



# Report on Policy Delivery Systems and their relations with types of governance models

**Assessing the impact of rural development policies (incl. LEADER)**

**Deliverable D3.3**

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## 1. Goals and purpose of WP3

As modes of governance and the specific mechanisms of programming and implementation (delivery systems) are of central importance for the success of rural development policies, this work package analysed modes of governance and systems of delivery.

The main objectives of this WP are:

- To identify the different governance models at national/regional level in EU-27;
- To study the main type of relations, within the governance models, among the different levels;
- The analysis of the delivery system of RD policies;
- To identify and describe the role of LEADER-like approaches in the different governance models and particularly to explore their role in improving impacts at the local level.

These objectives were pursued through the combination of different sources of information, including available literature on RD policies in different Member States. Due to the absence of a systematic and comparable source of information on policy delivery in different countries, however, we needed to collect specific and common information through interviews with national/regional/local representatives of the main actors involved in the implementation of RDPs. Consequently, one of the most important means of collecting meaningful information was the WP3 questionnaire (see 2 below).

## 2. The methodology implemented in WP3

Legislation and regulations design the structure of a delivery system which is composed of a set of institutions<sup>1</sup> participating with varying levels of involvement to the delivery process. Roles and interactions have been established by the RD Directives and regulations and each Member State organises itself to implement these provisions by entrusting the appropriate institutions of the necessary responsibilities. This macro-level of delivery (programme level) allows the Member State to set the framework in which the implementation of the single measures can be arranged. At a micro-level (measure), the Regions establish delivery systems for the implementation of each measure, in the framework of national and EU provisions. Both micro and macro-analyses are helpful in the definition of the typologies of policy delivery and the analysis of governance models.

### *The questionnaire*

The questionnaire was partly structured and partly semi-structured (with open questions) and was organised around four sections, with the aim of collecting information on the following issues:

- the delivery system of the whole Rural Development Plan and its links with other programmes in the implementation phase (Section 1 of the questionnaire). This allowed the design of a map of the main actors and institutions involved in the policy delivery;
- the specific delivery set up for some relevant measures (Section 2 of the questionnaire). It should be noticed that the micro-analysis of the single measure is critical to understanding the delivery structure, because policy delivery is different according to the measure considered;

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<sup>1</sup> This definition includes not only state organisations (ministries, agencies, etc.), but also private- and third-sector organisations (farmers associations, environmental associations, voluntary organisations, etc.).

- the mechanisms of delivery, critical issues in the delivery processes (Section 3 of the questionnaire);
- the delivery of LEADER (Section 4 of the questionnaire).

### ***Institutional maps***

The institutional map at the level of the single measure aims at identifying which actors are involved in the actual implementation of each phase of the measure delivery, and how they interact.

For example, in some countries some measures are under the responsibility of the central administration, and others under the responsibility of regional/sub-regional authorities. There could also be intermediate governance levels (regions or sub-regional entities such as Provinces) intervening with specific functions, which must be taken into account.

In order to analyse measure delivery, a typical measure delivery process has been outlined: the process has been conventionally divided in a series of phases and sub-phases. Although it has been conceived as a general standard which tries to cover all possible cases, this outline probably does not fit exactly the procedures in place for each country. The process of delivery of a single measure is composed of a series of phases, which involve institutions and stakeholders at various titles (see Table 1), reported below:

**Table 1: Phases of a measure delivery process**

<i>Phase 1: Definition of detailed implementation procedures</i>	Preparation/approval of selection criteria Preparation of application forms and guidelines Preparation of public calls
<i>Phase 2: Provision of information and technical assistance to applicants</i>	Holding meetings with potential beneficiaries Provision of one-to-one information and assistance
<i>Phase 3: Approval of applications</i>	Collection, assessment and scoring of applications Field inspections and controls before approval Approval and financial commitments of list of eligible applications
<i>Phase 4: Provision of funds to beneficiaries</i>	Preparation and transfer of first/intermediate instalments to beneficiaries Field inspections and controls before final instalment Preparation and transfer of final instalment to beneficiaries
<i>Phase 5: Monitoring</i>	Data collection Data analysis Reporting

