

Auditing LEADER

Auditing LEADER – Key data on EU GAP expenditure in Austria

Austrian share in EU CAP expenditure in 2009:

-> approx. 2,4 %

Austrian CAP funds in 2009:

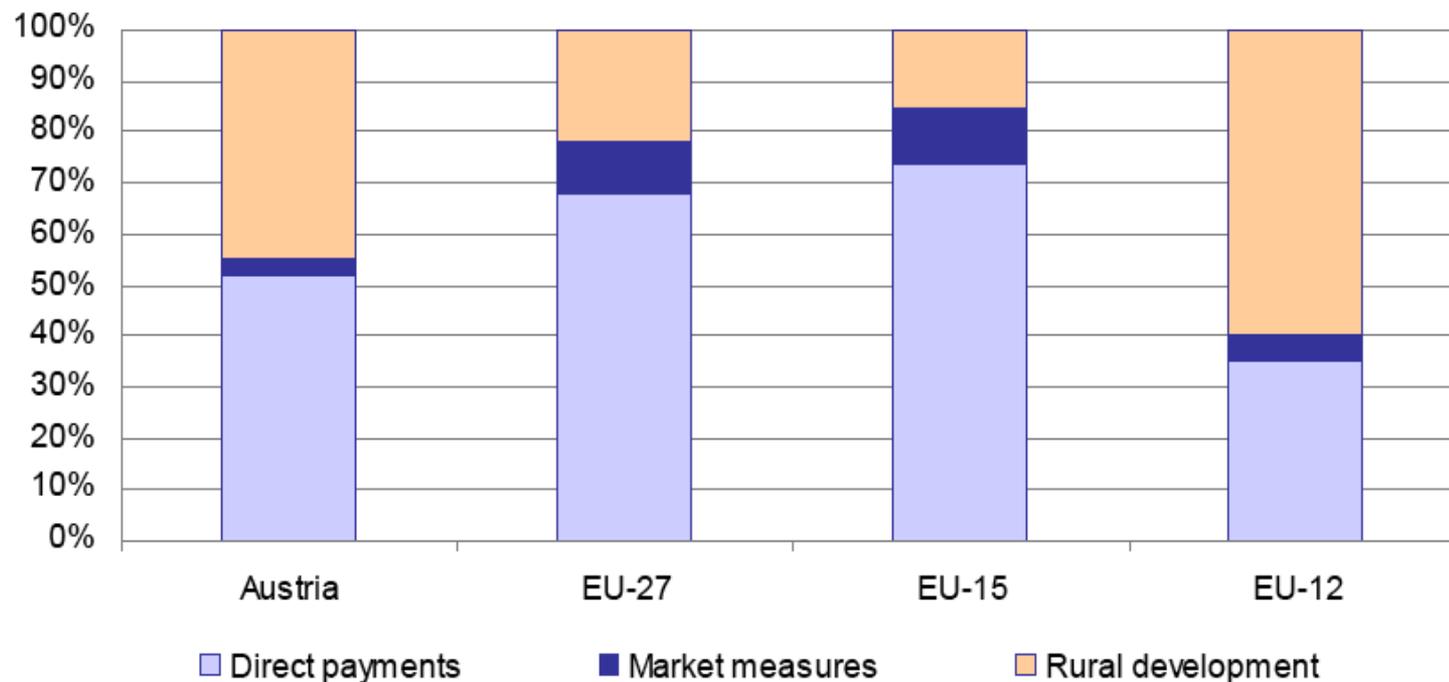
-> approx. EUR 1,3 billion

first pillar: EUR 740 million

second pillar: EUR 570 million

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Distribution of CAP expenditure (2007-2008)



EAFRD contribution to Austrian RDP 2007-2013:

Axis 1: 13,4 %

Axis 2: 72,6 %

Axis 3: 6,9 % *)

