



Final Conference of the FP 7 project

Assessing the Impacts of
Rural Development Policies (incl. LEADER)

Extended Policy Brief

Rural Development in the European Union

EU Rural Development: Emergence of a »new rural paradigm«

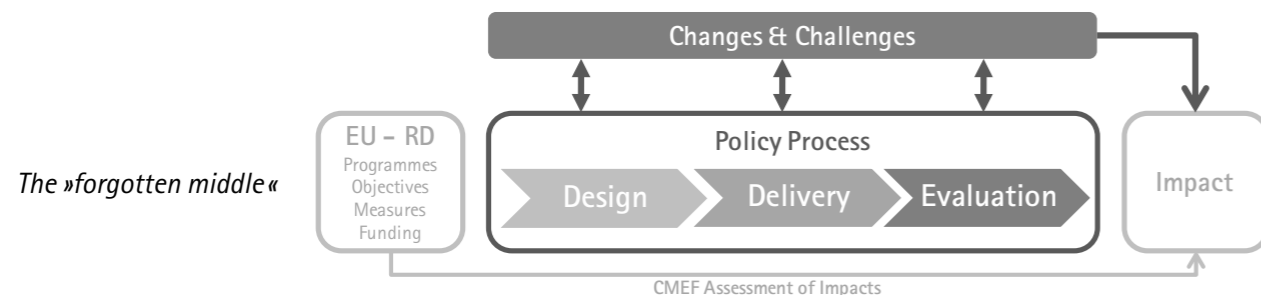
The emerging "new rural paradigm" comprises shifts in the objectives, targets, tools and actors involved in the EU's rural development policy. It is based on the notion of the multi-functionality of rural areas, where various sectors beyond agriculture are acknowledged to play a key role with regard to rural areas' competitiveness, and where investments across sectors are considered to be a more appropriate tool than farm subsidies alone. This shift can also be viewed as a change from an exogenous model of Rural Development, emphasising policy interventions "from outside", to a more endogenous approach based on the notion of Rural Development as a process involving multiple levels, dimensions and actors, that is also self-driven.

CAP Pillar II: the European Agricultural Fund for Rural Development – EAFRD

The Common Agricultural Policy's (CAP) Pillar 2 constitutes the overarching EU-level Rural Development policy framework, determined by the European Agricultural Fund for Rural Development (EAFRD). The corresponding measures to be implemented by the Member States through Rural Development Programmes (RDP) follow the EAFRD's four axes: wherein axes 1-3 are strategic and axis 4 methodological. In preparation of the new RDPs for the period 2007-2013, the Commission and Council have adopted a much more strategic and objective-led approach than in the previous period. In moving from four different funding frameworks to a single fund, the structure for programming and delivery has been simplified. However, the development instruments are largely unchanged since the 1990s, albeit they are now set within a new four-axis structure. A number of studies have raised concerns about a potential mismatch between certain measures and rural development goals and priorities (e.g. Dwyer et al, 2004, Shucksmith et al, 2006).

The Common Monitoring and Evaluation Framework – CMEF

The European Agricultural Fund for Rural Development (EAFRD) has become a significant element of EU-level expenditure. This has resulted in EU- and Member-State-level policy makers being keen to understand the impacts of this expenditure on Europe's rural areas. As such, the Common Monitoring and Evaluation Framework (CMEF) has been set up by the EU Commission as a strategic and streamlined method of evaluating these impacts. The indicator-based approach used reflects the concept of a linear, measure-based intervention logic and a hierarchy of objectives. However, this approach fails to fully encompass the true nature of Rural Development Programmes' operation, whereby the different phases of the policy process – namely design, delivery and evaluation – have a critical influence on programme impacts. In this respect, a more thorough review of this process can add valuable information in helping to ensure effective and efficient future support for European rural development. It is this element of 'process' that we term the "forgotten middle", which is this project's main research focus.



OECD (2006) The New Rural Paradigm, Policies and Governance, OECD Rural Policy Reviews, Paris.

J Dwyer, RW Slee, H Buller, D Baldock and V Swales (2004) Helping Farmers Adapt – comparative report. National Audit Office study, (at <http://www.nao.gov.uk>).

M Shucksmith, Thompson, K. J. and Roberts, D., Eds (2005) The CAP and the Regions – the territorial impact of the Common Agricultural Policy. CABI publishing, Wallingford, UK.

