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MULTI-SYSTEM GOVERNANCE WITHIN THE EU RURAL DEVELOPMENT POLICY: A PROPOSAL FOR LAGs SELF-EVALUATION IN THE LEADER PROGRAM

JEL classification: Q58

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Abstract. This work explores the role of the “multi-level governance” concept in the current EU rural development policies and in the proposal for the programming period 2014-2020.

The main objective is to set out a methodology for the self-evaluation of local governance with reference to the implementation of Local Action Programs (LEADER approach). The proposed methodology is based on the definition of 7 “good governance key dimensions” and a consequential set of sub-dimensions and criteria.

The first part presents some notions and evidence on EU multi-system governance. The second part discusses the self-evaluation process as a tool to enhance rural development assessment at local level: a tentative test for defining and validating the method is briefly described. The application has been implemented in Flanders (Belgium) and Umbria (Italy) through focus groups with experts involved in the LEADER. Some preliminary results are reported.

Keywords: multi-level governance, rural development, LEADER, self-evaluation.

1. Introduction

The Common Agricultural Policy (CAP) reform for the period 2014-2020 is facing a general and substantial reduction in public spending, accompanied by a demand for greater efficiency, administrative simplification and quality of action. This is already a clear trend, which will significantly influence both the Rural Development and LEADER-type programs (EC, 2010b).

With reference to the current evaluation mechanisms of EU Rural Development policies some questions arise. Have the tools so far provided by the European Commission been able to consider the multi-level processes of definition, implementation and monitoring of RD policies? What degree of analysis has been achieved at the lower local level, where a strong participation of several actors normally occurs?

To date, the evaluation of Rural Development programs has proved to be insufficient to give full answers to these questions. The gaps and weaknesses that have been underlined by several authors make it urgent to provide procedures, in addition to the existing ones, leading to a more accurate and comprehensive assessment (Dwyer *et al.*, 2008; Terluin and Roza, 2010; Secco *et al.*, 2011a).

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This article aims at illustrating the potential structure and contents of a possible set of criteria and indicators intended for monitoring and management of public-private partnerships involved at local level in the implementation of rural and regional development programs. It also briefly discusses its utility. We believe that such a set of criteria and indicators can integrate the current institutional assessment tools, thus contributing to improving EU policies through the implementation of an endogenous control (self-assessment) by decision-makers and actors closest to citizens, such as the Local Action Groups (LAGs). In particular, a method for self-assessment based on a specific list of criteria and related indicators, which take into consideration basic elements of good governance (coordination, participation, accountability, etc.), is described. The notion of good governance is assuming an increasingly significant role in the implementation of local development strategies and rural policies in general (Böcher, 2008; Mantino, 2010).

Internal assessment can play an important role concerning two main aspects: i) the relationships between all institutional levels and various entities directly operating in the management of funds; ii) the internal performances and potentials for the “continuous improvement”³ of an organization like a LAG that is actively engaged in local development plans. Self-assessment ranks in an intermediate position between the formal procedures of an independent external evaluation, and the design cycle and implementation of policy/program. On the one hand, it can allow a punctual assessment during program implementation while, on the other, it can provide decision-makers with territorial empirical-based evidence to define the more suitable instruments, targets and level of intervention (Thirion, 2000; Delgado *et al.*, 2007; Almanza *et al.*, 2007).

In the first part, we consider the concept of multi-level governance and the post 2013 EU framework of structural funds with rural development as a background for appraising the EU participatory approach.

We then propose a set of specific criteria and report some examples of related indicators to be used in self-assessment processes, which are based on good governance principles developed in previous research activities (Secco *et al.*, 2011b, Da Re, 2012; Franceschetti *et al.*, 2012). The proposed list is intended as a dynamic tool for building an indicator system and starting a process of self-diagnosis conducted by a LAG or other type of local partnership. The first results are then reported from two pilot tests conducted through focus group exercises in the Flanders region, Belgium and the Umbria region, Italy.

At the end, some final remarks are made about the potentials of the instrument and future research.

2. Relevance of the EU multi-system governance, principle of subsidiarity and decentralization

The European view of multi-level governance consists of a partnership between EU, national, regional, local governments and stakeholders to define and implement policies with a wide scope. It is boosted by a representative and participatory democracy that can build a trusting cooperation among the different institutional tiers, the relevant actors and active citizens (CoR, 2009).

³ The concept of “continuous improvement” here is based on the so-called Deming’s Cycle (Plan, Do, Check and Act).

The core idea is that the EU has taken on a polycentric structure, at various decision-making levels, with implied reciprocity. There is not a hierarchical order in these levels but a subtle game of “*interdependent, interwoven, and reciprocally influential parts of one unit*” (Pernice, 2009, p. 374). So, the multi-level governance mechanisms can represent the distinctiveness of the EU model as a unique asset. Nevertheless, this composite set-up, also called integration process, is effective and democratically justified only if there is closeness to the citizens⁴.

Thus, the EU multi-level governance is related to subsidiarity and decentralization:

- 1) the principle of subsidiarity delegates the responsibilities to local, national and European levels of government and, in order to prevent overlapping or competition among these levels, it activates only the one that effectively ensures the affected citizens’ interests. More precisely, it safeguards local authority acts and democratic legitimacy as directly as possible (Pernice, 2009);
- 2) the subsidiarity pattern requires a high degree of territorial decentralisation; it is not intended so much as the constitutional order of a State but understood rather as an organizational habit (WB, 2008). Actually, there are very centralized regional systems and decentralized national ones (Mantino, 2010). It is rather a substitution for hierarchical bureaucracies with management at lower levels where power and responsibility is better matched and the “*decisions on resource allocation and service delivery are taken closer to the point of delivery, where greater relevant information is available and which provide scope for feedback from clients and other interest groups*” (Hughes, 2003, p. 53).