Axis 4: 5,3 %

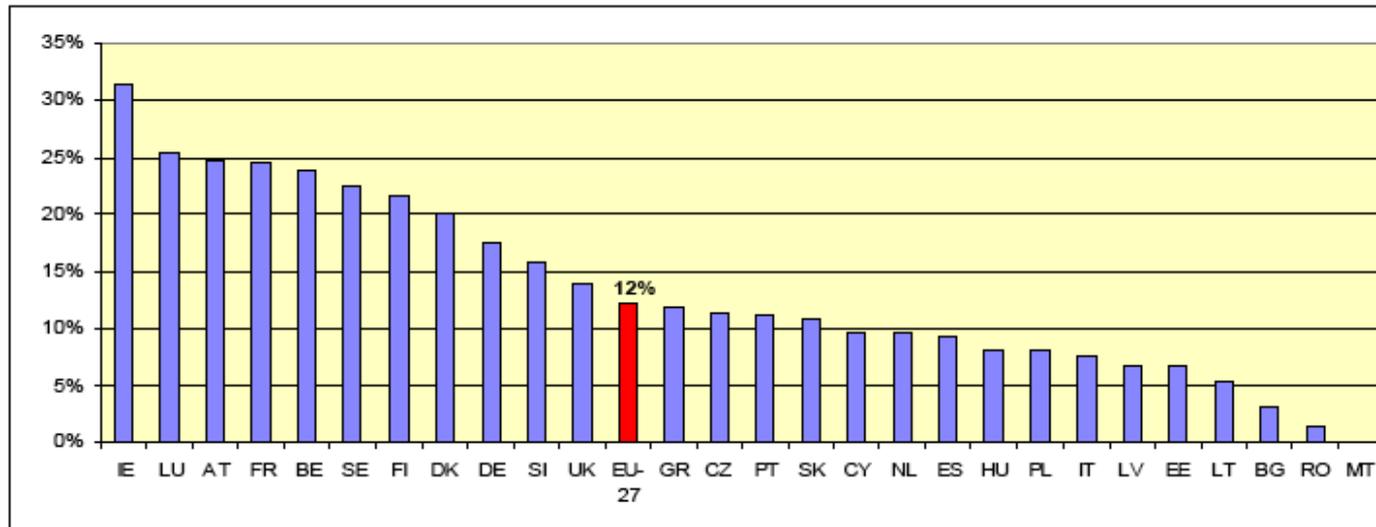
*) Council Regulation requires at least 10% of EAFRD under axis 3; this will be achieved by double assignment of LEADER-projects to axis 3 and 4

Auditing LEADER – Financial execution of RDP in Austria

- > high share of axis 2 in Austrian RDP allowed an early start of implementation
- > projects under axis 1, 3 and 4 require more preparatory work

Financial execution until the end of 2008 per Member State:

(EU, DG Agri, Rural Development in the European Union, Statistical and Economic Information, Report 2009, Graph 2.2.13)

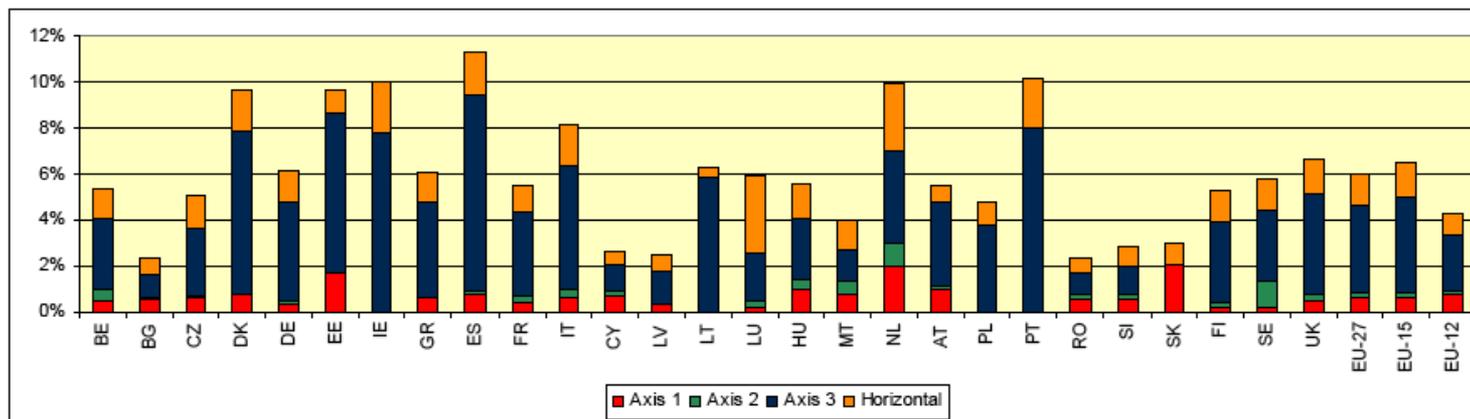


Auditing LEADER – Key data on LEADER in Austria

- > LEADER presents 5,3 % (EUR 423 million) of the Austrian RDP 07-13 and contributes mainly to Axis 3 objectives
- > 86 Local Action Groups
- > 4,3 mio inhabitants (approx. 54% of the population)
- > 73.000 km² (approx. 87% of the territory)