Assessing the impacts of rural development (incl. Leader) – The RuDI Project

The RuDI project follows the rationale of looking at the rural development policy cycle as a whole, focusing on the governance structures surrounding design (context of the conception of instruments and operational modes), delivery (modes of transaction and control) and evaluation (timing, procedures etc.). The study aims to understand the impacts of rural development policy processes at both national and regional levels within the 2007 to 2013 programming period. RuDI looks beyond the evaluation framework (CMEF) provided by the EU to offer a wider and deeper analysis of the effects of rural development policy including an examination of key institutional, social and capacity building processes and opportunities. This is done against the background of the explicit objectives and priorities defined in the EAFRD Regulation and EU Strategic Guidelines, as well as their coherence with wider notions and experiences of effective rural development.

Based on an up-to-date synthesis of relevant conceptual frameworks and theories of rural development, that place the different spatial, social and institutional levels of rural structures and processes into the context of socio-economic transformation within the EU and the broader context of global change processes, RuDI analyses the strengths and weaknesses of different vertical and horizontal governance approaches. The research aims to enhance our understanding of the social, institutional and capacity-building effects of the different components of rural development policies, and to identify factors that lead to failure, as well as to learn from best practice examples.

Overall, a multidisciplinary and systemic approach is followed in order to allow for an integrated assessment of the different processes and actors involved in the complex European rural development policy cycle.

The RuDI project comprises eleven work packages (WP), of which WPs 1 to 9 cover the core research activities. Beyond that, WP 10 is concerned with dissemination and networking, while WP 11 covers management and coordination activities. There are three successive methodological phases:

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 analytical reviews of RDP's in all the EU-27, examining priority setting and expenditures, design, delivery and evaluation of rural development policy in the 2007-13 period, as well as experiences of the CMEF (WP1-6);
 testing and development of conceptual frameworks for assessing impacts, by means of 20 in-depth case studies of RD policy approaches (WP7 & 8); and
 synthesis of findings, analysis and development of conclusions and recommendations (WP9).

Both quantitative and qualitative methodological approaches are employed in the project in an iterative and triangulated manner, with an emphasis on capturing stakeholders' experiences of the policies under study. This includes a combination of desk studies (of policy documents, research literature etc.), primary and secondary data analysis (e.g. statistical data), as well as structured interviews and focus groups involving the main stakeholders. Experts in the field of rural development policy and evaluation have contributed additional insights to the research during workshops and meetings.

RuDI research rationale: Looking at the policy cycle as a whole

Project structure and methods employed

Designing better policy at EU and national levels for the coming funding period

Research Findings

This study has shown that the strongest single **institutional influence** upon RDP design across the EU-27 as a whole, is still that of agricultural ministries. Nevertheless, it is also clear that these institutions are becoming, in many cases, more open to influence and expertise from areas other than agriculture including the environment and the broader rural economy and society. Personal relationships between actors are highly relevant and can have both negative and positive influences on the outcomes of this process. Furthermore, wider changes in general governance (e.g. more influential stakeholder participation processes in newer democracies; cross-ministerial co-ordination groups; new multifunctional ministries or agencies) have played a role in stimulating or facilitating innovation in rural policy design in some Member States. Less favourably though, the current policy design process allows also for a rather fictitious integration of various concerns to the RDPs, while using the "rural development" label to legitimize the CAP as a whole.

Some programmes are characterised by a fragmented '**separate design for each axis**' approach, while others have opted either for a centralised, whole-programme design process or a territorially devolved, but still holistic one, so that sub-regions take responsibility for designing the full RDP approach for their territory. There is an inference from the study findings that approaches split by axis can lead to missed opportunities for synergies, innovations and policy learning, as a result of lack of communication between the stakeholder groups and delivery institutions concerned with each axis. On the other hand, single, centralised processes of design can be too 'exclusive' to the most powerful stakeholder organisations, and/or dominated by the programme authority, in which case they will lead to inadequate stakeholder involvement or a lack of recognition of the full range of rural needs and opportunities.

RDP **policy targeting and efficiency** is not just about instrumental or technical criteria; it is primarily a matter of translating, adjusting, and focusing RDP tools to reflect local conditions and contexts (social, cultural, in relation to other policies, etc.), in order to improve the effectiveness of RD expenditure. Better targeting of individual RDP policy instruments, increasing their responsiveness to differentiated rural needs and making more effort to ensure the inclusion of the most relevant groups of potential beneficiaries can be actively facilitated through multi-stakeholder learning processes. Failure to do this, risks providing funds to those who least need them (thus creating room for deadweight losses), or focusing support actions on those who will give least benefit to wider rural economy, society and environment.

