

Possibilities for management by objectives in EU rural development policy

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Why this research?

- Inflexibilities in the current 'menu of measures'
- Options for alternative steering mechanism EC → MS
- How to increase the effectiveness of the RDP (e.g. contribution to strategic guidelines)
- Link with more effective and efficient Monitoring and Evaluation (CMEF)

Outline of the presentation

- What is management by objectives?
- Lessons from EU cohesion policy
- Lessons from EU water policy
- Exploring the introduction of management by objectives in measure 214 on agri-environmental payments
- Conclusion: setting the objectives right
- Discussion

What is management by objectives?

Management by objectives

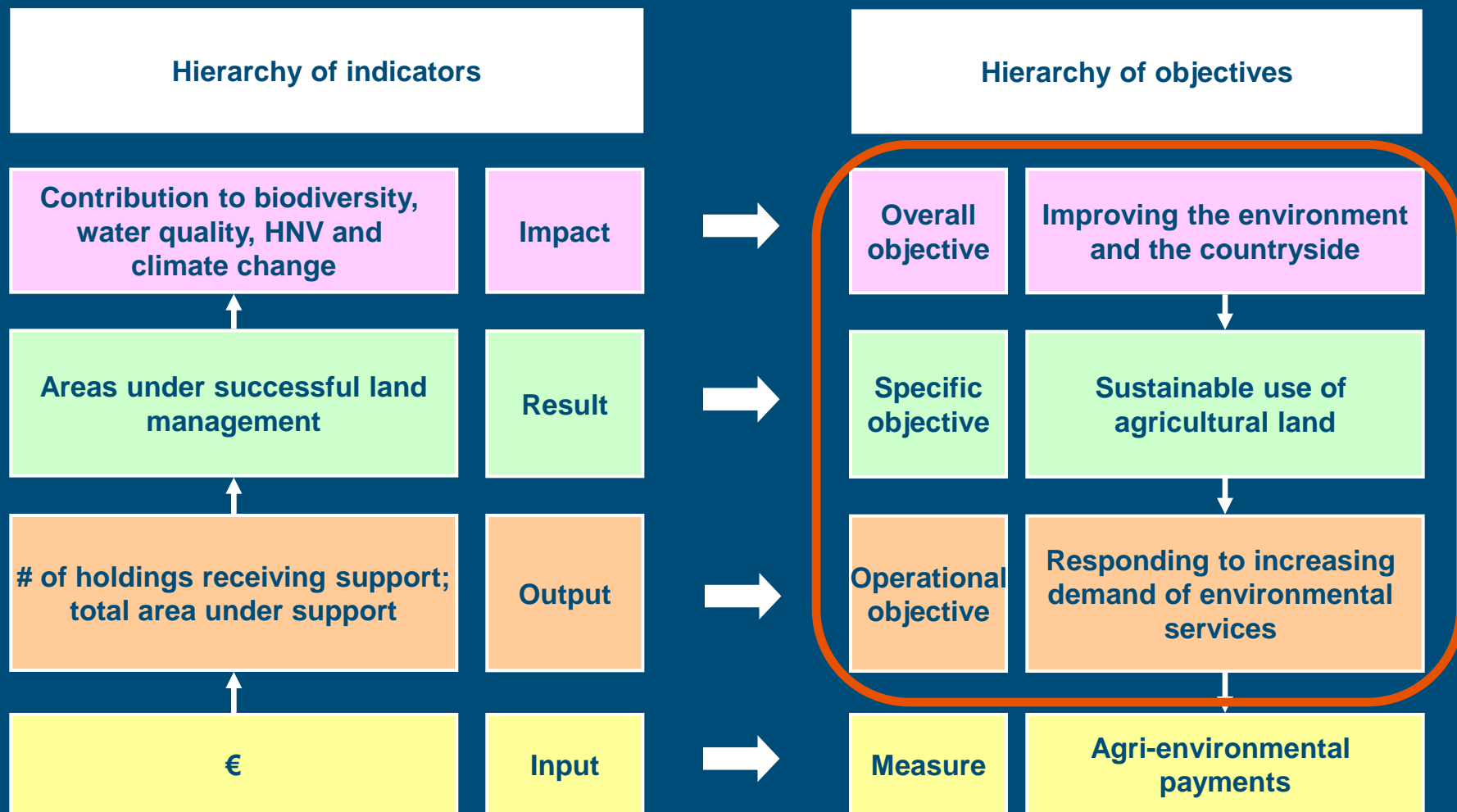
- Objectives of the policy serve as point of departure
- Accountability takes place at result and impact level

