Towards a Comprehensive Evaluation of Local Action Groups in LEADER Programmes

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1. Introduction

The endogenous, and, more recently, the neo-endogenous rural development concepts conceive the development as a process that arises from within the local areas (High and Nemes, 2007). The underlying idea is that socio-economic well-being can be best (more effective and less costly) achieved by focusing on needs and resource valorisation at a local level. This discourse has recently gained growing importance in both academic and policy debate, as a rich stream of literature (Bassand et al., 1986; van der Ploeg et al., 2000; Ray, 2000; Ray, 2006) and the current European bottom-up strategy for rural development testify. Apart from its possible interpretations (e.g the crisis of public authorities, and the need to deal with the ungovernability of the increased complexity of systems – Osti, 2000), this policy direction leads unavoidably to the decentralization of responsibility for intervention design and implementation to local communities (Ray, 2006).

However, this power devolvement is strongly associated with the formalization of the evaluation tools as the pro-

Abstract

This paper intends to be a contribution in addressing the problems related to Rural Policy assessment. It proposes a method for the evaluation of Rural Development Programmes, allowing for a quantitative analysis of tangible and intangible outputs of the Local Action Groups (LAGs). We present some indicators accounting for the main aspects envisaged in the European Commission guidelines for the evaluation of the implementation of local plans, as utilisation of resources, effectiveness, efficiency and sustainability. In particular, the latter is intended in terms of institutional sustainability and analysed through the social capital theory. In order to demonstrate how the method works, two case studies are presented.

The study shows how, using several sources of data, such a quantitative method can contribute to resolve the tension between the centre need for control of what has been achieved by each group and the endogenous logic which proceeds along locally-rooted paths characterized by specific value.

Key words: Rural development policy, Local Action Groups, evaluation.

Résumé

Cette recherche contribue à résoudre les problèmes liés à l'évaluation des politiques rurales. Il propose une méthode pour l'évaluation des programmes de développement rural, basée sur l'analyse quantitative des résultats tangibles et intangibles des Groupes d'Action Locale (GAL). Nous présentons quatre indicateurs pour les principaux aspects envisagés dans les lignes directrices de la Commission Européenne pour l'évaluation des plans locaux (l'utilisation des ressources, l'efficacité, l'efficience et la durabilité). En particulier, la durabilité est prévu en termes de durabilité institutionnelle. Il est analysées à travers la théorie du capital social. Afin de démontrer comment la méthode fonctionne, deux cas d'études sont présentés.

L'étude montre comment une telle approche quantitative peut contribuer à résoudre les tensions entre la nécessité par le centre de contrôler les groupes locaux et la logique du développement endogène.

Mots clés: *développement rural, Groupes d'Action Locale, évaluation.*

gramme evaluation (Moseley, 2003). According to the endogenous rural development logic, the evaluation should account not only for the effectiveness of spending, but also for less tangible and locally-rooted effects such as the quality of participative process, the confidence-building process and the identity-raising of the local community (Ray, 2006). Thus, a comprehensive evaluation method is needed.

This paper intends to be a step forward in addressing the problems related to the rural development programmes evaluation. It aims at introducing a method for the quantitative assessment of Local Action Groups (LAGs) in the context of LEADER[1], the European rural development programme. In order to be more comprehensive, the assessment method stresses the close relationship between the organizational character-

istics of the local development agency and the achievement of the tangible and quantifiable objectives of the policies (Yamaoka et al., 2008). Thus, it considers two main aspects: (1) the success of the LAG in implementing its project in terms of utilization of resources, effectiveness and efficiency; (2) the organizational structure of the LAG that attains to its sustainability. In particular, this latter aspect will be addressed through the social capital theoretical framework.

Before introducing this approach, the problems related to the evaluation of rural development policy and the case of LEADER Initiative are discussed. Then, in order to illustrate how the method works, an empirical application is presented. The case study concerns the comparison of two

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[1] LEADER stands for "Liaison Entre Actions de Développement Rural".