Expenditure patterns suggest that the **targeting of expenditure**, both between MS, and between regions is mostly driven by historic patterns, rather than an assessment of patterns of »need« or potential. »Legacy objectives« from previous periods of policy evolution, such as those for some of the Axis 1 measures, in particular, are still very powerful, and continue to drive patterns of planned expenditure in many programmes. In contrast to the relatively broad and untargeted provision of Axis 1 measures, the broader rural development and territorial objectives promoted through Axis 3 and 4 measures have played a substantial role in only a minority of MS, but particularly in some of the countries /regions with significant economic needs. There are some very interesting examples of allocation procedures using objective criteria which may provide useful starting points for efforts to improve the contribution of CAP Pillar 2 to the increasingly important territorial cohesion objective, and the pressing challenge of climate change. Expenditure patterns suggest that support for the delivery of public goods, mainly but not wholly through the measures of Axis 2, has become a dominant objective across most of the northwest EU.

The difficulty of establishing an appropriately **territorial approach** to rural development may be (at least in part) a consequence of political economy in the 'contested space' between actors and institutions governing Rural and Regional Development. There are a wide range of mechanisms that can seek to overcome this difficulty, from (on the one hand) national strategic plans which seek to integrate both kinds of policy, to (at the other extreme) careful separation with rural development as a "niche policy" closely aligned with agriculture. The study has found that those mechanisms that promote greater integration offer most potential for enhanced policy performance (case studies in Italy, Germany), while those in which Pillar 2 RDPs are seen as separate and highly agricultural/land-based can face problems of perverse outcomes which work against RD goals, and/or have insufficient impact as a result of only a partial grasp of the relevant barriers to development (case studies in England, Czech republic, Romania). However, at the regional and local

level, and in terms of practical implementation, the process of integration is at best "immature" in many cases, and coordination between the separate policy spheres is reduced to a formal task. This finding is especially true at national/regional level, but some progress has been reached at a local level. For some countries and regions (especially those with large/whole-territory convergence status), the situation has worsened since 2006 due to the separation of EAFRD programmes from those for ERDF and ESF.

The **consultation process** (with Economic and Social Partners and in the Programme Monitoring Committee) is valuable when it involves all stakeholders and serves as an arena where a common shared basis (in both vision and discussion) can be defined. This then leads to a feeling of ownership amongst stakeholders, thereby increasing a sense of collective responsibility for the programme and its chances of meeting its goals and targets. Meaningful and regular **communication** is an essential prerequisite for effective coordination and integrated thinking (e.g. in both Germany and Estonia regular meetings between fund administration agencies, as well as the Monitoring Committee and the monitoring and steering group, have contributed to beneficial communication structures).

The **relationship between RDPs and Regional Policy, and nationally-funded rural policy**, both in terms of the relative coherence of objectives, and the existence of shared or separate delivery structures, is a critical factor for RDP performance. Likewise, the relative financial and political importance of EU CAP Pillar II funding in comparison with other sources of public funding devoted to rural areas. This study has highlighted the strong contrast between Member States and regions where the RDPs are tiny, relative to other rural funds, and those where the RDP is really 'the only show in town' e.g. in most of the new MS. These factors strongly contextualise what RDPs can be expected to achieve. In the former case, RDPs are often integrated or subsumed within wider policy structures and priorities, whereas in the latter they play a key role in shaping the rural policy arena and fostering policy learning. Arecognition that other sources of rural development funding can be significant in many countries and regions, highlights the need for more holistic approaches to rural planning and programming, across the different sources. This finding is echoed in our findings regarding effective delivery (see next section), where co-ordination and consistency are identified as critical. In addition, the study shows how national programmes outside the RDP can also play the role of "test beds" for innovative forms of intervention (e.g. green and blue services - GBS in the Netherlands).

In the frame of the "Green and Blue Services" scheme, territorially-specific initiatives are developed in close cooperation with farmers, rewarding them for environmental services.

In order to ensure that programme preparation goes beyond a formal coordination exercise, there is a need to consolidate training and to strengthen inter-institutional trust for the preparation of the new funding period. This includes ensuring stability in personnel during the design process at national / regional level, as well as establishing mechanisms that ensure the use of (ongoing) evaluation results in the design of measures and programmes.