This new paradigm of carrying out policy is present in all recent reforms of EU rural development, from Agenda 2000 to CAP Strategy 2020. In addition, this latter is facing the new procedures of the Lisbon Treaty⁵ that “*makes more explicit the multi-level structure of the European system of government*” (Pernice, 2009, p. 394).

3. The new framework of EU rural policies and focus on “community-led local” development

The proposal⁶ of the Commission for the post-2013 EU Structural Funds program, including the European Agricultural Fund for Rural Development (EAFRD), is quite innovative with respect to the current regulations⁷. It strengthens the coherence of all EU Funds so that integrated common policies can be more effective and consequently remedy the current diversity and fragmentation (Barca, 2009).

The proposal for a new regulation envisages a Common Strategic Framework (CSF) to provide all EU Funds with a set of basic rules in line with the general principles - partnership, multi-level governance, equality and sustainability in accordance with EU/national law - and with the objectives based on the Europe 2020 strategy for smart, sustainable and inclusive growth (EC, 2010a).

In particular, common special provisions are defined for “community-led local development”

⁴ See The Preamble of Treaty on European Union as amended by the Treaty of Lisbon, OJ C 306 of 17.12.2007, p.1.

⁵ See Art. 4, Art. 5 and the new Protocol on Subsidiarity of Treaty on European Union as amended by Treaty of Lisbon.

⁶ COM(2011)615 final of 06/10/2011 and following *corrigenda* and amended proposals

⁷ Reg. EC n. 1698/2005, OJ L 277 of 21.10.2005, p. 1 (EAFRD)

Reg. EC n. 1083/2006, OJ L 210 of 31.07.2006, p. 25 (ERDF; ESF; CoF)

where a greater efficiency of programs is considered if local resources are directly involved, so Member States have to meet a plurality of development needs at sub-regional/local level by using the CSF Funds. The Commission believes that the support of integrated local development strategies based on the experience of the LEADER⁸ approach (participatory initiatives and the formation of local action groups) can facilitate the sustainable and synergic implementation of multi-dimensional and cross-sectorial interventions. Consequently, a coherent set of measures can be addressed to EU areas overall (rural/urban/coastal, etc.) with specific natural or demographic problems, that will fuel new opportunities, socio-economic benefits, equality, diversification of activities, networking and innovation.

Tab. 1 - The main levels and actors involved in multi-level governance of EU rural policy

Levels	Actors	Areas of intervention	
		In EU programming 2007-2013	In EU new programming 2014-2020
Supra-national	European Union	Multi-level vertical coordination	
		<ul style="list-style-type: none"> - Regulatory: a common legal/procedural framework as reference for all Member States; - Guidance: principles affect the relationship between administrative actors at national/regional level. - Authorization: RDP approval - Ex-post evaluation: common indicators and questions (CMEF) for impact assessment of EAFRD. - Advisor: in the management of programs. 	<ul style="list-style-type: none"> - Regulatory: a CSF provides management authorities with a clear framework for program design (6 priorities for RDP). - Guidance: principles emphasized: partnership, multi-level governance, equality, sustainability, regulation simplification, administrative efficiency and EU/national law compliance. - Authorization: RDP and PC approval. - Ex-post evaluation: more simplified and strategic CMEF. - Advisor: in the formulation of PC.
National	State Paying body National organizations/ associations	<ul style="list-style-type: none"> - Regulatory: under EU provisions - Strategic planning: leading role of NSP - Management: further divided in the most centralized countries: MA, budgetary authorization and payment. Relevant conditioning by the efficiency of the paying agency (e.g. Axis 4 for local projects). - Accountability: clear distinction in program management, payment and audit phases, including roles/functions. - Partnership: <i>ad hoc</i> committees to co-decision framework/ Contractual Approaches formalize rules/procedures for vertical and horizontal actors. 	<ul style="list-style-type: none"> - Regulatory: under EU provisions - Strategic planning: strengthened by PC that translates CSF at national level. It should make integrated project design easier. (<i>Only most centralized countries</i>) by "milestones"; performance reserve; measures reduced; axes eliminated; horizontal themes; thematic sub-programs - Management: more efficient by <i>ex ante</i> conditions and submission of PC including RDP - Accountability: same - Partnership: in PC preparation; program preparation/ implementation; monitoring committees; CMEF.

⁸ The Community Initiative LEADER "Liaison entre actions de développement de l'économie rural" was launched in 1991 to meet Art. 11 of Reg. EC n. 4263/88.