**The case studies**

Institutional maps concern the different RD measures and the ways in which LEADER approach is implemented in different Member States. In this section, we focus on the delivery of measures in Axes 1-2-3. In a separate section, we describe the different systems of implementing LEADER. We worked on a sample of 49 measures from all Member States and from the three Axes. Table 2 provides information on this sample: the measures most represented in the sample are modernisation in agricultural holdings (code 121, 12 cases), agro-environmental measures (code 214, 10 cases) and adding value to agricultural and forestry products (code 123, 7 cases). Nine cases were drawn from Axis 3, focusing on measures such as renewal and development of villages, protection and conservation of rural heritage (code 323), etc. A specific section of the questionnaire was focused on the delivery of the Axis, being common to each measure of the Axis.

**Table 2: Selected measures within Axes by country**

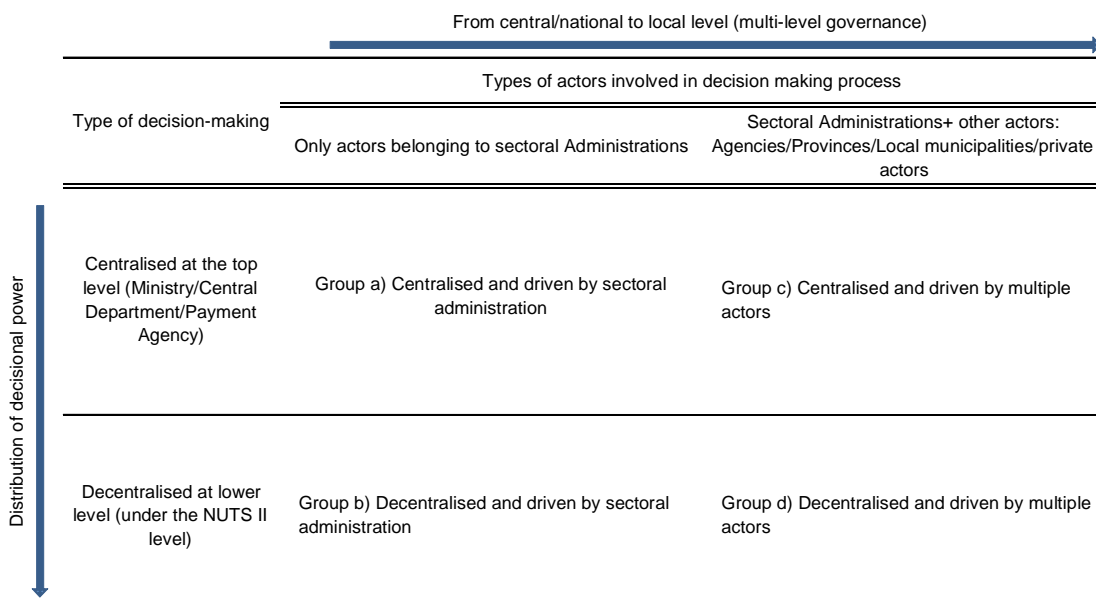
COUNTRIES		Selected measures in the sample								
		112	121	123	125	211 - 212	214	Axis III	Total	Leader
SE	Sweden		1				1		2	yes
DK	Denmark			1					1	yes
FI	Finland							1	1	yes
UK	England			1			1		2	yes
UK	Wales			1					1	yes
IE	Ireland		1				1		2	yes
EE	Estonia		1						1	yes
LT	Lithuania		1						1	yes
LV	Latvia		1						1	yes
AT	Austria					1	1		2	yes
DE	Baden-Wurtemberg						1	1	2	yes
DE	Mecklenburg Vorpommern		1					1	2	yes
NL	Netherlands						1	1	2	yes
LU	Luxembourg	Applicable to all measures in Axis 1, 2 and 3							1	yes
BE	Flanders							1	1	yes
BE	Wallonia		1						1	yes
FR	France	1					1		2	yes
HU	Hungary		1				1		2	yes
CZ	Czech Republic						1	1	2	yes
SK	Slovakia					1	1		2	no
BG	Bulgaria		1				1		2	yes
RO	Romania			1		1			2	yes
SI	Slovenia		1			1			2	yes
PL	Poland	Applicable to all measures						1	1	yes
GR	Greece		1					1	2	yes
IT	Emilia Romagna		1					1	2	yes
IT	Puglia	1		1					2	yes
IT	Sicilia	1		1					2	yes
ES	Cataluna			1	1				2	yes
ES	Extremadura	1	1						2	yes
PT	Portugal	1			1				2	yes
CY	Cyprus							1	1	yes
Mal	Malta		1					1	2	no
<b>TOTAL no. cases</b>		<b>5</b>	<b>14</b>	<b>7</b>	<b>2</b>	<b>4</b>	<b>11</b>	<b>11</b>	<b>55</b>	<b>31</b>