The limitations of a framework that separates objectives and measures by axes have to be overcome to better enable synergies between measures, as well as facilitating single measures to be used to achieve multiple goals, or mixed packages of measures to achieve the same goal, as appropriate to each local situation; in addition, to better facilitate policy learning across the often specialist/sectoral areas of knowledge (economic, agricultural, environmental, socio-cultural) of stakeholders. The objectives set out in the strategic guidelines should be used to cluster measures instead of axes, and to choose which measures should serve which objective, thereby enabling measures to serve multiple objectives. The minimum threshold for budget allocation to the different objectives should be maintained. Ensure the use of synergies between measures through better communication between measure specialists during the design and implementation phases, as well as during programme monitoring and evaluation.

There is a need to provide more flexible frameworks at EU as well as at national / regional level, to account for the diversity in relative needs, opportunities, beneficiary contexts and institutional frameworks. There is the potential to enable packages of measures to be designed and delivered in an innovative manner, and/or at the local level, rather than set in stone in the regulations. This is not to call for a renationalisation of the RD vision and goals of the EU – it is simply to enable policies to be more responsive to local situations.

Policy Recommendations

Some Member States carry out allocation to regions on the basis of simple indicators (area of agricultural land, holdings, etc) . In most cases Axis 2 is excluded from this procedure. In Sweden, for example, the budget for Axes 1, 3 and 4 is allocated to County Boards (NUTS 3), partly on the basis of holding numbers and partly according to rural population share.

Take a more strongly objective-led approach to policy, setting clearly-defined and widely agreed priorities that meet rural development needs and address key opportunities; but leave room for flexibility at regional level in respect of how these objectives can best be pursued. Ensure a reallocation of CAP funds in line with current common priorities but highly differentiated rural needs and contexts.

Allow the Leader concept to get well established at local levels in all Member States, enabling the development of strong and effective networks and relationships. Do not restrict Leader by limiting it to the implementation of only some EAFRD measures, but to all actions that support RD objectives. Allow room for a more active policy facilitation of innovative project development.

Across the EU as a whole, the degree of stakeholder participation in all aspects of programme design, delivery and evaluation should be increased, in order to better accommodate the legitimate needs of respective groups; as well fostering policy learning at all levels of the implementation hierarchy. Some countries and regions are already achieving good participation (England, Mecklenburg-Western Pomerania, Emilia-Romagna, Estonia, Malta), but many others fall far short of these examples.

There is a need for stronger policy coordination between different EU and national funds in order to make best use of all available resources for rural territorial development. Ensure coherence between policies at EU as well as national level. Harmonize rules and procedures as far as possible while maintaining clarity and flexibility to accommodate specific needs.

Improving policy delivery: both currently and in future funding periods

Research Findings

Delivery systems for European RD policy show two major contrasting patterns. Firstly, with the exception of some specific features, many countries and regions have adopted a centralised **delivery model**, driven by a sectoral administration, for the majority of RDP measures. Among these, many (especially new Member States) have assigned key decision-making functions to the Paying Agency (e.g. Bulgaria, Romania, Hungary, Slovenia, Czech Republic, Slovakia, Lithuania, Latvia and Cyprus). The other main pattern, a decentralised delivery model driven by multiple actors, is used by a smaller set of countries or regions and is usually only applied for some measures, most commonly those in Axis 3 and Leader. This decentralised model is undoubtedly a more complex delivery system because it combines two features: the participation of multiple actors and the decentralised management of measures (examples include England, Wales, Emilia-Romagna, Netherlands, Flanders).

The **time involved in the delivery** of single measures, and the issues encountered, depends on the type of measure, the country involved (with differences between old and new MS), and in particular on the way in which delivery is implemented. In relation to delivery, there is the potential for a so-called 'bottleneck effect', especially where assessment and scoring functions are overly centralised. However, there are also problems associated with adapting to new rules in the most decentralised models, mainly due to the large numbers of actors involved and the need to devolve functions to local structures. Changes in procedures and criteria to multi-actor-decentralised systems need to be accompanied by adequate support mechanisms if the changes are to be efficiently implemented. There is no evidence from our study that decentralising the implementation of investment measures to LAGs leads to prolonged delivery times, compared to more conventional methods of delivery, negating the idea that Leader implies inefficiency in the delivery system.

Devolution of implementation responsibilities can have a positive impact on the process of creating coherence among development programmes and improving the coordination between rural development work and regional development objectives. Often devolution processes require new forms of coordination, cooperation and institutional arrangements, which are a prerequisite for a more territorially-focused and multipurpose model of policy design and delivery and important factors for success of RD policy. However, this can be a time-consuming, difficult and complex process that is not always immediately successful.

