{ and } ES > ER $
5	$ES > 0 \quad ER < 0 \text{ and } ES < ER $
6	$ES < 0 \quad ER < 0$

Shift – Share Analysis implementation on LEADER+

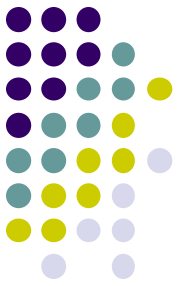


Innovation: use of funds' absorption and not employment data (as used)

The Change to analyze to three Components is the deviation between budgeted and allocated funds, of each Measure, of each Local Action Group

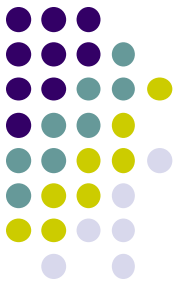
Initially budgeted funds, during year 2000, and finally allocated ones, by the end of 2008 period, are used in this study

Shift – Share Analysis implementation on LEADER+



Therefore:

- National Effect Component, EN_r
Deviation between budgeted-allocated funds, in Measure i , of LAG r , if this was to follow the National absorption rate.
 - Expected allocated funds
- Structural Effect Component, ES_r
Deviation from National Effect (EN_r) due to LEADER+ national program's structure.
 - Exogenous effects to the Initiative's implementation
- Regional Effect Component, ER_r
Deviation from National Effect (EN_r) due to the particular choices/local management of each LAG.
 - Endogenous effects to the Initiative's implementation



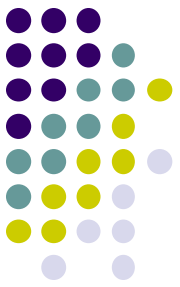
Research data

LEADER+ : 3rd Programming Period (2000-2006)

40 Local Action Groups

6 Measures directly related to LAGs (only Axes 1 & 2):

- 1.1. LAGs' technical support (21% of Public Fund)
- 1.2. Support to investments and businesses diversification (51% of P.F.)
- 1.3. Supportive actions (3% of P.F.)
- 1.4. Protection, appointment and exploitation of natural and cultural heritage (18% of P.F.)
- 2.1. Interregional collaboration (2% of P.F.)
- 2.2. International collaboration (1% of P.F.)



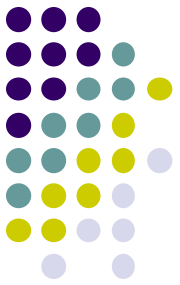
Results

Measure 1.1

- Effect of National Program's structure (ES) positive for all LAGs
- 25 LAGs with local management (ER) below the average
- Finally, only 8 LAGs present actual change (CH) lower than the expected

Measure 1.2

- Effect of National Program's structure (ES) negative for all LAGs
- 23 LAGs with bad local management (ER)
- 27 LAGs display actual change (CH) lower than the expected



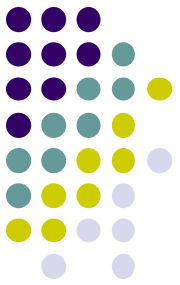
Results

Measure 1.3

- Effect of National Program's structure (ES) extremely negative for all LAGs
- Local management (ER) good for half of the LAGs
- Finally, only 5 LAGs with actual change (CH) greater than the expected

Measure 1.4

- National Program's structure (ES) favorable for all LAGs
- Positive local management (ER) for 17 out of 40 LAGs
- In addition, 22 LAGs display greater actual change (CH), due to the favorable program's structure



Results

Measure 2.1

- Quiet low budgets for all LAGs
- Disfavorable National Program's structure (ES) for all LAGs
- 17 LAGs with positive local management (ER)
- 13 LAGs overcome negative exogenous factors and present actual change (CH) greater than the expected

Measure 2.2

- National Program's structure (ES) quiet deffective
- 17 LAGs with good local management (ER)
- 13 out of 17 favored and present great actual change (CH)
- 4 LAGs with zero budgets