LAGs from South Italy. The paper concludes with some final remarks.

2. The Evaluation Issue of the LEADER Programme

The primary function of the evaluation in the field of rural development is to express judgements about the performance of a project relating to its defined objectives (Casley and Kumar, 1988; High and Nemes, 2007). This is the idea underlying the institutionalisation process of evaluation within the rural development policy schemes of the European Commission. The major intent in implementing a well-defined evaluation framework is to account for pursuing acceptable economic standards in the use of public money, especially when these are devolved to local actors according to a bottom-up intervention design. This is clearly stated in the European Commission guidelines on evaluation of rural development policies that maintain that "it is legitimate that providers of funding would want to know what has been achieved by each group aggregating evaluation information at regional, national or European levels" (European Commission 2002, p. 8).

From this arises the major challenge facing scholars and practitioners that is to set up a method able "to capture specificity at the most local level but within a common method that would allow for some level of aggregation" (Ray, 2000, p. 451). According to the European Commissions guidelines (2002), such a method should include the aspects of the utilisation of resources, the effectiveness and efficiency of the implementation of the plan and all other "factors contributing to the success or failure of implementation, the achievements of the Programme and results, including their sustainability".

How has this challenge been addressed? Major work has been done in the field of LEADER Initiative. Since its first edition, the EU Commission provided criteria as a basis for national evaluations of local projects to safeguard the successful implementation. These criteria and the evaluation praxis were consolidated in the second edition of LEADER through the standardization of the procedures. However, this evaluation procedure tended to focus solely on standardised and quantifiable measures of physical outputs. In the attempt to provide evidence also for the intangible outputs created by the LEADER Programme, in the current evaluation guidelines (European Commission, 2002 and 2006a) the quantitative measures of economic performance have been added with qualitative evaluation tools. This approach can be very useful in understanding the social characteristics of the community but its findings are very context-depending and hard to compare and generalize. This does not fully match the requirement for higher comparable indicators (European Commission, 2006a).

As pointed out by the European Commission (2002, p. 8) "the issue is not so much to find appropriate indicators in this aggregation exercise, but rather, […] to find the appropriate and meaningful classificatory variables and categories of analysis to understand what has been accomplished". These categories of analysis should be chosen according to the nature and the main features of the rural development approach adopted.

This is especially true relatively to the main EU rural development Programme, the LEADER Initiative. Since 1991, this Initiative aims to promote rural and area-based development by means of a bottom-up procedure. As pointed out by the European Commission (2006b) "The difference between Leader and other more traditional rural policy measures is that it indicates 'how' to proceed rather than 'what' needs to be done".

Among the seven key features of the Leader approach, one is especially distinctive, the local public-private partnerships[2]. This principle is concretely realized in the formation of the LAG that is the local agency responsible for the identification and implementation of a local development strategy and of the allocation of financial resources. An LAG is formed by both public and private partners, and should be well-balanced and representative of the existing local interest groups. The interaction, coordination and cooperation among several partners fostered by the LAGs is supposed to produce a disproportionately high beneficial impact relative to the resources committed (Farrel and Thrion, 2005).

From the European Commission standpoint, the evidence for such a beneficial disproportion should be assessed according to the concepts of the capacity in the utilisation of resources, effectiveness, efficiency and sustainability (European Commission, 2001). While the first three concepts are well defined and immediately applicable[3], the latter needs better specification. Sustainability is a multifaceted concept. In its most straightforward sense, the effects of the plan can be said to be sustainable when they last in the long term, and after the end of the project (European Commission, 2001). Another relevant dimension of sustainability is the environmental one[4]. Another aspect of sustainability is