Leader implementation is strongly influenced by two factors: (I) the role of LAGs within their territories and their degree of autonomy; and (II) their room for manoeuvre, in terms of the available 'toolkits of measures' that LAGs must choose from when seeking to implement their local action plans. The desire of the funding agents (programme authorities, or specialised delivery agencies) to set boundaries and limit the power/permissible actions of local partnerships, and the perceived need for greater administrative and financial control of projects, has led to an increasing "bureaucratisation" of the Leader approach. These changes have engendered discontent among LAGs, who voice real concerns about the effectiveness of the new way in which the Leader approach is now apparently conceived by Managing Authorities.

The **effective coordination and integration** of RDPs with other similar programmes at national or regional levels is weak, due to a lack of consistency of timing, vision and process at the upper policy levels (e.g. Slovenia – "lack of coordination at the upper level of decision-making"). There is a potential overlap in scope between measures of different programmes (e.g. measures preventing rural unemployment are implemented both through ESF and Leader) which, due to the strict rules on demarcation between funding sources, often leads to the exclusion of beneficiaries and topics from the programme agenda at a local level, in ways which can create large gaps between needs and funding availability (i.e. in some cases potential projects 'fall between' the eligibility criteria of all funding sources).

National / regional authorities should make use of the full range of opportunities and flexibility provided by the EU guidelines, in order to tailor delivery approaches carefully to the needs and capacities of their own situations. Further, they should invest resources in ensuring that delivery agents and officials are suitably skilled to understand the main goals and challenges of effective delivery, in their particular local, regional or national contexts.

It is essential to overcome sectoral boundaries in the delivery system of rural policy through using one consistent system supported by various governmental sectors and designed under the horizontal principle. The focus should be upon increased national / regional level coordination and coherence in policy, working towards a broad, shared vision and seeking consistency in delivery approaches and procedures between different funds and overseeing departments. However, co-ordination of the different programmes at the local level is particularly important, in order to integrate different policies within a local development strategy.

Ideally, rural policy should be implemented through one single system supported by all the relevant government departments and funding sources and designed under the horizontal principle to minimize the negative effects of gaps caused by potential measure overlaps and strict demarcation.

There is a need to adjust institutional frameworks and guidelines and increase organisational and human capacity, to ensure the timely implementation of programmes. However, implementation efficiency should not be increased at the cost of a careful assessment of applications, to ensure the effectiveness of measures.

Devolution and local development approaches require a much more meaningful empowerment of local actors and all those involved need to acquire the capacity to ensure good coordination, in order to be effective. Strengthen the strategic capacities of local partnerships through training, mentoring and exchanges of good practice through active networking.

Promote a more integrated approach for Leader – encouraging more integration within the Leader region, inter-regional projects between LAGs, stronger linkages to other programmes (e.g. Agenda 21), increased collaboration between the different levels of administration (e.g. provincial, regional and local) – to broaden rural action, stimulate impacts beyond the scope of Leader and possibly foster more innovative approaches to problem solving and entrepreneurial actions.

See case studies: Joint Administrative Authority in Mecklenburg-Vorpommern (DE), Self Governing Authorities in Västerbotten (SE), performance contracts between national and provincial administrations (NL), Integrated Local De-velopment Companies (IR) and others

Policy Recommendations

Improving the evaluation of RD policies and facilitating institutional learning

Research Findings

Effective and efficient evaluation of RD policies faces many challenges and issues. A general **interest in evaluation** results is evident among many Managing Authorities; however, it seems that evaluation results are mainly used to support political cases when they are positive. Often, the information generated for evaluation purposes is seen as too extensive to make adequate use of it, and standard reporting formats seldom produce the information that is really needed. Overall, many experts agree that evaluation findings have very little influence on policy design as compared to other political and institutional factors. They may instead serve accountability purposes, or be employed in supporting a decision which has already been made. Besides the European Commission (i.e. DG Agri) and Managing Authorities, there is as yet only limited interest from other authorities or stakeholder groups in evaluation findings. Notwithstanding this general pattern, in one or two Member States evaluation has a higher profile, influence and value, although this does not mean that the formal CMEF evaluations are prioritised over other, domestic reviews.