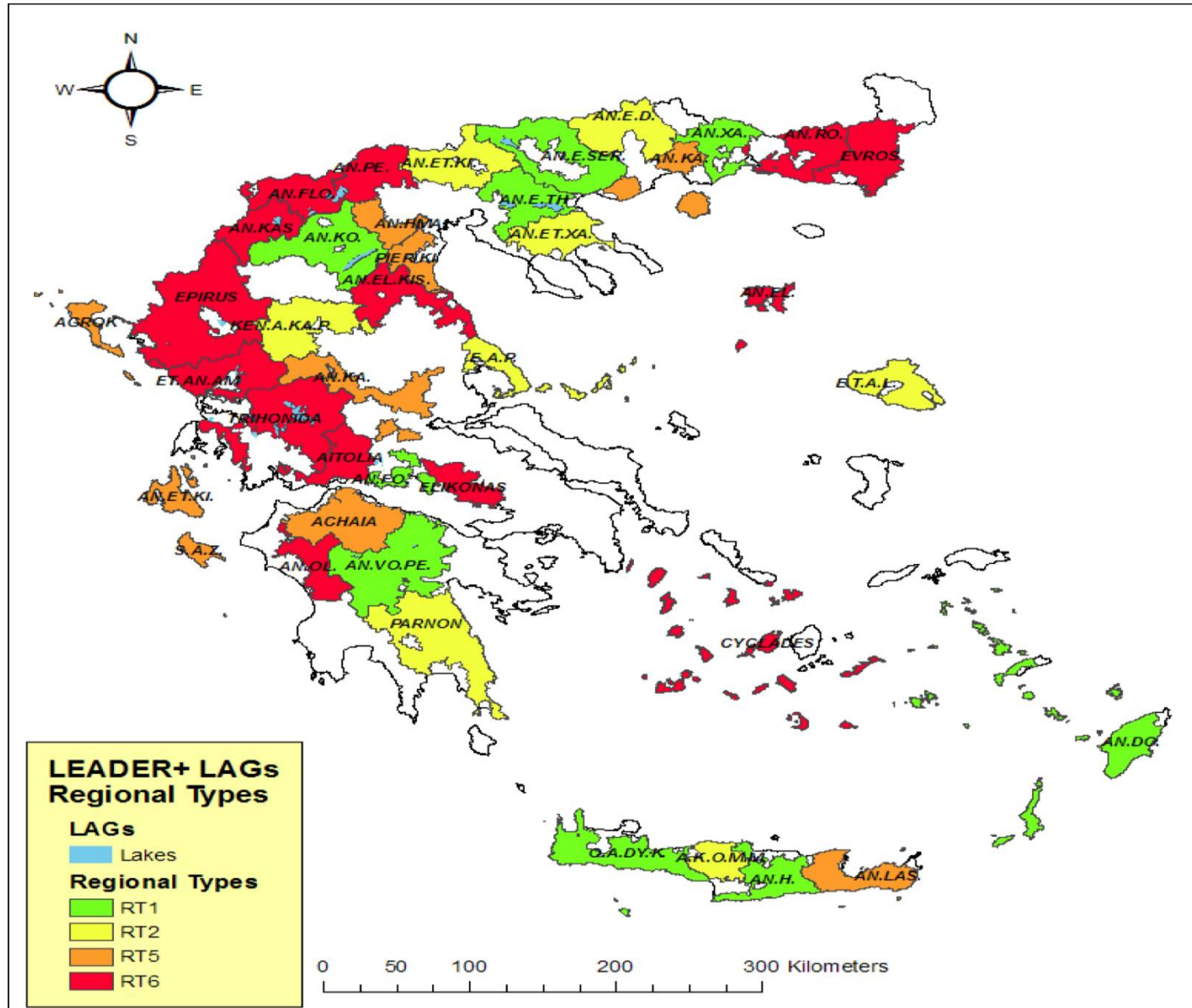
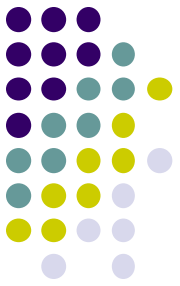