Regional	Region Regional paying agencies Regional trade associations Other regional organizations and associations	<ul style="list-style-type: none"> - Regulatory: under EU provisions - Management: further articulated in the most decentralized countries. See above remarks translated into regional scope. 	<ul style="list-style-type: none"> - Regulatory: under EU provisions - strategic planning: (<i>Only most decentralized countries</i>) see above-mentioned remarks (from milestones and followings) translated regional scope and actors - Management: same
		Horizontal coordination	
		<ul style="list-style-type: none"> Inter-institutional cooperation: "one Fund, one Program" worked out in coordination with the regional development strategies' area-based pacts (e.g. Patti territoriali, Progetti Integrati Territoriali in Italy) 	<ul style="list-style-type: none"> Inter-institutional cooperation: PC is a complex system that brings different authorities with different skills together for common strategies.
Sub-regional	Provinces, departments, districts, etc.. Development Agencies Territorial units/ partnerships/ LAGs	Local horizontal coordination	
		<ul style="list-style-type: none"> - Delegation/Outsourcing: bridge between local and the regional actors to manage local actions. - Partnership: more or less formal public-private association to adopt appropriate objectives/roles/ structure in local context and to substitute government structures in development assistance, entertainment, local service and expertise (e.g. LEADER) 	<ul style="list-style-type: none"> - Delegation/Outsourcing: same - Partnership: PC strengthens local strategy implementation. - Community-led development: LAGs implement LEADER approach coordinated with other CSF funds. - Cooperation: extended to various objectives among different beneficiaries (e.g. EIP) - Bottom up evaluation: LAGs shall include the monitoring and specific evaluation activities linked to implementation of local development strategy.
Local	Municipalities Private operators Organizations of categories Civil Society/ voluntary groups	<ul style="list-style-type: none"> - Networking/bottom up/ cooperation/learning/belonging: Local communities and the different actors bring ideas or projects to revitalize a particular area (e.g. food chain integrated projects; Axis 4). 	<ul style="list-style-type: none"> - Networking/bottom up/cooperation/ learning/belonging: strengthened in the formulation/management of policies (open debate); in various forms of cooperation: e.g. collective approaches to environmental projects; inter-branch organizations; clusters and networks. - Bottom up evaluation: information by beneficiaries to meeting CMEF
<p>Key: CSF: Common Strategic Framework; RDP: Rural Development Program; CMEF: Common Monitoring and Evaluation Framework; EAFRD: European Agricultural Fund for Rural Development; PC: partnership contract; NSP: National Strategic Plan; MA: Management Authority; LAG: local action group; EIP: European Innovation Partnership.</p> <p>Source: drawn up by the authors (Bocher, 2008; Mantino, 2010; EENRD, 2010)</p>			

4. Self-evaluation as a tool to increase the benefits of rural development assessment at local level

The evaluation scheme and logic (effectiveness, efficiency and impact assessment of programs) proposed by the EU Commission aims to improve decision-making processes, enforcing the planning and implementation of Rural Development policies and involving several subjects, including an independent evaluator. For this purpose, the use of a common framework is necessary to guarantee the coherence of methods, procedures, techniques and content of the RD

evaluation at all levels, including the local one, and provide an overview of the implementation of EU policies (Dwyer *et al.*, 2008; Terluin and Roza, 2010).

A Common Monitoring and Evaluation Framework (CMEF) has already been introduced and is being implemented in the current period (EC, 2006), but it has revealed some critical issues, in particular a certain rigidity of the instruments. This has primarily limited the possibility for Member States and Regions to move away from the scheme imposed that, since it is centrally defined, does not fit well with different territorial contexts.

The literature has widely recognized the limits of CMEF, most of all, at local level: the common questions do not emphasize the variability of EU rural areas (Terluin and Roza, 2010) and are poorly linked with the Member States additional indicators (Dwyer *et al.*, 2008); the common indicators omit diagnosis (Hodge and Midmore, 2008) and interactions with other policies in the area (Dwyer *et al.*, 2008); statistical data or databases are not readily available at a micro-territorial scale (Terluin and Roza, 2010). This makes it increasingly urgent to provide procedures, in addition to the general one, leading to an accurate assessment at appropriate level (CoR, 2009).

The EU institutions have themselves already stressed that it is necessary improve the usefulness of evaluation for local development programs, such as the LEADER, and have suggested that complementary and integrative processes such as internal self-assessment should be adopted. (EC, 2002; ECA, 2010; EENRD, 2010; EC, 2011). In fact, during past periods of LEADERII and LEADER+ implementation, there have been some spontaneous but occasional self-assessment processes of LAGs: the Systematisation of Participatory Self-Assessment (SPSA) method in Portugal (Thirion, 2000); the Potential and Bottleneck Analysis (PBA) in Germany and Luxembourg; the Bounded Priorities Scaling (BPS) in Italy (Tenna, 2006)⁹.

Many international private and public organizations have adopted standard procedures for self-assessment by actors responsible for program implementation which are supplementary to – and not substitutes for – an independent evaluation process (EFQM, 2003; EIPA, 2006). So the tools for a self-assessment by LAGs can support the CMEF and both allow control during program implementation (monitoring, continuous learning, performance improvement, data recording and regular reporting) and provide the decision maker with evidence about effectiveness and efficiency of policies/programs put in place also at the most limited scale (the local one).

The main elements of self-assessment are listed in table 2.

Tab. 2 - The extended evaluation exercise based on a bottom up approach

Evaluation domain enlarged to self-evaluation

- A basis for examining the strategies, identifying strengths and areas for improvement and determining the priority of innovative projects and improvement.
- Improvement as a process guided by the results: comparison between the results and objectives; researching the causes of discrepancies and development of improvement projects to eliminate problems (systematic view of cause and effect).
- A bottom up approach can shed light on qualitative aspects that have been overlooked by quantitative indicators of external assessment.
- Creating the structure to effectively compare with the outside (benchmarking).

Source: own elaboration (EC, 2002; EFQM, 2003; EIPA, 2006).

⁹ A non-exhaustive list of the experiences of self-evaluation of LEADER+ and LEADERII by the GAL is given in Secco et al., 2011a.

5. A model for self-assessment of the quality of governance by LAGs

The main objective of this research is to set out a self-assessment procedure for local action groups in the LEADER program. *Figures 1 and 2* show the conceptual framework and underline the various steps.