[2] The other features are: Area-based local development strategies, Bottom-up elaboration and implementation of strategies, Integrated and multisectoral actions, Innovation, Cooperation, Networking.
[3] Following Guidelines for the Evaluation of Rural Development Programmes (European Commission, 2001), the utilisation of resources relates to the capacity of the decision group to assign the financial resources available to the project measures and can be measured as the proportion of the fund actually committed by the local group; effectiveness can be defined as "the assessment of effects in relation to the objectives of the evaluated programme. An action will be effective when the objectives have been attained"; the efficiency is the "assessment of the achieved effects in relation to the inputs (financial or administrative) mobilised".
[4] The relevance of the evaluation of the environmental dimension for the EU Commission emerges from the IRENA operation. It is a joint employment between several Commission directorates-general (DG Agriculture and Rural Development, DG Environment, Eurostat, DG Joint Research Centre, and the European Environment Agency) "to develop agri-environmental indicators for monitoring the integration of environmental concerns into the CAP" (European Environment Agency, 2010).

the institutional one. It is especially relevant for the evaluation of rural development programmes, since it relates to the building of institutional capacity towards the concrete realization of the joint action that endures behind the end of the plan and can be used as a resource for new development projects (Doria et al., 2003).

Such institutional capacity deriving from the implementation of the programme has been discussed in Doria et al. (2003) who conceive the joint action carried out during the programme as a social capitalising practice. This is consistent with the interpretation of Farrel and Thrion (2005) who maintain that "the initiative's main contribution is in the non-material domain, by helping to the renewal of social capital in rural areas" (Farrell and Thirion, 2005, p. 282). The importance of social capital as a factor that fosters the sustainability of the project depends on its twofold nature. It is both an input factor in the project work and an output. Putnam et al. (1993) highlight this double role of social capital, arguing that it is reinforced by its use.

Thus, the LEADER could be viewed as a programme addressing the issue of rural development through the accumulation and use of social capital. Many cases demonstrate that the LEADER programme has contributed remarkably to the aggregation of groups with a high level of social capital (Scott, 2004; Pylkkänen, 2006) even if, as someone has observed (Shucksmith, 2000), this is not an explicit aim of the initiative.

3. Evaluating LAG's performance

In this section we illustrate the method for the evaluation of the LEADER LAGs. It looks at both the tangible and intangible outputs of LAG's activity in terms of utilization of resources, effectiveness and efficiency, and at its institutional sustainability.

This section is divided in two parts. Firstly it concentrates on the four indicators for LAG's evaluation, then it focuses on the method for the collection of needed data.

3.1 The indexes

In this section, for each of the above-mentioned aspects, we present a specific and synthetic index: utilisation of resources, effectiveness, efficiency and sustainability.

Utilisation of resources. In a sustainable rural development perspective, the aspect of utilisation of resources is very important (Svendsen and Sorensen, 2007). It relates to the capacity of the decision group to manage co-financed project works and is expressed by the proportion of finance means actually used. In order to assess the utilisation of resources by LAG *j*, assuming that each LAG achieves its overall objective through a series of *n* measures, we focus on a *commitment capacity indicator* calculated as:

$$Ci_j = \frac{\sum_{i=1}^{n} C_{i,j}}{\sum_{i=1}^{n} R_{i,j}} \qquad [1]$$

being $C_{i,j}$ the amount committed for the measure *i*, the numerator of [1] represents the total commitment of LAG *j*, while being $R_{i,j}$ the amount requested for the measure *i*, the denominator is the total cost of the plan. The [1] is simply the ratio between the commitments and the total amount requested by the LAG *j* and ranges within *0* and *1*. Thus, this indicator expresses the capacity of the LAG to allocate the resources to actual measures.

Effectiveness. The effectiveness of the single measure *i* of the LAG *j* is conceived as the proportion of the envisaged objective actually attained. It can be measured as the ratio between the realized objective and the envisaged one. A total indicator of the effectiveness can be calculated as the mean of the effectiveness of each measure as follows:

$$Et_j = \sum_{i=1}^{n} \frac{RO_{i,j}}{EO_{i,j}} \cdots \qquad [2]$$

where *ROi,j* stands for realized objective of the measure *i* of the LAG *j*, and *EOi,j* represents the corresponding envisaged objective. Thus, the index varies between *0* and *1*.