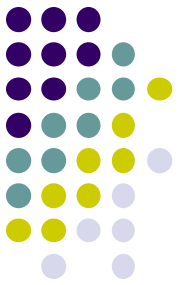
Results

LAGs' ranking in Regional LEADER Types

Regional LEADER Type	LAG
1	ANVOPE, ANKO, DODEKANESE, HERAKLION, TESSALONIKI, XANTHI, OADYK, SERRES, FOKIKI
2	AKOMM, DRAMA, KENAKAP, KILKIS, LESBOS, PARNON, PILIO, CHALKIDIKI
3	
4	
5	ACHAIA, ZAKYNTHOS, IMATHIA, KAVALA, KARDITSA, KERKYRA, KEFALONIA, LASITHI, PIERIKI
6	AITOLIA, EVROS, ELASSONA, ETANAM, EPIRUS, KASTORIA, CYCLADES, LEMNOS, OLYMPIA, PELLA, RODOPI, TRIHONIDA, FLORINA

Results



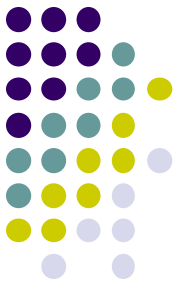


Conclusions

LEADER+ EU initiative

- National Program's structure favors only Measures 1.1 and 1.4 (undermines Program's cohesion)
- National Program's structure favors **17** out of **40** LAGs.
- Among the rest **23** disfavored LAGs, **7** overcame this burden, displaying good local management
- LAGs' local management more significant factor than National Program's structure

Conclusions

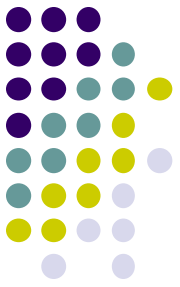


Further study emerges, concerning:

- Time-consuming procedures
- LAGs staffing and financial absolute dependence on European funding
- The “n+2” rule

Policy implications

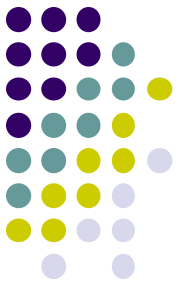
The background



- the emerging “new rural paradigm” comprises shifts in the objectives, targets, tools and actors involved in the EU’s rural development policy based on the notion of the multi-functionality of rural areas

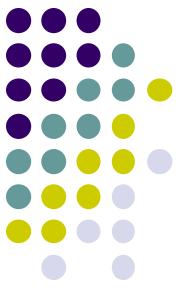
Policy implications

The background



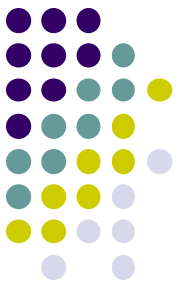
Shift from an exogenous model of Rural Development, emphasizing policy interventions “from outside”, to a more endogenous approach based on Rural Development as a process involving multiple levels, dimensions and actors, that is also self-driven

THE LEADER INITIATIVE



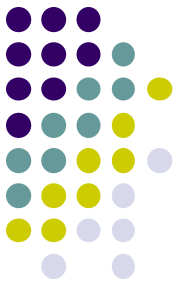
Policy implications (1)

- Innovative projects led themselves in innovative evaluation approaches
- Need of policy coordination between all levels
- Both human and institutional capacity building in Program evaluation is necessary
- Stakeholder's participation enhances the "sense of ownership" of evaluation results as a feedback for new programming



Policy implications (2)

- ensuring stability in personnel during the design process at national / regional level
- establishing mechanisms that ensure the use of (ongoing) evaluation results in the design of measures and programmes
- ensure that flexibility of LEADER should not be limited by bureaucratization -as a result of mainstreaming



Policy implications (3)

- Strengthen the role of future monitoring and evaluation as part of RD policy.
- Reference
- <http://www.rudi-europe.net>

Thank you!

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