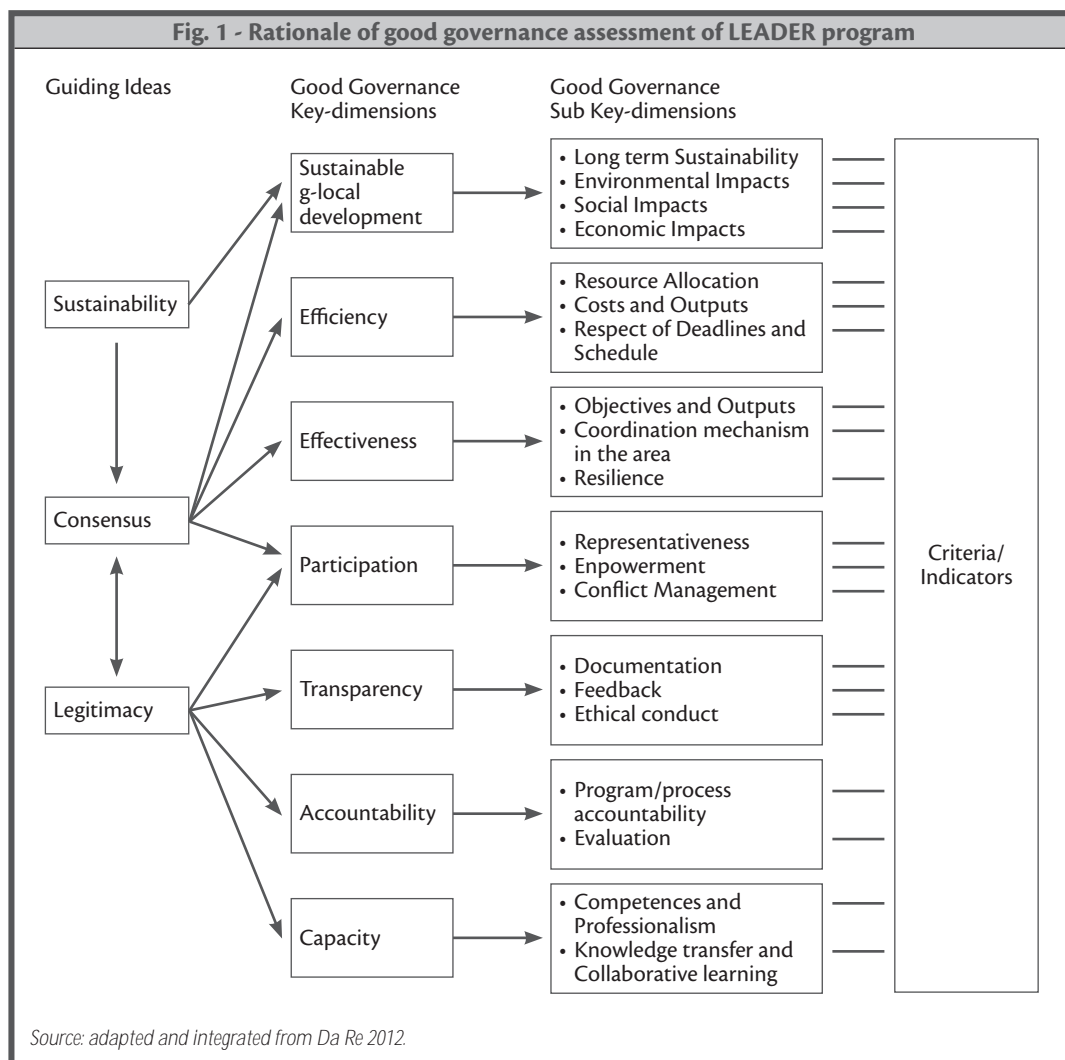
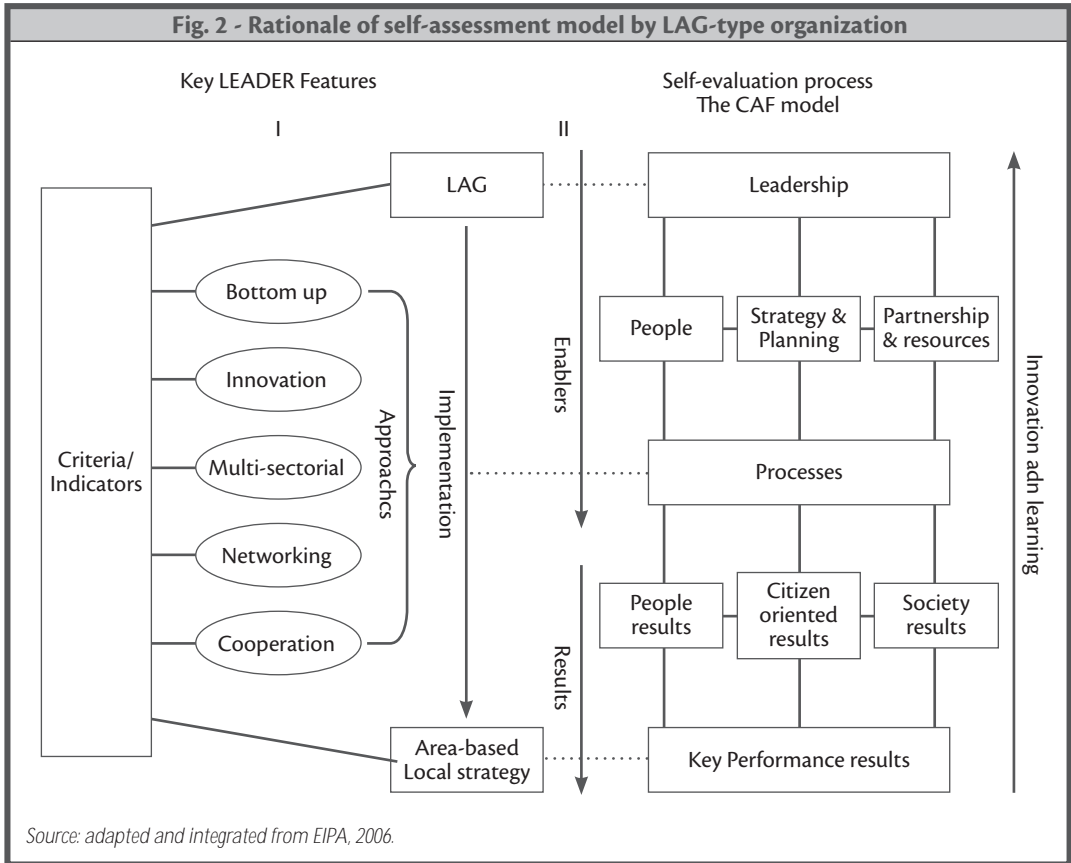