### 3. Main systems of delivery: analysis of institutional mapping

The WP3 questionnaire allowed the reconstruction of the delivery systems in the different Member States at two levels: a) the macro-level (the RDP on the whole) and b) the micro-level (the delivery of the measure under analysis). The macro-level provides information on the role of the different actors involved in the delivery; the micro-level mapping provides insights on the role and functions of the different actors in the different phases and sub-phases of the single selected measure. In this analysis of institutional mapping we used both levels. But the second one provides much more detailed information to formulate possible models of delivery of RD policies. Institutional maps provide qualitative information. The analytical description of institutional maps is in each national report. Although qualitative, the information provided by the maps is of great value when complemented by a description of the relations among the various stakeholders involved. But the maps feature what we already knew: institutional contexts are quite differentiated across Europe. So the main methodological problem is how to represent effectively this diversity in the delivery systems. Diversity can be very great and we need to focus on the main factors of diversity. A possible methodological approach is based on the main variables of governance already considered in designing the research project:

- a) *the type of decision making process*, especially the distribution of the decision-making power between centre and periphery, that is, the degree of centralisation/decentralisation of the decisions;
- b) *the types of actors involved in the making of decisions*. This means not only considering the administrations involved but also other institutions/organisations which can be relevant in the delivery of an RDP and, more generally, of rural policies in the country/region.

**Table 3: Typology of delivery according to types of involved actors and distribution of decisional power**



It must be noticed that we intentionally did not use the distinction between national and regional programmes, because this is not very helpful in understanding the type of decision making process: we can have very centralised regional delivery and, on the other hand, decentralised national programmes. Moreover, we will see that within the same Programme a particular Axis may

be delivered in a centralised manner and another Axis in a completely different manner. It is much more valuable to understand what kind of model fits a measure or Axis, independently of the regional/national nature of the programme.

For the classification according to the type of decision-making process, we studied for each measure who is responsible for crucial decisions concerning the following sub-phases of the delivery:

- the preparation and approval of the selection criteria;
- the preparation of application forms and guidelines;
- the collection, assessment and scoring of applications;
- the approval of eligible applications, the financial commitments and the formal approval decisions.

These decisions are crucial in orienting the delivery towards one direction or another, but at the same time they are also crucial orienting the policy, in relation to the relative weight of the measure. It is possible to distinguish two fundamental situations:

- 1) the first case is when the delivery system of the single measure is totally driven by the sectoral administrations, usually the structures of the Ministry/Department which is responsible for agricultural policies or more generally the rural policy dimension (including in some cases food security and the environment). In such cases, the delivery remains fully decided within the administrative structure which is institutionally competent at the national/regional level;
- 2) the second case is when a measure is delivered through the sectoral administrative structure partly sharing the decision-making process with other actors playing a relevant role in this process. There is a variety of actors whose presence and role depend on the institutional features of the country/region (agencies, public authorities such as provinces and municipalities, private stakeholders). These actors intervene in one or several phases of the delivery process.

We combine the typology of actors as previously defined with the distribution of the decisional power between centre and periphery, defined by two situations:

- 1) the first is when the above decisions are totally taken at the central level;
- 2) the second is when most decisions are taken at the lower level, i.e. a level which is a sort of intermediate situation between the regional and the very local one.

From combining these two variables (type of actors involved and distribution of decisional power between centre and periphery) we get a typology of governance which can be very helpful in classifying our systems of delivering. Four types can be distinguished, as follows:

- a) Centralised and driven by sectoral administration;
- b) Decentralised and driven by sectoral administration;
- c) Centralised and driven by multiple actors;
- d) Decentralised and driven by multiple actors.