Efficiency. Each LAG achieves its overall objective through a series of *n* measures. Firstly, the efficiency of each measure *i* is calculated. It is the proportion between the objective realised by the measure and its financial budget. This value is then normalized relatively to the maximum value obtained for the measure *i* by each LAGs considered. Then, the normalized efficiency is weighted. The weight $W_{i,j}$ that the LAG *j* assigns to the measure *i*, is set as:

$$W_{i,j} = \frac{R_{i,j}}{\sum_{i=1}^{n} R_{i,j}} \qquad [3]$$

where $R_{i,j}$ has the same meaning above and the denominator of the equation [7] is the total amount requested by the LAG *j* for all the measures. The hypothesis here is that the proportion of the financial input established for measure *i* reflects its importance in the LAG strategy. After weighting, a total measure of efficiency for LAG *j* (gE_j) was developed:

$$gE_j = \sum_{i=1}^{n} E_{i,j} \qquad [4]$$

equation [4] is the weighted sum of relative efficiencies gained by LAG *j* in the *n* measures. This index varies between *0* (no effect realised by the LAG *j*) and *1* (maximum effect obtained by the LAG *j*) and measures the number of effects realised by LAGs *j* per each euro spent.

Sustainability. On the basis of the previous observations, we propose to assess the social capital within the LAG in order to account for the sustainability of LEADER implementation in the context of ex-post evaluation.

In this study we adopt the vision that conceives social capital as a set of relational assets that could impact the productive ability of a community (Coleman, 1988; Putnam et al., 1993; Onyx and Bullen, 2000; Sobels et al.,

2001). We follow Yamaoka et al. (2008) who suggest that the increase of social capital accumulation promoted through LEADER acts as an "instrument to facilitate achieving these policy objectives effectively, efficiently and in a sustainable manner" (Yamaoka et al., 2008, p. 129).

A comprehensive measure of social capital should account for its three main components, namely structural, normative and cognitive dimensions (Nahapiet and Goshal, 1998). The structural one refers to various forms of social organization and networks that contribute to cooperation. A particular aspect affecting the productivity of local development agencies could be the heterogeneity of the group contracted for the implementation of LEADER. Indeed, the more heterogeneous the group members are, the wider the range of resources potentially available in the processes of planning and implementation (Maken-Walsh, 2006). The normative dimension is associated with the norms informing the social interaction. Among these, trust is particularly supposed to foster cooperation within the group. Finally, the cognitive category concerns mental processes such as values, attitudes, and beliefs that encourage cooperation among individuals (Uphoff, 1999).

In this paper we use a unique measure of social capital (synthesizing its three dimensions). This index varies between *0* and *1* and is represented by the weighted average of three single indexes accounting for the fundamental components of social capital among the members of the Board of Directors (BD) of each LAG[5]. In this work we consider only the relationships between the members of the board of each LAG, envisaging that the decisional structure affects the planning ability of the LAGs (Cimiotti, 2006). Specifically, these indexes are (table 1):

– the heterogeneity of the group (*network diversity*), aiming at capturing the level of diversity inside each BD, that is, the heterogeneity of the categories to which the various board members belong[6]. The greater the representativeness of each category, the more various the group.

– the level of internal trust (*Network density of trust relations*). This index is the ratio between the number of existing relations and their maximum possible number. In its calculation only trust relationships among BD's members were

counted[7]. Thus, D_T is the proportion of existing trust relationships over the total.

– the level of thought affinity (*Network density of affinity relations*). This dimension concerns the ability of the management to reach a shared vision of problems, and, consequently, a shared development strategy. Such a capability is a feature of the social atmosphere and refers to the cognitive dimension of internal social capital. This measure is conceived as the density of affinity relations among the group. Each affinity relation reflects the level of agreement of each couple of actors on possible interventions for local development (see the questionnaire below).