Importance and composition of LEADER by Member State (2007-2013):

(EU, DG Agri, Rural Development in the European Union, Statistical and Economic Information, Report 2009, Graph 2.2.4)



Auditing LEADER – Key audit objectives

Against the background of programme objectives and overarching EU-goals, the audit aimed at assessing

- > the extent, to which earlier evaluation findings have been taken into account in the new period
- > how LEADER is implemented at various levels
- > the relevance of the LEADER approach in practice
- > preliminary results and outcomes

Auditing LEADER – Audit approach and audit design

- > analysis of challenges and risks of the new period
- > ensuring a multitude of perspectives
 - * vertical: all levels of administration, top-down and bottom-up
 - * horizontal: comparison of 21 Local Action Groups in 3 provinces
 - * in-depth analysis of comprehensive monitoring data
 - * analysis and interpretation of questionnaires completed by LAG-managers
 - * interviews with officials, managers, evaluators and experts
 - * on-the-spot visit of projects
- > system-based (administration, management, processes)
- > focused on results and outcomes

- Paradigm shift in rural policies (traditional sectoral approach vs. endogeneous development)
- Impacts of region-based (cross-sectional) policies - the quest for causes and effects, indicators and data
- From a tiny Community Initiative to the mainstream in RD - the new LEADER-setting

Auditing LEADER – Paradigm shift: Endogeneous rural development

- enhanced room of manoeuvre for regional and local actors
- devolution of development competencies
- integration of sector policies and multi-level governance

OECD Policy Brief Oct. 2006: Reinventing Rural Policy

	Old approach	New approach
Objectives	Equalisation, farm income, farm competitiveness	Competitiveness of rural areas, valorisation of local assets, exploitation of unused resources
Key target sector	Agriculture	Various sectors of rural economies (ex. rural tourism, manufacturing, ICT industry, etc.)
Main tools	Subsidies	Investments
Key actors	National governments, farmers	All levels of government (supra-national, national, regional and local), various local stakeholders (public, private, NGOs)

- centralised agricultural policy
- decentralized regional policy
 - EU Structural Funds (formerly comprising LEADER) induced important learning stimuli for Austrian regional policy
- spill-over effects from regional policy to the new LEADER setting

The ideal world:

well-defined baseline values; monitoring system reflects evaluation needs; appropriate quantitative and qualitative indicators; well defined outcome-models; clear boundaries regarding impact, time, additionality and causality ...

The real world:

Historically grown systems; reliability and relevance of data questionable; shortage of qualitative data; difficulties to define suitable indicators; problems of comparability, one-sided focus on figures ...

-> Existing techniques mainly grapple the extent to which an action fulfills intended policy objectives, i.e.:

$100 - xy = \text{effective funding}$

$xy = \text{deadweight, inefficiencies, substitution and displacement effects etc.}$

-> Existing outcome models hardly capture all impacts of small-scale programmes within the heterogeneous context of other regional and sectoral policies, overlapping EU-programmes and external factors

- > possibly biased evaluations: risk that assessments are drawn upon testimonies of experts involved in the genesis of the programme and statements of local/regional actors
- > short-comings of a purely indicator-based approach: human factors and social processes
- > evidence-based policy: a sense of proportion is necessary and costs have to be weighed against benefits

Auditing LEADER – The new LEADER-setting

Mainstreaming; financial volume 3,5 times higher than in 2000-2006:

-> might be challenge for timely and reasonable utilisation of funds

-> might interfere with the basic idea of LEADER

to trigger a regrouping of local potentials, generate positive externalities in rural areas

-> might affect the basic idea of LAG-management

grass-root work < - > promotion agency

-> might affect the types of projects selected and project quality

focus on (single) projects as such < - > focus on (cooperative) projects as a means
of innovations in societal processes and governance

Auditing LEADER – Insights to a recently performed audit

Thank you for your attention!