This typology is similar to that which was adopted in WP2 for the classification of institutional maps for RDP design (Dwyer et al., January 2009), but there are some relevant differences: it is based on the distribution of decisional power concerning crucial phases of the delivery, and it takes into account the wider notion of stakeholder, including actors operating outside the administration identified with the Managing Authority of the RDP.

Tables 3 and 4 present the different cases according to this typology. It must be noticed that the classification is sometimes able to cover the delivery of the whole RDP because there are no differences between measures. But in other cases there is a specific delivery type associated with each Axis and/or measure. This is because in each country the political decisions concerning the allocation of funds and related competences within RDP are taken in relation to different

factors: the importance of the Ministry of Agriculture, the institutional architecture and the recent trends in devolution of powers, past experiences in RDP management and control, etc.

We examine in following sections the major changes since the last programming period and the main driving forces which are influencing these changes. In this section we focus on the situation as it emerged from the WP3 survey and how this typology can classify the different systems of delivery.

**Table 4: Typology of delivery and case studies**

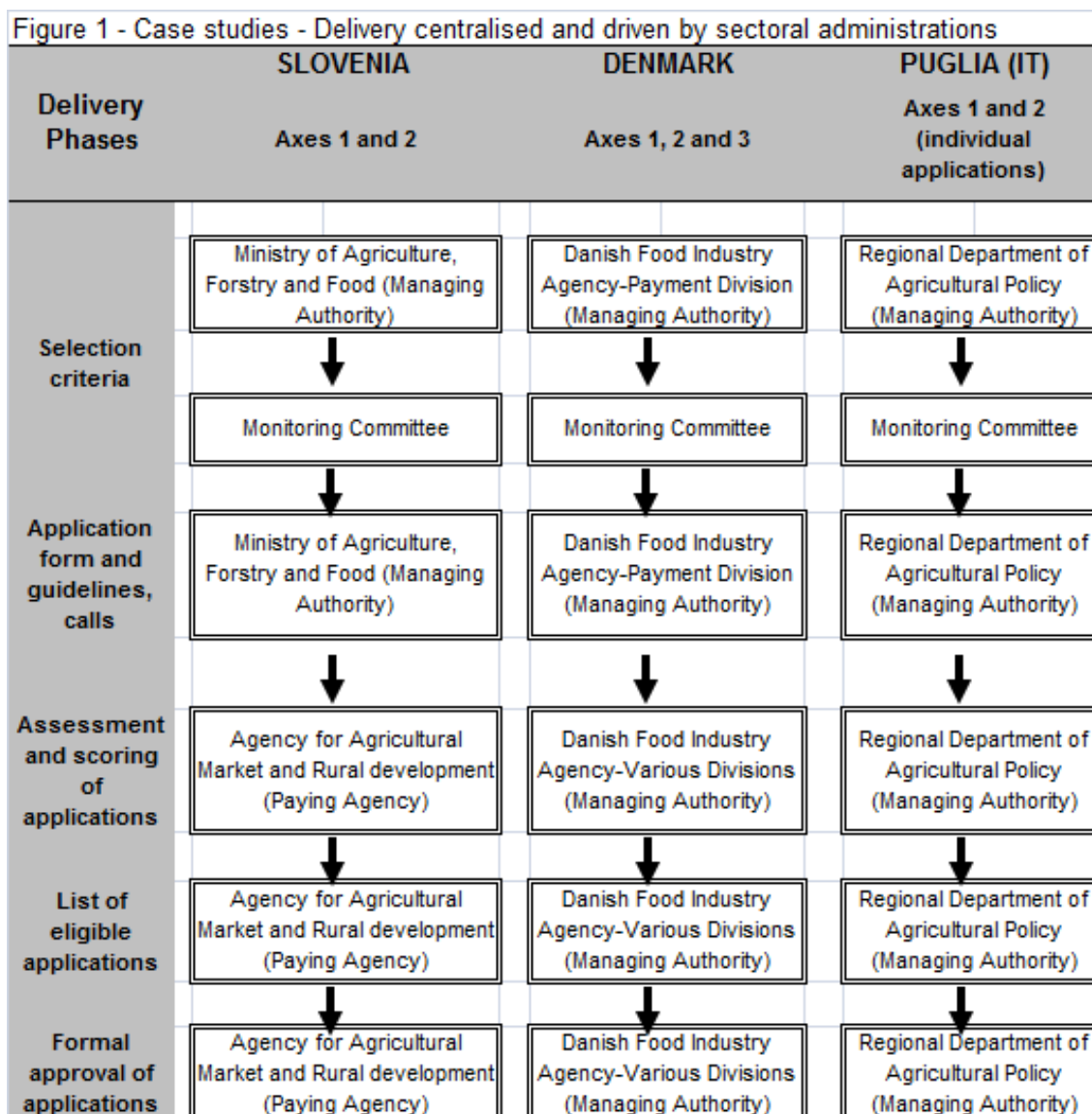
From central/national to local level (multi-level governance)		
Types of actors involved in decision making process		
Type of decision-making	Only actors belonging to sectoral Administrations	Sectoral Administrations+ other actors: Agencies/Provinces/Local municipalities/private actors
<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: small; margin-right: 5px;">Distribution of decisional power</div> <div style="border-left: 1px solid black; border-right: 1px solid black; height: 100px; margin-right: 5px;"></div> </div>	<p><b>Centralised at the top level (Ministry/Central Department/Payment Agency)</b></p> <p><b>Bulgaria</b> (Axes 1-2-3), <b>Romania</b> (Axes 1-2-3), <b>Hungary</b> (Axes 1-2-3), <b>Slovenia</b> (Axes 1-2-3), <b>Czech Republic</b> (Axes 