versus

Management by measures

- Menu of prescribed measures to achieve the objectives
- Accountability takes place at input and output level

Opposite direction of vertical arrows



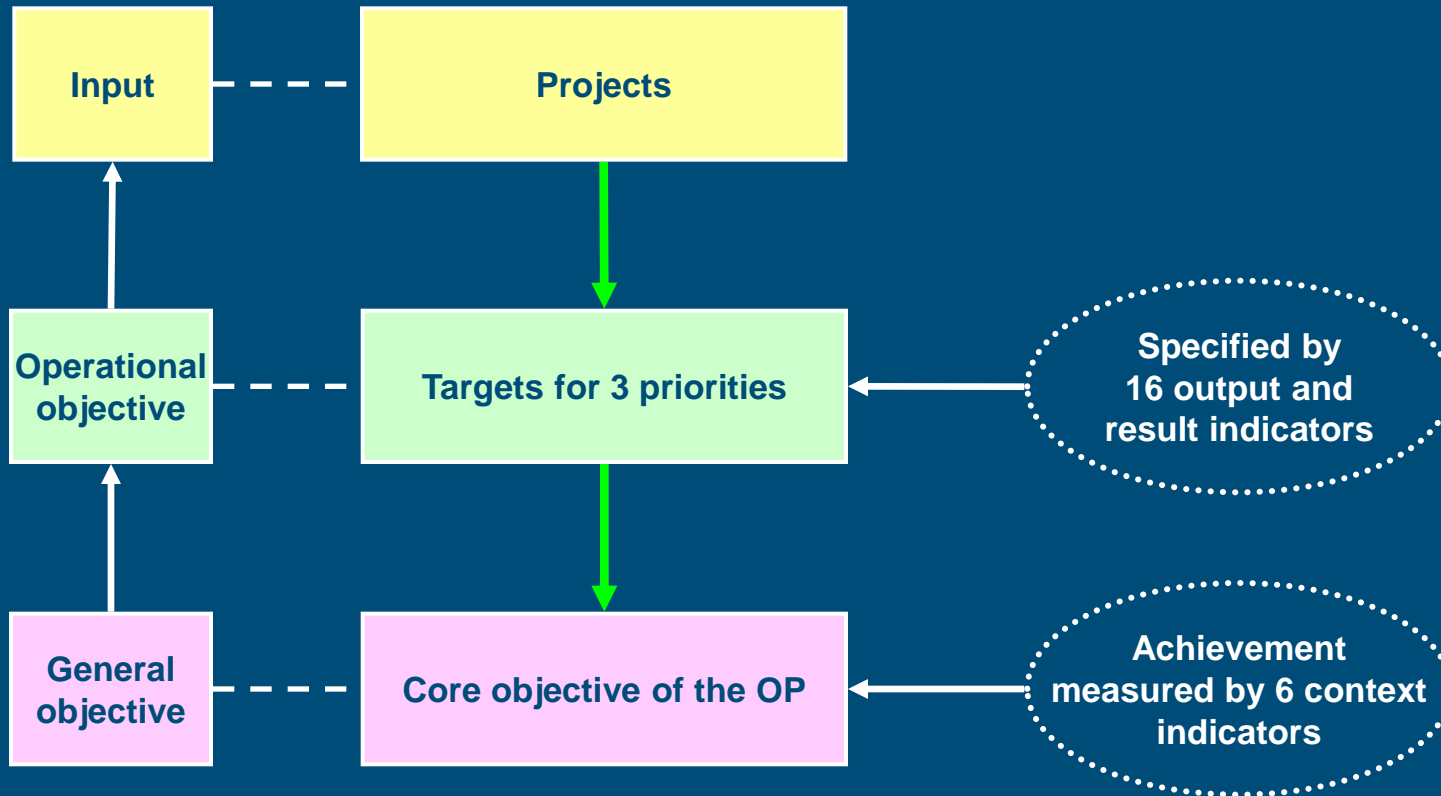
Organization of EU cohesion policy

- 3 objectives
 - Convergence
 - Regional competitiveness and employment
 - European territorial cooperation
- No intervention logic
- No prescribed indicators at EU level

Organization of EU cohesion policy (2)

- Operational Programme (OP) specifies:
 - priorities
 - specific objectives of those priorities
 - a limited number of indicators for outputs and results “taking into account the proportionality principle”
 - indicators should enable the measurement of the progress in relation to the baseline situation and the achievement of the targets

Monitoring and evaluation of Operational Programme Northern Netherlands



Monitoring and evaluation of Operational Programme Northern Netherlands (2)

Output and result indicators are specified in **absolute** terms

- i.e. number of projects, amount of investments, number of supported firms, number of created jobs

Context indicators are specified in **relative** terms

- i.e. regional growth above the national average, decrease gap with national average, at least the same growth as the Dutch average

Lessons from EU cohesion policy

- Limited number of indicators
- Express some indicators in relative terms
- Direct link between project and objective, versus indirect link measure and impact (affected by other forces) in EU rural development policy
- Project approach: projects submitted by a large group of firms are easier to control than measures implemented by numerous individuals

Organization of EU water policy

- Two main objectives: good ecological and chemical status in all surface waters in 2015; good chemical and quantitative status of ground water in 2015
- Set of quantitative indicators for measuring the objectives
- No intervention logic
- No EU funding
- No CMEF, but triennial progress reports
- Compulsory national and additional regional measures to achieve the objectives (7,000 in the Netherlands!)

Lessons from EU water policy

- Local actors experience difficulties in defining the causal relation between the proposed measure (i.e. project) and the objective
- The numerous measures from local actors are difficult to harmonize and to coordinate for the national manager
- Beneficiaries and stakeholders are involved in the preparation phase (design of measures)
- Commission uses benchmarking to find out which measures are most (cost-)effective and why