3.2 How to collect relevant data

To analyse the LAG's performance through the indexes introduced above, various data are needed. The first three indexes need documental data. Specifically, for the first index (utilisation of resources) the data needed are the amount requested and committed, where the former is the total cost of the plan, and the latter is the total amount of resources actually assigned for the realization of the project measures. The effectiveness measure is based on the envisaged objective and the corresponding realized objective. The efficiency needs information on the realized objective and financial inputs that can be collected from the local development plan of each LAG and the official reports on the advancement of the plans.

More problems arise from the analysis of the social capital elements. Specifically, while the diversity of the group can be easily drawn from the list of the partners, no data exist on the level of trust as well as the affinity within the group. This information must be collected through a specific survey.

Table 1 - *Social Capital indexes.*		
	Social Capital Indexes	
Network Diversity	*Network density of trust relations*	*Network density of affinity relations*
$NTd = 1 - \dfrac{\sum_{i=1}^{N-1}(p_i - q_i)}{\sum_{i=1}^{N-1} p_i}$	$D_T = \dfrac{L}{n(n-1)}$	$D_A = \dfrac{\sum_{l=1}^{z} AR_l}{n(n-1)}$
N represents the maximum number of categories potentially present in a LAG, $p_i = i/N$ is the proportion of all the first i categories, and q_i is the number of actors belonging to the first i categories.	It is the proportion of existing trust relationships over the total, where L is the number of trust relations and n the number of actors.	$\sum AR_l$ represents the sum of intensity of the affinity relations and l stands for the number of links between the n actors. D_A can be seen as the average value of the affinity relationship between two actors of the group.
Adapted from Nardone *et al.*, 2010.		

Intangible elements were investigated through three specific questions. The first was:

➢ *"If you were responsible for establishing a new development agency for this area, who would you include in its board?"*

The possible answers are represented by the name of each member of the group and can be used to explore the trust dimension within the group. Indeed, when an individual is included by the interviewee in the hypothetical new agency,

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[5] Each index employed in the analysis is weighted according to the relevance of the related dimensions in the main theoretical contributions.

[6] The members of a LAG belong to several categories, characterized by specific interests. The LEADER European Observatory (1997) identifies 12 categories which have public, economic or social nature.

[7] A relation between actors A and B is a trust relation only if A considers B an "expectable subject" (see the questionnaire below).

we suppose that a relationship of trust exists between the interviewee and the individual since he is considered an "expectable subject".

The second question was:

➢ *"If you were responsible for managing a financial fund for this area, on the basis of your knowledge of this territory and your experience in rural development, which measures would you provide money for, and in what ranking?"*

With this task the interviewee is asked to attach a (financial) weight to each possible policy measure. Then, for each couple of interviewees, the weights they attached are compared in order to determine the "intensity" of their affinity relationship on the development policy.

The third question was:

➢ *"How do you judge the timing and completeness of information flow within the LAG relative to the following aspects? (tasks assignment; members commitment; financial advancement; objectives attainment; communication from others; organization)"*

This task consists in giving a score to each aspect mentioned in the question over a specific range. It is useful to explore the effectiveness of communication within the group. Such questions can be used to gather standardized relational data in order to build a quantitative measure of social capital using the indexes explained above.

4. Two empirical cases from South Italy

The illustration of the method discussed above is based on the assessment of two LAGs named Meridaunia and Piana del Tavoliere, both included in the Province of Foggia, an administrative district in southern Italy. Both of them were established within the LEADER II edition. Therefore, they are a strengthened structure which accumulated some experience in rural development and planning activities. However, they have different characteristics and problems. Meridaunia is a mountain area with a total extension of 1,600 Km^2 and 80,000 inhabitants. It faces demographic and development problems such as low population density and ageing and a high unemployment rate. Piana del Tavoliere is a slightly richer area, characterized by intensive and specialized agriculture with diffuse agro-industrial activities. It covers 820 Km^2 and has 93,000 inhabitants.