1-2-3), <b>Slovakia</b> (Axes 1-2-3), <b>Lithuania</b> (Axes 1-2-3), <b>Latvia</b> (Axes 1-2-3), <b>Cyprus</b> (Axes 1-2-3); <b>Denmark</b> (Axes 1-2-3), <b>Malta</b> (Axes 1-2-3); <b>Portugal</b> (Axes 1-2-3); <b>Luxemburg</b> (Axes 1-2-3); <b>France</b> (national measures, i.e. 112); <b>Wallonia</b> (BE, Axes 1-2-3); <b>Flanders</b> (BE, Axes 1-2), <b>Wales</b> (UK, Axis 1), <b>Extremadura</b> (ES, Axes 1-2-3), <b>Cataluna</b> (ES, Axes 1-2-3), <b>Puglia</b> (IT, Axes 1-2-3), <b>Sicily</b> (IT, Axes 1-2-3).</p>	<p><b>Greece</b> (Prefectures); <b>England</b> (National Agencies, Axis 2); <b>Wales</b> (UK, Axis 2, National Agency); <b>Austria</b> (agri-environment, Regional Chambers of Agriculture/Provinces/Municipalities)</p>
<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: small; margin-right: 5px;">Distribution of decisional power</div> <div style="border-left: 1px solid black; border-right: 1px solid black; height: 100px; margin-right: 5px;"></div> </div>	<p><b>Decentralised at lower level (under the NUTS II level)</b></p> <p><b>France</b> (214, Departments); <b>Ireland</b> (Axes 1 and 2, Local offices, county-scale level), <b>Meklemburg</b> (D) (Axes 1, 2 and 3), <b>Baden-Wurtemberg</b> (D) (Axes 1, 2 and 3).</p>	<p><b>England</b> (UK, Axes 1-3-4, Regional Development Agencies and Local partnerships); <b>Wales</b> (UK, Axis 3, Unitary Authorities); <b>Emilia-Romagna</b> (IT, partially Axes 1-2-3, Provinces); <b>Netherlands</b> (Axes 2 and 3, Provinces and agri-environmental cooperatives); <b>Flanders</b> (Be, Axes 3-4, Provinces and Municipalities)</p>

### 3.1 Delivery centralised and driven by the sectoral administration

This type of delivery highlighted the key role of the central administration of the sector, where all crucial decisions are placed. This means that all the delivery process, from the preparation and approval of selection criteria to the final approval of each application, is located in the Ministry of Agriculture or in some Department of the regional authority. There are also many countries (especially new Member States) where decisional functions are located within the Payment Agency; this is the case of Bulgaria, Romania, Hungary, Slovenia, Czech Republic, Slovakia, Lithuania, Latvia and Cyprus.