Figure 1 describes the hierarchical structure of the set of principles, criteria and indicators suitable for assessing the quality of governance at local level. This scheme is the result of a review and refinement of a version presented in previous publications (Secco *et al.*, 2011b): Three guiding ideas are proposed: Sustainability, Consensus and Legitimacy, while 7 good governance key dimensions are identified: sustainable g-local development, efficiency, effectiveness, participation, transparency, accountability, capacity. The third column presents the sub-dimensions

obtained by a process of breaking down key dimensions. The use of sub-dimensions makes the process of definition of the criteria and indicators easier (Bezzi, 2007).



Part 1 in figure 2 presents the potential connections between the 7 key LEADER features¹⁰ (area-based local development strategies; local action groups; bottom up; multi-sectorial design and implementation; innovation; cooperation and networking) and good governance criteria/indicators.

Part 2 illustrates the self-evaluation process, where a LAG-type organization can refine/complement an indicator system to assess its performance. We think that this process could run in the general structure of the Common Assessment Framework - CAF¹¹, an easy and free tool designed to support EU public sector organizations. The CAF is a total quality management-TQM tool and is classified as a model of excellence¹² where an organization can measure its improvements through regular self-assessment from different perspectives. Best performance may be achieved

¹⁰ As identified by art. 61 of Reg. EC 1698/2005.

¹¹ A pilot version of the model was presented in 2000 by European Institute of Public Administration and two revisions were launched in 2002 and 2006 (EIPA, 2006).

¹² See Excellence model of the European Foundation for Quality Management (EFQM, 2003).

for beneficiaries/customers, employees and society (results) through a leadership that guides the strategy and planning, staff, partnerships, resources and processes (enabling factors). The CAF diagram describes 9 criteria each of which should be assessed individually but also in the mutual relationships of cause (enabler) and effect (result).

The Key LEADER features and the set of good governance criteria/indicators can amalgamate with the CAF scheme by adapting the language, definitions, examples of the organizational culture and typical performance of LAGs.

6. Methodology to generate the criteria and indicator system

The methodology used to develop a set of criteria and indicators to self-assess the governance at local level can be divided into three stages:

- 1) adjustment of the existing set by literature review;
- 2) selection/redefinition of criteria by a focus group of experts;
- 3) building of new indicators through LAGs case study pilot application.

First, we have taken into consideration the preliminary set of criteria and indicators tested on a local scale in two National Parks for the assessment of natural resources management (Da Re, 2012; Franceschetti *et al.*, 2012). A list of good governance definitions has been reformulated (*table 3*) through a review of the Council of Europe initiative “Strategy for Innovation and Good Governance at Local Level”¹³, the proposal for “capturing impacts of LEADER” (EENRD, 2010) and self-assessment experiments conducted in the LEADERII and LEADER + programs.

Tab. 3 - Good governance sub-dimensions and criteria

Good Governance sub-dimensions	Good Governance Criteria (GGC): description
A. Long-term sustainability	<p>1. Sustainability of programs. The decisions internalize all costs and do not transfer environmental/economic/social problems to future generations.</p> <p>2. Fair sharing of costs and benefits between all actors. Redistribution of costs and benefits to various levels and sectors and reduction of risks (equalization systems, inter-municipal cooperation, mutualization of risks...).</p> <p>3. Consciousness of what is needed for the community. Adopting formal commitments about environmental/social/economic dimensions: procedures, laws, customary rules, certification, reporting, best practice promotion...</p>
B. Environmental Impacts	<p>4. Environmental prevention actions. Avoiding/fighting harmful effects on local environment, considering also the global system.</p> <p>5. Environmental protection actions. Actions to save, maintain and enhance the natural resources of the territory.</p>
C. Social Impacts	<p>6. Acceptance of policy/program. Objectives/rules/structures/procedures adapted to legitimate needs of the community.</p> <p>7. Territorial cohesion. Actions to reduce regional inequalities and preserve essential services for disadvantaged people. Actions to improve community satisfaction regarding education, health, food safety...</p> <p>8. Local identity. Actions to stimulate recognition and ownership by the community of local environmental, and cultural heritage and amenities.</p>
D. Economic Impacts	<p>9. Individual (target beneficiaries) economic benefits.</p> <p>10. General (territory) economic benefits.</p>

¹³ See http://www.coe.int/t/dgap/localdemocracy/strategy_innovation.