In practice, the **timing of evaluations** contributes substantially to the limited use of their results; while ex-ante evaluation provides important information on expected impacts (often in a qualitative way, as no quantifiable information is at hand at that stage), the relevance of mid-term evaluation for the adaptation of the ongoing programme can be limited by slow or delayed implementation, especially of more complex or investment-style measures. Mid-term evaluation may be of relevance in planning for the upcoming funding period, if no big changes are anticipated. Ex-post evaluation, although being theoretically the most suitable to detect programme impacts, receives very little interest from authorities, especially if the new, ongoing programme has been substantially changed compared to the previous one. Furthermore, national evaluation obligations are often not streamlined or co-ordinated with CMEF requirements, thus absorbing additional time and budgets. In line with the diversity of measures applied and areas targeted, programme impacts are not all detectable within the same time-frame.

The **introduction of the CMEF** is generally regarded as a helpful tool for carrying out evaluations, and in providing guidance; however, the CMEF is not well able to capture key policy impacts. With a detailed focus upon the identification and quantification of specific indicators, it is perceived as being both too narrow and yet too demanding, and failing to capture the highly varied and specific impacts of RD programmes. Its main purpose is often regarded as a tool to provide accountability to higher-level institutions.

The CMEF-prescribed high level **impact indicators** do not cover all areas of the objectives of the EAFRD. Seven impact indicators cannot provide adequate information for judgement, especially regarding objectives to 'improve quality of life in rural areas', to achieve 'soil protection', as well as 'economic and social cohesion'; 'strengthen(ing) the arrangements for partnership' and 'improving governance and mobilising the endogenous development potential of rural areas'. Further, only half of the Member States have made use of the opportunity to introduce programme-specific indicators, despite the fact that they usefully reflect specific needs within the Member States and are helpful in capturing additional RDP impacts. Finally, the methodological approach to the measurement of indicators is often vague or lacking, and guidance provided by Thematic Working Groups of the EENRD often comes too late to be incorporated in current evaluation procedures.

The requirement to **capture deadweight and displacement** effects can be met by using case studies, thematic approaches and additional surveys; however, these processes are challenging and are often under-emphasised and under-resourced, in practice. Knowledge about the potential negative impacts of programmes is also essential in order to be able to detect them; however, the impact chain in many cases still is not sufficiently developed. The current approach has a limited capacity to really uncover the causal linkages between observable outputs, results and impacts and the policy inputs. Scientific evidence to close the attribution gap is often not available, and evaluators may face political obstacles to inquiring deeply into these issues. A heavy focus on data collection and indicator calculation leads to insufficient attention being given to evaluative approaches that can uncover causal linkages and understand the systemic operation of policy instruments within each specific context. The case studies identify policy problems and aspects of performance which will not be detected through CMEF indicator-based impact measurement approaches. If thematic, case-based and stakeholder-focused inquiry within evaluation exercises is neglected, a critical opportunity to understand policy effects is missed, and thereby the ability to propose improvements.

There is very little focus on the evaluation of the ever-present joint, interacting or conflicting effects and synergies between measures, as well as overall **programme impacts**. Programmes are too often not set up to foster either inter- or intra-programme synergies, but to provide a broad spectrum of measures which are designed primarily not to overlap. The ex-ante evaluation is the most likely point where evaluation can address synergies or potential conflicts between measures through the synergy matrix, but later evaluations at mid-term and ex-post still tend to revert to a measure-by-measure analysis with little emphasis upon interactions and overall programme effects. In the light of the very limited (economic) importance of RD programmes in a number of different national or regional contexts across the EU, it is indeed highly questionable whether RD impacts can be assessed in isolation from other policies aiming at rural, economic or regional development.

Evaluation results need to become more meaningful to express impacts in relation to set objectives in order to be able to facilitate institutional learning. This can be done by improving the reporting format provided in the CMEF to more fully capture the needs of all relevant institutional levels, in respect of policy learning and adaptation.

There is a strong need to foster institutional dialogue in order to make evaluation more adapted and recognised as relevant to regional and national needs, as well as to make better use of evaluation results at all levels of policy delivery. Furthermore, the Managing Authorities should be stimulated and supported in finding governance solutions (Monitoring and Evaluation Units or Steering Groups) fitting to the specific context to strengthen their own system of evaluation. This is the only way for MA to "govern" the evaluative process and express clearly their evaluation needs.

Both evaluators and Managing Authorities need more support in capacity building (in respect of data planning and acquisition but also best practice in analyses and the application of appropriate methodologies to enable balanced and meaningful judgements). Better stakeholder participation should be ensured in all processes of evaluation, at all levels. This is especially important in the new Member States, but it also applies to many others.