A representative example is that of Slovenia (Figure 1): when compared with the other two cases, the institutional structure of RDP implementation transfers a great deal of responsibility into the hands of the Payment Agency (Agency for Agricultural Markets and Rural Development, AAMRD). This Agency is not only responsible for providing payments to final recipients, but also for the whole process of collection, approval, preparation of contracts, inspection and control. This model has been followed by several countries. In most of them this was not a new choice, because it was adopted in 2000-2006 period with SAPARD. Interviews however showed that there are still inefficiencies, especially in the phase of selection and approval of applications. This is due to different causes: changes in implementing procedures from one programming period to another, increased volume of funds and applications to be processed, non-optimised processing of applications, etc.





This process of concentration of functions within the Payment Agency is not common in old member countries, where the decisional centre always remains in the sectoral Ministry or in the regional Department. In these countries, the PA plays the more limited role of payment and primary control of claims of payment by final percipients. The cases of Denmark (an example of a national programme) and Puglia (a regional programme) are rather similar in this respect: the role that the Danish Food Industry Agency (within the Ministry of Food, Agriculture and Fisheries, MFAF) is substantially the same as that played by the Regional Department of Agricultural Policy in Puglia (Figure 1). There is no great difference between the centralised approach to delivery of a national structure and that which could be implemented by regions.

Is there any relation between this delivery model and the type of measure implemented? Firstly, we could say that, with the exception of some specific features, many countries have adopted this model for the majority of RDP measures. Axis 4 (LEADER) is obviously excluded because the delivery model is imposed on RDPs by the Regulation. For this reason, we may say that this delivery model is very diffused among Member States in the present programming period. In

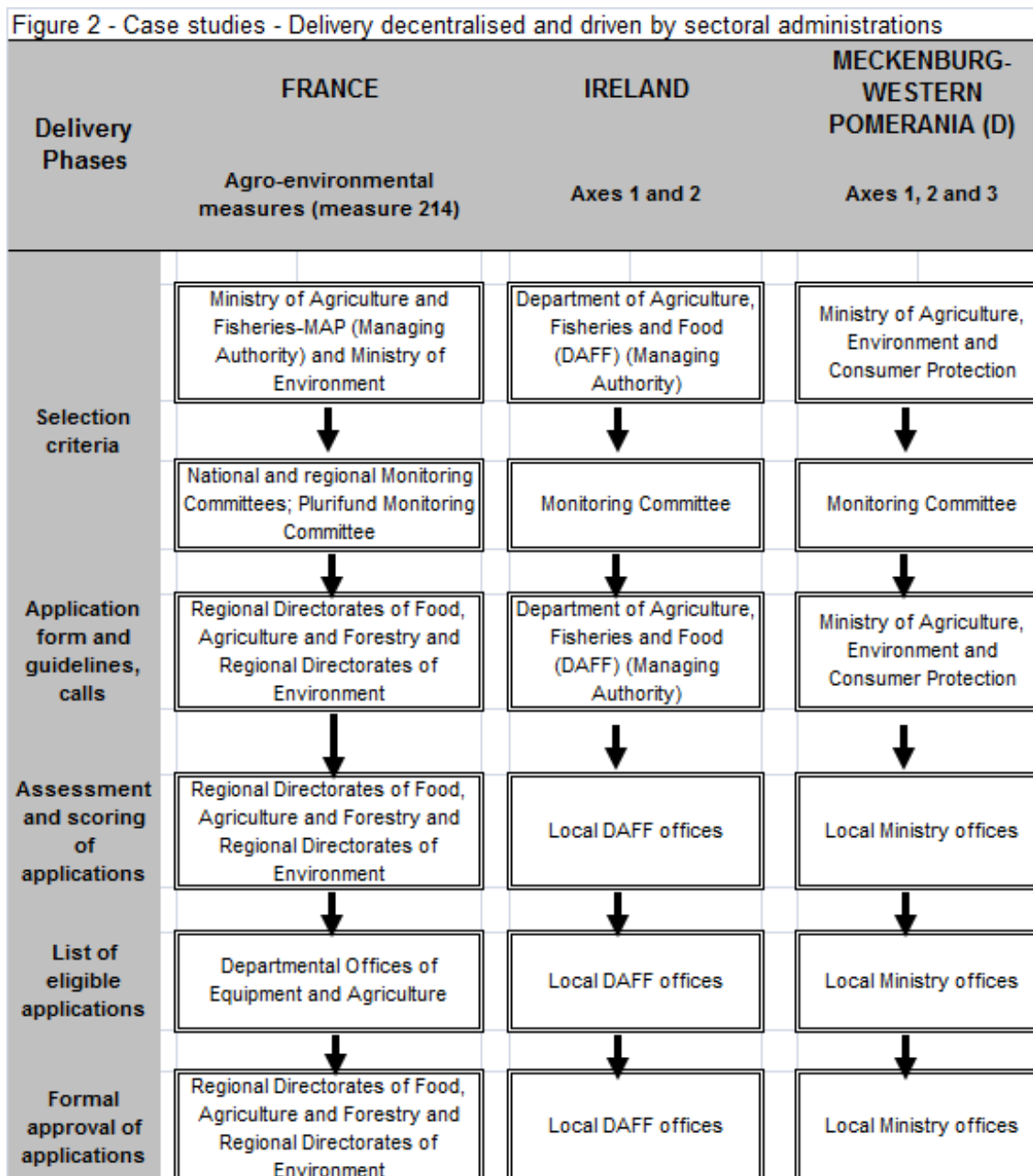
some countries, it is adopted in implementing mainly Axes 1 and 2, consequently leaving Axes 3 and 4 to a more decentralised approach.