E. Resource allocation	<p>11. Distribution/management of budget. Decision-makers/managers consider costs of the policy/project and the associated risks about the level of budget for the planned results.</p> <p>12. Careful use of available resources. Best possible use of limited resources such as time, human resources, technology... for more results.</p>
F. Costs and outputs	<p>13. Financial efficiency to achieve planned results. Planning costs of program/projects and supporting effective costs to achieve the program/project goals.</p> <p>14. Collaboration among the actors reducing transaction costs. Reducing costs in order to conclude a market transaction, such as costs to identify contractors, to carefully monitor the terms of contract...</p>
G. Respect of deadlines and schedule	<p>15. Respect of prescriptive deadlines. Avoiding delay in payment, delay in answering inquiries of public administration...</p> <p>16. Carrying out activities on time. Respect of pre-defined timetable for activities of short/long term program.</p> <p>17. Benefits by timely actions/results. Achieving goals, enhancing incomes...through timeliness.</p>
H. Objectives and outputs	<p>18. Performance analysis and regular monitoring of organization/program. Management defines criteria/indicators to assess and enhance services/products and carries out audits at regular intervals.</p> <p>19. The policy/project achieves the desired results. Achieving goals with the resources and inputs that may be required.</p> <p>20. Phasing out of program. Activities/spin off projects/organization/networks emerging beyond the program period. Formulating continuation plan for existing structures/activities.</p>
I. Coordination mechanisms in the area	<p>21. Vertical interactions between political-administrative levels. Coordination of different decision-makers at local/regional/national/EU level to define hierarchical steering (empowerment, administrative procedures, normative control...)</p> <p>22. Horizontal interaction among different partners/sectors. Coordination among different types of organizations like public administration/private businesses/civil society and residents and/or different sectors like agriculture, tourism...</p> <p>23. Joint actions in the program. Direct/indirect benefits to the communities through transnational/inter-regional actions.</p> <p>24. Creation/management of networks. Exchange of information, collective learning, harmonizing interests...among several actors.</p> <p>25. Subsidiarity in a policy/program cycle. Deciding which decision-making levels are more effective and then privileging the one closer to citizens.</p>
J. Favorable climate for adapting to ongoing changes (resilience)	<p>26. Financial viability for program implementation. Secure financial resources for all program/project activities: diversification of financial resources, flows of public funds to beneficiaries...</p> <p>27. Risk management of policy/program. Risks are properly estimated and managed: reserve funds for potential unexpected events, public accounts, sharing the risks...</p> <p>28. Change of institutions in the State. New or improved regional/county level approaches and more equitable representation at county/regional levels of non-public stakeholders.</p> <p>29. Resulting actions in the policy/program. New and efficient solutions to problems through modern methods, appropriate technologies, pilot programs, learning from others...</p>
K. Representativeness	<p>30. Considering multiplicity of values/viewpoints. Decisions are taken according to the will of the many, while the rights and legitimate interests of the few are respected.</p> <p>31. Voluntary involvement in institutions/organizations. Participation is built on the freedom of expression, assembly and association. Actors always have an enter/exit option.</p> <p>32. Fairness in policy making and the implementation process. Increasing political awareness and supporting the actions of disadvantaged groups. All interests and values must be represented (gender, intra-generations, minorities balance).</p>

L. Empowerment	<p>33. Inclusive approach. Involvement of all concerned stakeholders and citizens, including the most vulnerable at every stage of policy/program: from identification of needs and resources to implementation, monitoring and evaluation.</p> <p>34. Equitable distribution of power in decision-making and implementation process. Balanced presence among public administration/politicians/private sector/civil society/citizens in policy delivery and program implementation.</p> <p>35. Involvement of key players in the decision-making and implementation process. Participation in policy/program cycle of relevant actors of the socio-economic spectrum and public administration in the targeted areas.</p> <p>36. Creating trust in institutions (legitimacy). The combined actions of the different actors generates reciprocal trust because the decisions are believed to respect the legal and institutional frameworks.</p>
M. Conflict management	<p>37. Mediator role of policymakers and actors in the program being developed. There is always an honest attempt to mediate between various legitimate interests.</p> <p>38. Reaching a broad consensus on policy/program. Informed consensus on what is in the best interest of the whole community and on how this can be achieved</p> <p>39. Conflict resolution. Building formal mechanisms to address and facilitate the resolution of conflicts /disputes.</p>
N. Documentation	<p>40. Easy accessibility and updating of data of program/project. Public availability and intelligibility of all information: ownership structure, investors' relations, board, management structure, decision-making process, financial information, rules of administration.</p> <p>41. Clarity and updating of rules of program/project. Structures/procedures of public administration and program management are carried out according to clear and accessible rules.</p>
O. Feedback	<p>42. Getting comments of stakeholders/citizens. Formal procedures to provide feedback to requests/complaints/appeals of stakeholders/citizens.</p> <p>43. Appropriateness of program/project development. Adapting objectives, rules, structures, and procedures to the legitimate expectations and needs of stakeholders/citizens.</p> <p>44. Responsiveness of program/project development. Public services are delivered and requests/complaints are responded to within a reasonable timeframe.</p>
P. Ethical conduct	<p>45. Information on conflicts of interest in the program/project. Conflicts of interest are declared in a timely manner and the persons involved must abstain from taking part in relevant decisions about program/project.</p> <p>46. Communication and exchange of information of the program/project. Professional structures/procedures, transparent rules/assumptions are designed to exchange information with internal and external actors, even people not living in the target area.</p>
Q. Program and process accountability	<p>47. Policymaking roles in the program. Defining responsibilities of governments/managers in each stage of the program for decisions and results. It is clear who has the final power of decision and how things can change during the program/project.</p> <p>48. Management roles. Defining responsibilities and explaining rationale for decisions, organization and results of development program/project.</p> <p>49. Co-responsibility in policymaking and implementation processes. Division of responsibility/balance in the responsibilities among different players in the program/project.</p> <p>50. Fiscal accountability of policy and program. Obligation to disclose the financial flows of the general use of public resources. Publicly available information on salaries, public funds, fees, royalties, tax burden, social security taxes.....</p>
R. Evaluation	<p>51 Adequacy of baseline and impact information on policy/program. Usefulness of evidence of external valuations conducted for programs/projects.</p>
S. Competences and professionalism	<p>52. Degree of diversification of development program/project actors. Different fields of specialization among staff of organization on the basis of type of expertise, CV,</p> <p>53. Regular training of development program/project actors. Professional skills are continuously updated and strengthened in order to improve capacity and produce better results.</p>