Measure 214 on agri-environmental payments

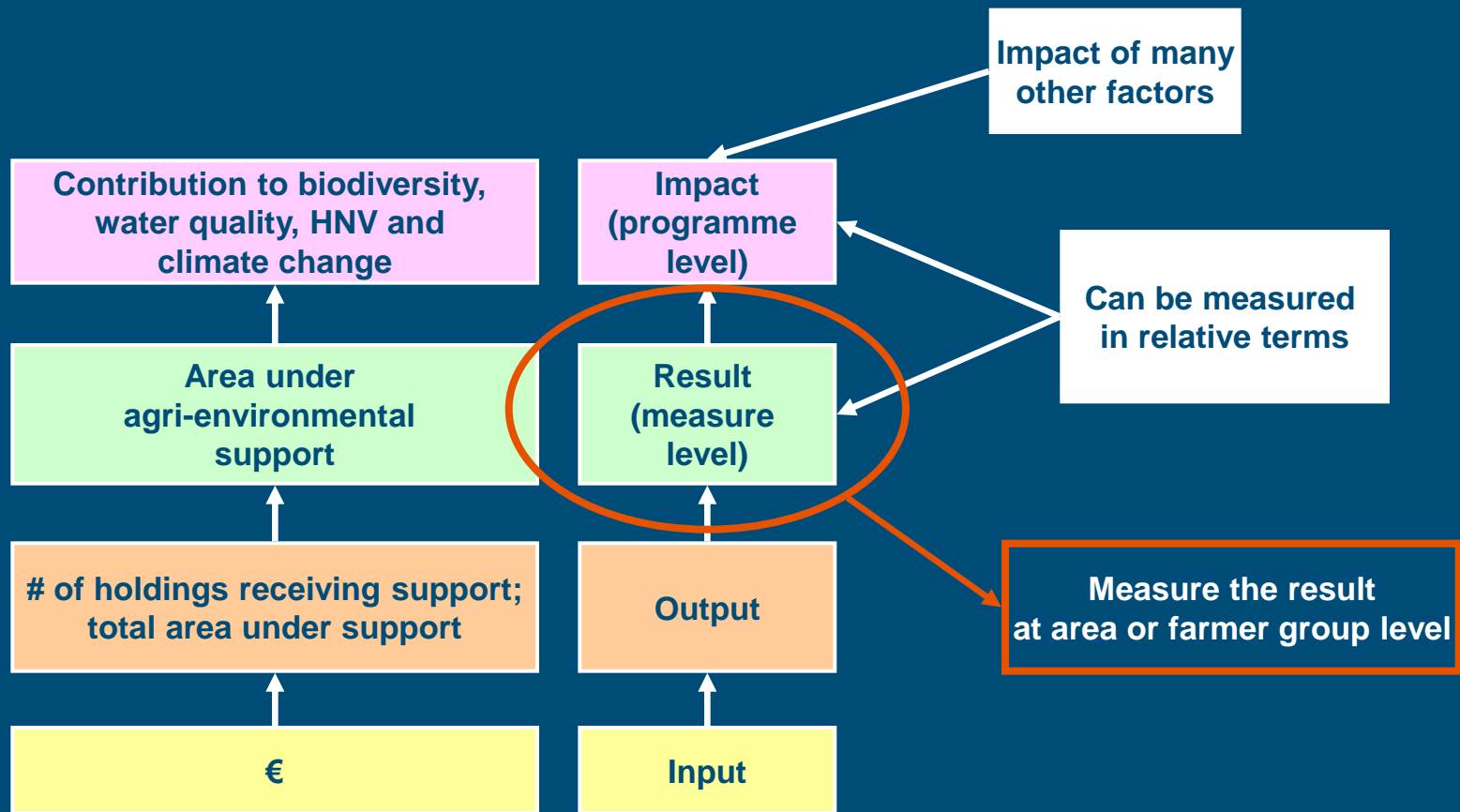
- Rationale: to encourage farmers and other land managers to apply agricultural production methods compatible with the protection and improvement of the environment, the landscape, natural resources, the soil and genetic diversity.
- Voluntary agri-environmental commitments for a period between 5 and 7 years
- Annual payments: compensation for additional costs, income forgone and transaction costs

Measure 214: management by objectives

Current result indicators could be used for measuring the impact at field level

- Relative target values can be set in a mutual consultation process of policy makers, beneficiaries and stakeholders
- An area-based approach can be applied to tailor the policy to area-specific circumstances

Measure 214: measure impact at a lower level



Measure 214: a project approach

- A group of farmers can submit a project for a certain type of land management
- Difficulties:
 - It is hard to develop an intervention logic between the activities in the project and the ecological objectives
 - What happens when the project is finished, but the objective has not been achieved?
 - Coordination and benchmarking of many projects increases administrative costs for the national authority

Conclusions: setting the objectives right

- Define the objectives at the local level (area, farmer group)
- Measure the impact at the local level rather than at the programme level
- Define the objectives in a narrow way in order to prevent numerous heterogeneous projects which are difficult to coordinate by the central authority
- This approach may create more policy space for MS in designing an RDP tailored to the needs of regions and local areas (and stimulates innovation)

Discussion

- Which level to choose for formulating objectives?
- Which steering role for EC (e.g. how to define level playing field)?
- Which steering role for MS, if EC manages by objectives?
- How to manage an RDP with many heterogeneous projects?

Thank you for your attention!

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