What about the influence of the private operators in the delivery systems? It seems that most of such influence is on the definition of selection criteria through participation in the Monitoring Committee and generally through informal relationships with the RDP Management Authority. In Denmark, the private component is one third of all members of the Monitoring Committee.

### ***3.2 Delivery decentralised and driven by the sectoral administration***

The main difference with the previous system of delivery is that, with the exception of the definition and approval of selection criteria which is a typical function (stated by the Regulation) of the Monitoring Committee under the proposal of the Management Authority of the RDP, the main decisional functions are delegated to local structures of the sectoral Ministry/Department. In this system, the local-level structure of the central administration has a major role not only in supporting decision and collecting applications, as in the previous case, but also in making decisions on funding approval.

In the case of France, where delivery was traditionally strongly centralised, there has been some change since the last programming period. Although the delivery of the agri-environmental measure, which plays a crucial role in the national RDP, is mainly within the sectoral domain (with the participation of the Ministry of Environment), the architecture seems more complex due to an increase in the Regional and local level participation. Figure 2 shows that most of the decision functions lie in the field of the regional and departmental offices (which are however strictly dependent on the Ministry of Agriculture and Fisheries (MAP)). The complexity, in the case of these measures, is due to the two steps in which the decision process is articulated, which requires “a narrower cooperation between the regional and local governmental levels” (French National Report).



