

# Dutch rural policy coordination through performance contracts

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## Performance contracts as a new coordination mechanism

This case-study focuses on the interaction between RDP and Dutch experiments with rural policy delivery through performance contracts between national and provincial administrations. The introduction of performance contracts in 2007 reflects growing national awareness of the need for more integrated and flexible rural policy delivery systems that respond more adequately to diversifying rural needs and qualities. Performance contracts transfer rural policy responsibility from the national administration to provincial administrations after mutual agreement on a set of performance indicators in different fields.



The 7-year performance contracts coincide with the RDP 2007-2013 time period in order to synchronize multi-level rural policy delivery. Although their recent introduction does not allow final conclusions, policy representatives in the Province of Gelderland, the principal case-study area, are mostly positive about the ongoing experiments. The same goes for public (e.g. municipalities) and private (e.g. nature organizations) stakeholders with the privileged status of sub-contractor. Such status permits multi-annual agreements with provincial administrations and – thus- a significant reduction of policy transaction costs. Stakeholders with fewer co-financing resources are so far excluded from this status and – therefore- often complain about their continuous dependency on the 'project circus'. In general, the potential consequences

of non-compliance with performance agreements, due to external factors such as the current economic crisis, remain the subject of stakeholder concerns.

## Role of RDP

In financial terms, the role of RDP in this new institutional arrangement for more integrated, flexible and place-based rural policy delivery is relatively low. Only about 10% of the total provincial rural policy budget in Gelderland consists of RDP money.

RDP money is in particular allocated to Axis 1 and 3 measures, which are matched by prevailing provincial rural policy instruments, as prioritized in a strategic rural policy document, and other co-financing opportunities from multiple subsidy frameworks (EU, national, provincial). Certainly in comparison to the operational frameworks for the performance contracts, provincial policy makers feel that implementation costs of RDP measures are relatively high regarding eligibility and approval regulations as well as evaluation and monitoring requirements. In particular, they consider that CMEF lacks sufficient sensitivity to the rather marginal role of RDPs within the overall provincial rural policy setting and public and private investments in rural areas.



## Institutional learning challenges

- Pros and cons of performance contracts as a new mechanism for rural policy coordination.
- Transferability of performance contracts to other rural policy settings and levels.
- Differentiation of RDP regulations and requirements according to territory-specific rural policy settings and delivery capacity.

## Contact information

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