T. Knowledge transfer and collaborative learning	54. To enhance collective learning by means of policy/program/actors. Enhancing ability and willingness to transfer experience, skills and knowledge to stakeholders. 55. Inclusion of experts for delivering learning mechanisms. Installing professional structures and processes for reflection and mutual learning among the different members of the decision-making system to increase their capacities.
<i>Source: adapted from Da Re, 2012.</i>	

To test the above list, two empirical research studies have been conducted in Flanders (Belgium) and Umbria (Italy) using a mixed technique: the Delphi method and the Focus group method (EC, 2008) with experts involved in LEADER¹⁴. Each participant in each focus group received a questionnaire one week before the meeting and was asked to fill it in. Specifically, they were asked to give a judgment in a range from 0 to 2 (0='no link', 1='light link', link under certain conditions and 2='strong link') about each GGC related to each key LEADER feature (KLF). There was also a request to add new GGC not covered in the list provided.

The preliminary objective of the questionnaire was to identify strengths and weaknesses of good governance aspects in the LAG area for implementing the LEADER successfully, at least in its key features. All answers were therefore processed considering the possible presence of strong divergency among answers. The analysis of questionnaires showed a clear predominance of "strong linked" GGCs only to features of "Local Action Groups" and "area-based local strategies".

The meetings opened with the following main question: "Can the overall features of LEADER be linked with good governance dimensions?"

The aggregated summary of answers from the respective questionnaires was presented to focus groups and the discussion was addressed to the 5 KLFs with very few linked GGCs: "bottom up, multi-sectorial actions, networking, innovation and cooperation".

The first result was an interactive discussion to stress that in concrete programming and implementation of LEADER the distinction among KLFs is not so clear and there are potential overlaps (e.g.: multi-sectorial actions and innovation; networking and cooperation; bottom up and LAG).

So, the focus groups have given an insight into formulating a hypothesis about a classification of KLFs and "specific" governance criteria that assess each KLF: if "private-public partnership -GAL" (institutional KLF) is responsible for designing and implementing "local area-based strategies" (strategic KLF) through more peculiar and innovative approaches (methodological KLFs), then a set of specific criteria to assess only methodological KLFs can make overall judgments on organizational performance of the GAL and on the results of local action plans. Nevertheless, further criteria are needed to assess other aspects of the GAL (e.g. the compliance with European and national laws) that are not provided by performance criteria.

All the experts' questionnaires were therefore re-processed by considering separately two sets of data – the connections of GGCs to methodological KLFs on the one hand and those to institutional and strategic ones on the other – and for each KLF the responses have been aggre-

¹⁴ The first Focus Group was organized in February 2012 in collaboration with the Department of Agricultural Economics of Ghent University (Belgium) involving 8 experts. The second Focus Group was in May 2012 in collaboration with the Department of Economics and Evaluation of Perugia University (Italy) involving 5 experts. The groups included LAG coordinators; researchers on LEADER issues; representatives from a rural development organization; coordinators of national Rural Network and representatives of the EENRD Evaluation Helpdesk.

gated by dividing a cumulative distribution function into 3 sub-sets of equal size: the scores that were included below the first tertile have been transformed into 0 (no specificity); the scores included in the median into 1 (“light specificity”); the highest scores have been transformed into 2 (“potential specificity”). The reclassified responses are sorted in descending order and at least 20% of “top GGCs” related to each KLF are selected.

Thus, starting from the methodological KLFs, those GGCs are isolated that were associated more specifically (are only linked to 1 KLF or have the highest score when linked to more KLF). The same procedure was followed to isolate the specific GGCs to institutional and strategic KLFs but excluding those already identified for the methodological ones. The results are summarized in table 4.

Tab. 4 - “Specific” Good Governance Criteria for the Key LEADER futures

KLFs	No. of criterion																								
	3	4	5	6	7	9	11	14	18	19	25	26	29	34	35	36	38	39	42	43	45	46	48	52	53
GAL									S	S				S		S		S			S		S		
Bottom-up	S			S	S					S							S		S	S					
Multisectorial							S																		
Innovation		S				S							S												S
Cooperation								S							S										S
Network																						S			
Local strategies			S									S													

Source: drawn up by the authors

The results obtained seem to confirm our hypothesis, in particular the lack of specific criteria to assess the strategic characteristic. But it also shows potential overlaps among KLFs (e.g.: there is only one specific criterion to assess innovation and multisectorial features).

So it is possible to isolate from the initial model: 15 Specific (S) sub-dimensions from 20: respect of deadlines and schedule; representativeness; documentation; institutional evaluation; knowledge transfer and collaborative learning were not included. Moreover, 25 out of 55 criteria result as being specific.