Data were collected from diverse sources. The documentation used is the "execution annual report LEADER+" drawn up by Apulia Region, the Authority responsible for the implementation of LEADER in the area, the local development plan drawn up by each LAG, and the statutes of each LAG. To gather the data on the quality and relationship between the members of the LAGs, we adopted a questionnaire based on the model presented in the previous section. All the members of the two boards were asked to fill in the questionnaire, and all of them accepted to be interviewed. The main findings are showed in table 2 and are discussed below.

Utilisation of resources. The first aspect concerns the utilisation of the funds by the two LAGs. Financial information on the two projects examined are shown in Table 3.

Table 2 - *The evaluation of LAGs performances. Main findings.*

Indicator	Meridaunia	Piana del Tavoliere
Utilisation of resources	0.90	0.90
Effectiveness	0.50	0.38
Efficiency	0.69	0.44
Sustainability	0.45	0.28

The data were gathered from the "execution annual report LEADER+" at the end of 2007. From its analysis, it emerges that the sources of funding do not vary much for the two business plans. Most of the financial means come from the European Structural Fund (40%-50%). The national government and the private sector play a supporting role (20%-30%). Piana del Tavoliere obtained the highest percentage from the EU (53%) and the lowest (20%) from the private sector. For Meridaunia LAG, the private sector provides 28% of funding.

The two LAGs are quite similar for the commitment capacity. On the whole, both of them committed about 90% of the financial resources (table 3). However, limited to axis one, the commitment by Piana del Tavoliere is higher. It has covered more than the amount requested.

Table 3 - *Financial advancing of the investigated LAGs (thousands of euros).*

	Meridaunia	Piana del Tavoliere
Amount Requested		
Public	3,940	4,515
Private	1,718	1,819
Total	5,658	6,334
Amount Committed		
Public	3,574	4,052
Private	1,510	1,675
Total	5,084	5,727

Effectiveness. On the basis of the application of equation [2] Meridaunia is more effective than Piana del Tavoliere. On the whole, it attained half of the physical objectives it envisaged. The LAG Piana del Tavoliere shows an effectiveness index of 0.38, about a third of the objective reached on average. The list of the objectives envisaged was obtained from the local development plan report of each LAG, and the objective realised was drawn from the execution annual report of the Apulia Region.

Efficiency. We have applied equation [4] to the performances of the LAGs examined in order to measure their efficiency. It contains the data on both the physical and financial advancement of the plan of the Apulia LAGs until the end of year 2007. The physical data we used are the ones referring to the outputs realised by each LAG in the six measures forming axis one, which is the most relevant part of the development strategy in LEADER+. As shown in table 3, Meridaunia reached the best relationship between resources employed and effects realised. The comparison of the indexes of the two LAGs shows that Piana del Tavoliere has reached only 75% of efficiency in comparison with Meridaunia.

The different performances of the two LAGs, especially con-

cerning the effectiveness and efficiency, are mainly related to their organizational structure. Although the two LAGs were established in the II edition of LEADER, their paths were quite different. In particular, Meridaunia has preserved its original management structure and its staff in the last years. This allowed the consolidation of internal praxis and the communication capacity. Piana del Tavoliere entirely changed the management in the last edition of LEADER. This reflected in problems related to the communication between the decisional body and the staff. Furthermore, as highlighted below, the new BD showed contrasts in sharing visions and objectives. These circumstances affected the measures and the way the two groups pursued their objectives. More in-depth insights are drawn form the analysis of institutional sustainability explained below.

Sustainability. The results suggest that the activities of Meridaunia are more sustainable than the ones of Piana del Tavoliere, at least as regards their institutional capacity. The index shows that Meridaunia built more social capital (0.45) than Piana del Tavoliere (0.28). Moreover, their social capital is different in composition. Meridaunia is better endowed with structural and cognitive elements, while Piana del Tavoliere has got more relational social capital.