Strengthen networking as a means of collective learning which needs to go much further than one national network per Member State. Exchange and facilitate mutual learning arenas between national and regional authorities, and across countries. Learning by comparison is a well-recognised way to achieve innovation and rapid improvement in policy delivery, in many cases.

The timing of formal evaluations (ex-ante, mid-term, ex-post) is not ideal for them to serve their stated purpose, and studies are commissioned in a way which is often too rushed to be able to capture full programme impacts. The introduction of ongoing evaluation may already have improved the problem of timing in some countries and regions; however it is apparent that local interpretations of this concept vary considerably. Thus at present, timing remains a crucial issue especially concerning mid-term and ex-post evaluations, and the importance of learning lessons in time to influence future programme frameworks. In fact, more process-based evaluation approaches (case studies, thematic studies) are commonly much less dependent upon issues of appropriate timing than studies which are strongly focused upon quantified impact measurement – this may be a key to achieving a better balance in future evaluation practice.

Focus evaluations thematically or by cases, for example on problems or concerns, as well as examples which are perceived as 'good practice'. Simplify standard measure-based evaluation efforts in order to provide more resources for such territorial, case-based or thematic evaluations. Move evaluation beyond the identification and calculation of long lists of quantitative indicators. Deepen institutional learning through complementary evaluation methods.

There needs to be greater appreciation within evaluations of the interaction of RDPs with other funding, particularly at the European level. Omitting the fact that the RD programme is often used by Member States as part of a portfolio of rural and regional development programmes, can make the interpretation of evaluation results somewhat meaningless. Also, the influence of CAP Pillar I impacts in the evaluation of RDP programmes is particularly critical, for some issues and situations.

Develop further the interface between evaluation science and policy-making, and promote more independent research on the causal and interactive effects of policies.

¹ EAFRD axes and measure objective
² EAFRD horizontal objectives
³ Strategic Guidelines objectives

Policy Recommendations

Where should the future RD go? Key challenges for rural development

Research Findings

The research shows that Rural Development policy has a unique value-added element compared to other policy fields (e.g. Regional Development, Social Cohesion), namely: the presence of a physical dimension (environment, landscape, biodiversity) and its explicit requirement for the **integration of this physical domain with the economic and social dimensions**. The integration of these three dimensions is inherent in, and crucial for, rural development. As a result, there is an inseparable link between quality of rural life, the competitiveness of rural areas, and environmental quality. This is an argument for retaining rural development policy as an integrated policy instrument within the second pillar of CAP.

Due to the dominance of sectoral approaches and interests, or owing to the 'legacy' of previous expenditure patterns, the **"core needs" of rural regions** are rarely assessed in an objective, balanced way as the starting point of strategies and rural development approaches, at national or regional level. A minority of Member States manifest a deliberate focus on non-agricultural sectors, regional employment issues, or social and cultural criteria and values, as driving forces in their rural development programmes. Agriculture may be important but it cannot alone deliver RD, even in the least developed regions.

There is often **insufficient co-ordination** between RDPs and other rural funds. Weak links/integration between different policies negatively affect overall policy impact. However, there are emerging examples of better integration, policy coordination and new institutional arrangements at decentralised or devolved level, as e.g. in Germany and Italy that provide useful experience from which to learn.

The **vision of Rural Development** as expressed in the Strategic Guidelines is consistent and coherent with what this study has found to be really necessary at the local level, but it is often not realised in practice. This is due to failings in the institutional apparatus which lie between the EU level and the Managing Authorities, delivery agencies and procedures at a national, regional and sub-regional levels.

Great efforts spent on **evaluation** do not match the limited use and usefulness of evaluation results in respect of institutional learning to improve guidelines, criteria, and management. The potential of evaluation to support evidence-based policy making is still very much under-utilized in many countries, as well as at the EU level.

Despite frequent 'inertia' in respect of RD policy design and delivery, **innovative approaches** can be found in some countries. These "green shoots" are often associated with changes in the political system, new institutional structures, or particular problem regions which highlight the need for more effective adaptation measures. Many are associated with the instruments and procedures of Axes 3 or 4, which account for a rather small share of the budget; however, they can be used to successfully pursue both environmental and economic goals which are otherwise anticipated to be the preserve of Axes 1 and 2. For example, social capital can be fostered by cultural and social activities but this can also be a critical element in developing environmental awareness, or building entrepreneurial confidence among rural actors.