The method will be further tested through exploratory case-studies at LAGs. Some KLF overlaps and/or some good governance criteria need to be investigated that were not/less specific to describe KLFs such as local identity; financial efficiency; phasing out of program; inclusive approach; accessibility and updating of local data; usefulness of evidence of external evaluation; collective learning. In this way, based on a specific identified criteria profile it is possible to select indicators of good governance that can be found in the literature and are suitable for evaluating the LEADER approach by the LAGs (Da Re, 2012; EENRD, 2010; Council of Europe, 2008). Table 5 introduces some examples for a simple indicator system according to the following directions: “*the programme managers’ capacity to absorb information [must] be respected. The information must therefore be limited to a maximum of a few dozen indicators*” priority “*for those measures or themes that have significant implications in terms of decision-making*” (EVALSED, 2008, p. 119).

Tab. 5 - "Specific" Good Governance indicators for self-assessment by LAG

Good Governance sub-dimensions	Criterion	Indicators, Description
A. Long-term sustainability	3. Consciousness of what is needed for the community	No. conferences/seminars on area-based issues on total conferences/seminars in the current programming
B. Environmental Impacts	4. Environmental prevention actions	No. representatives of environmental groups on the Board of the LAG on the total of the components
C. Social Impacts	6. Acceptance of policy/ program.	At least one open public meeting per year to present objectives/ rules/structures/ procedures of the LAG
	7. Territorial cohesion.	Presence in the current programming of specific projects to improve the provision of social services in the territory Amount of aid granted for projects to include people in the local community on the total funds of the program Presence/absence of an analysis of migration flows from the territory in the programming of the LAG
D. Economic Impacts	9. Individual (target beneficiaries) economic benefits.	No./composition of beneficiaries of the projects out of the total potential beneficiaries of the program.
E. Resource allocation	11. Distribution/management of budget.	The LAG has invested in updating software or buying new technologies during programming.
L. Empowerment	34. Equitable distribution of power in decision-making and implementation process.	Presence/absence of LAG at local/regional negotiation tables
	35. Involvement of key players in decision-making and implementation processes.	Presence of key players on the board/social base of the LAG Presence of projects in collaboration with other organizations to mobilize local funds other than those of LEADER on the total number of LAG projects
M. Conflict management	39. Conflict resolution.	Presence/absence of reports on the identification and resolution of conflicts within the territory
O. Feedback	42. Getting comments from stakeholders/citizens.	Presence/absence of formal procedures to receive, classify, store and respond to requests/complaints from stakeholders
P. Ethical conduct	46. Communication and exchange of information about the program	Presence of formal mechanisms for the dissemination/ exchange of information of the LAG and the program within and outside the territory
S. Competences and professionalism	52. Degree of diversification of development program/project actors.	Presence of different skills among the staff members of the LAG

Source: drawn up by the authors (Da Re, 2012; EENRD, 2010; Council of Europe, 2008).

The list of indicators reflects a potential interest by LAG management on their usefulness:

- i) to identify the strengths/areas for improvement of the performance in the current programming period 2007-2013 and in preparation for the future programming period 2014-2020;
- ii) the availability of data to implement the indicators.

7. Conclusions

Nowadays, in the context of EU multi-systems governance, one of the central themes for understanding the functioning of public policies, such as regional and rural development programs, is the territorial and participatory evaluation mechanism. This can check whether the decision-making has been performed at an appropriate level and identify instruments for effective implementation of intervention in accordance with the characteristics of the regions (CoR, 2009). The CMEF seems insufficient to increase the participatory dimension and administrative capacity-building, and thus to improve the policy learning process. It is only, or almost, concentrated on economic performance and financial accountability and overlooks the question of democracy-related concepts such as fairness, transparency and legitimacy. Most of all, at the lower territorial level, decision-making and management of policy involve not only the traditional government institutions but also non-institutional actors (stakeholder empowerment). So it is difficult that evidence from CMEF can consider a system of network relations (networks, partnerships) that complement the action of government or bureaucracy for better program management (Dwyer *et al.*, 2008).

With specific reference to the evaluation of local development programs, the model proposed in this article is based on a set of governance criteria and related indicators (which are not fully reported for reasons of space) related to key LEADER features that was built through the direct involvement of area-based development actors, who have participated in Delphi questionnaires and focus group exercises. Even if the number of people involved so far is limited, the results of a mixed empirical approach appear to be a good working basis for building up a set of indicators for self-evaluation.

With respect to the theoretical model (figures 1 and 2), empirical evidence showed that it was necessary to revise the layering of the key LEADER features. In this way the model allows a set of good governance criteria to be defined that can describe a LAG-type organization. The hierarchy formulated can also contribute towards simplifying and making more flexible the outline of 7 key LEADER features established in current EU rural development programs and unchanged in the post-2013 proposal. A rigid "sieve" of the LEADER approach risks skipping or misunderstanding composite actions.

The focus group experiences have shown the keen interest in these types of innovative evaluation tools, but additional case-studies are necessary to validate these first results and make progress. Future steps will be to conduct pilot tests to define an indicator system that is potentially able to capture the strengths and areas for improvement of the LAG activities. Another issue that needs to be studied in the next phases of the research is the possibility of adapting the CAF to the LAGs and provide a common framework for a self-evaluation implemented at local level.

Nevertheless, the implementation of a self-evaluation process in practice, whatever the proposed methodology, must face some challenges (EIPA, 2006):

1. connecting targets to each indicator;
2. the availability of quantitative and qualitative data at the local level for measuring indicators and comparing them with the related target;
3. the meaning of the margin of indicator value to decide the most relevant corrective actions;
4. introducing significant incentives (not necessarily financial) to motivate the organization to start such a monitoring path.

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