In particular, the strength of the former lies on the network diversity and effectiveness of information flow. Meridaunia also shows a higher density of affinity relations value. On the other hand, Piana del Tavoliere shows a very high level of trust relations, but it is poor in affinity relations and in network diversity. The heterogeneity of Meridaunia derives from its large board which is composed of twelve members coming from eight different categories. Thus, Meridaunia appears quite balanced and consistent with the principles of openness and democracy of the group. On the contrary, Piana del Tavoliere has only three people on its board. This reflects badly on its institutional capacity building process and sustainability.

In this case study, it is important to notice that the level of trust has an opposite trend compared to the group size. This may be due to the fact that in a small group the strategic answers are more frequent than in a larger one. This occurs when the respondent is concerned with the possible effects of its answer in terms of future contrasts with other group members. Therefore, the high level of this index should be considered carefully.

Interviews with informed people can shed light on the state of the social capital of the LAGs investigated. This information revealed that an important change took place in the information system of Meridaunia. In the first part of the programming period, members were not very informed about the LAG activities. A sort of disconnection among them was rising. A specific communication plan was adopted to overcome this problem. This had its effect on the effectiveness of the information flow within the group and, in consequence, on its capacity to foster coordination and attain objectives. The interviews also showed that the low representativeness and affinity of Piana del Tavoliere could be traced to emerging contrasts between diverse interests present within the group. This led to a heavy rearrangement of the board which did not have enough time to share vision and build strong affinity relations.

5. Conclusions

This paper intends to be a contribution to addressing the problems related to the rural policy evaluation issue. It focuses on the development of a method for the evaluation of rural development Programmes, allowing for a quantitative analysis of tangible and intangible outputs of the local plans. This has been done by introducing a series of indicators accounting for the issues of utilisation of resources, effectiveness, efficiency and sustainability of the implementation of local plans, which are the main aspects envisaged in the European Commission Guidelines for evaluations (2001). The aspect of sustainability has been intended in terms of institutional sustainability.

The application of this method has been illustrated by means of a case study focusing on the comparison of two LAGs from southern Italy. The case study has shown how, using several sources of data, such as documentation, questionnaires and interviews, it is possible to concretely implement a quantitative method reaching specific and comparable measures for each aspect investigated.

Such a quantitative method is particularly needed. It can contribute to resolve the tension between the centre need for control of what has been achieved by each group and the endogenous logic which proceeds along locally-rooted paths characterized by specific (and mostly immaterial) value. Its value lies in capturing the specificity of the local level of governance, but through a common and quantitative framework that can allow for some level of aggregation and comparison (Ray, 2000).

Indeed, this approach is directed to account not only for the economic performance of the local agencies responsible for the implementation of the development plan, but also for the social issues of such groups which represent the added value of the bottom-up Programmes. This represents an advance with respect to the previous studies which have treated these aspects separately, analysing, in most cases, the social variables solely in a descriptive manner. The introduction of a social capital measure in the evaluation method is especially helpful in the comprehension of the role of such immaterial resources in the context of rural development policy. Indeed, the level of social capital found in the ex-post evaluation could be conceived as a baseline indicator in the evaluation of the next local plans in order to assess its impact on the other outputs of implementation and its sustainability. In addition, the measures of the other indexes presented are suitable for the evaluation of bottom-up local development Programmes. In particular, the measure of efficiency adopts a weighting method able to stress the features that the individual development plans have emphasised. Thus, both for the tangible aspects of LAGs' performance and for the more immaterial ones, this approach provides evidence for added value of the work done at a local level and could represent a suitable starting point for aggregating and comparing data across areas.

Some caveats should be equally noticed. The first is that, concerning the evaluation of social capital, this method takes into account only the social capital within the partnership of LAGs. A more comprehensive assessment should also consider other

forms of relationships, as the ones between the local group and other partnerships and institutions behind the local territory as well as the contribution in fostering links between the several local beneficiaries such as firms and citizens (as in the case of formation of a consortium of firms and associations among the local population). Of course, this method does not completely avoid the need for value judgments, since the weighting of the several levels of indicators involve an evaluation choice and some degree of arbitrariness.

Finally, another important step forward could be the explanation of how this method could be used in order to draw lessons from the experienced activities.

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