Mainstreaming of Leader has presented a major challenge to RDP design in many countries, and the variety of approaches adopted suggests that it will have contrasting results across the EU-27. It is also clear that the implementation of mainstreaming has involved a considerable administrative burden at many different levels within the policy hierarchy. This study has found compelling evidence that one common result of mainstreaming has been additional bureaucracy which has reduced the capacity of LAGs to innovate or respond appropriately to local opportunities; often this seems to be caused by national application of additional rules and requirements.

Farmers are increasingly willing to take up **environmental measures**, especially if these are adjusted to and made suitable for specific local conditions and farming systems and serve as an additional source of income. The opportunities (and limitations) of the delivery systems in determining performance may be context-specific (using Leader or performance contracts adds value in some places), but it seems clear that agri-environment measures on their own cannot be relied upon to deliver all rural environmental development goals. The RDP regulations provide little room for manoeuvre for these particular policy instruments; but many other elements within the EAFRD

menu, applied in new combinations, could strengthen the environmental performance of RDP (e.g. environmental investments, farmer collaboration at landscape-scale, training, innovation in green technologies and services).

Case studies have shown that RDP in **marginal rural areas** of high nature value may be insufficiently sensitive to rural business logic and socio-cultural drivers and motivations, to achieve rural policy goals most effectively. A lack of sensitivity may also compound social exclusion in these communities. The disappointing performance of rural development funding in many marginal areas can be explained by a combination of the limiting factors of poor governance, fragmented institutional arrangements and weak social capital. There is potential value in policies incorporating active learning, involving beneficiaries and policy delivery agents working together, to achieve more effective outcomes.

Maintain Pillar II in a broad form which integrates social, economic and environmental aspirations for rural development. Remove the use of present axes for the grouping of measures, but maintain minimum share of fund allocation to specific objectives. Simplify the measure canon, while at the same time maintaining or broadening the range of purposes and objectives covered.

Ensure that Strategic Guidelines commitments are followed through in practice, and not only through the desk-based scrutiny of plans and reports. There needs to be a much more ongoing and inclusive support for strategic action at all levels, which in some cases could be done through stronger national and regional networks. Provide more support for local level administration from the EU Commission to help administrations at lower levels implement the "spirit of RD in the EU" vision. Mentoring, staff exchanges, award-winning competitions are other options that could strengthen a truly strategy-led implementation of RD policy across Europe.

Ensure a better coordination of rural planning and funding. Strengthen cross-sectoral integration of objectives and approaches, and needs-based strategies. To this end, introduce more uniform rules among EU Funds, and devise joint structures where co-ordination can be put in place, operationally.

Strengthen the role of future monitoring and evaluation as part of EU RD policy. Include requirements in the regulation for thematic, territorial and case study approaches, and qualitative methods which are more sensitive to context, and focused upon the effectiveness of the policy process. Don't overemphasise measurement of quantified indicators of impact to the exclusion of these other, equally critical elements. Make more longitudinal (10+ years) and comparative studies of policy tools used for similar Rural Development goals, rather than just time-bound studies of whole programmes at a very superficial level.

The territorial approach should be fostered and supported in a more coherent way at two levels: a) through a better definition of the diversity of rural areas and also of the distinct needs emerging from these different areas; b) through the implementation of integrated projects strongly based on local coalitions of stakeholders (not limited to Axis 4 or Leader).

Enable the use of more innovative approaches in the pursuit of environmental objectives. This will be particularly critical in the coming period as Europe seeks to meet the challenge of climate change with more radical, low-carbon economies. Ensure that non-farm rural dwellers can be eligible for resource conservation measures, and design programmes to create alternatives to the procurement of environmental services by farmers only through single-beneficiary, prescription-based compensation contracts constrained by WTO definitions. Promote innovation in environmental investment for both productive and non-productive purposes, and synergies between economic and environmental performance.

Curtail horizontal measures which are not sufficiently differentiated in respect of varied geographic or social contexts. Ensure that RD plans give attention to rural areas where development achievements are lagging (depopulating areas, areas with poor social and environmental amenities, less-favoured areas, zones classified as priority areas under environmental directives, and pockets of economic and social decay, including in regions without Less Favoured Area status).

Policy Recommendations

The RuDI Consortium

Coordinated by the Institute for Rural Development Research (IfLS), the RuDI consortium comprises 10 research institutes that are representative of the variety of European member states:

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Funding

The RuDI project (Grant no. 213034) is funded by the European Commission's Directorate-General for Research within the 7th Framework Programme's thematic field »European Knowledge Based Bio-Economy«. It is being implemented between February 2008 and October 2010