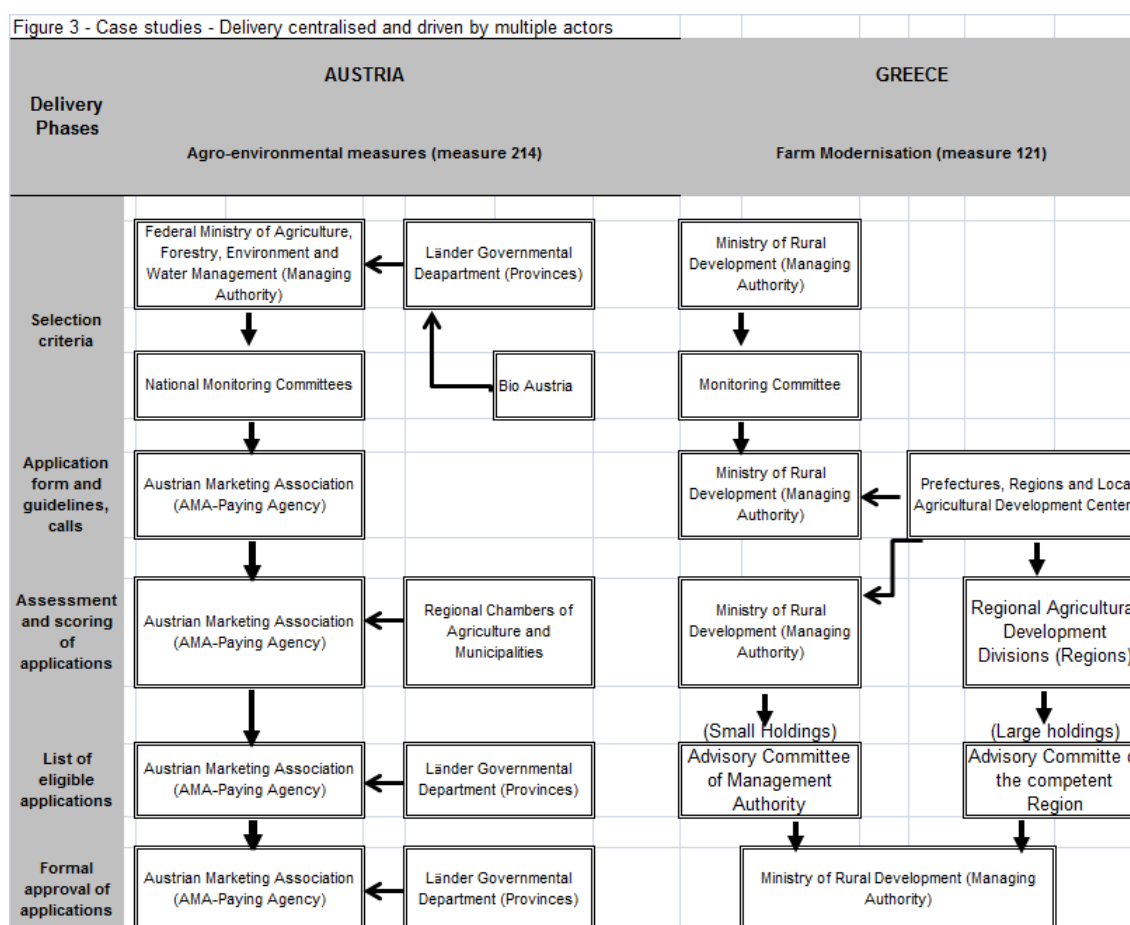
A similar decentralised system is in Ireland and Meckleburg-Western Pomerania (D), where the local offices operate at county-scale level (Ireland, for axis 1 and 2 measures) or sub-regional level (Meckleburg). In most cases, approval decisions are taken at this level, sometimes (as in the case of agri-environmental measures, Ireland) the local DAFF offices make the decision on funding, but this must be formally signed off by the District Superintendent<sup>2</sup>. Comparing with France, these programmes are relatively small-scale, but they are certainly less complex, the staff in local offices are well-experienced, and the schemes that they run under the RDP are “very well known and tried and trusted” (Irish National Report).

<sup>2</sup> This is an official who is responsible of the procedure at the District level.

### 3.3 Delivery centralised and driven by multiple actors

In this delivery system, the decision-making is more complex due to the inclusion of other institutions/actors, not strictly belonging to the sectoral administration. In this respect, at least three types of actors contribute to decision-making:

- elective local bodies (provinces and municipalities);
- non-sectoral administrations (i.e. prefectures);
- national/regional development agencies (as in the case of England)



These different cases are represented in Figures 3 and 4. The implementation of agro-environmental measures in Austria is an example of the strong involvement of provinces and municipalities in decision-making: applications are collected and assessed by the regional Chambers of Agriculture (bodies working at sub-regional level) and in some cases also by municipalities (e.g. in Vorarlberg and Carinthia). Then applications are forwarded to the Austrian Paying Agency (AMA) for the formal approval decision and financial commitments. The nature protection departments of the Provinces (Länder) also bring in their assessment to the AMA to support the final approval. This decision procedure is common to other measures of the RDP, but not to LFA payments which present a more centralised approach. Also, criteria and guidelines are defined with the contribution of provincial administrations and different interest groups and NGOs.

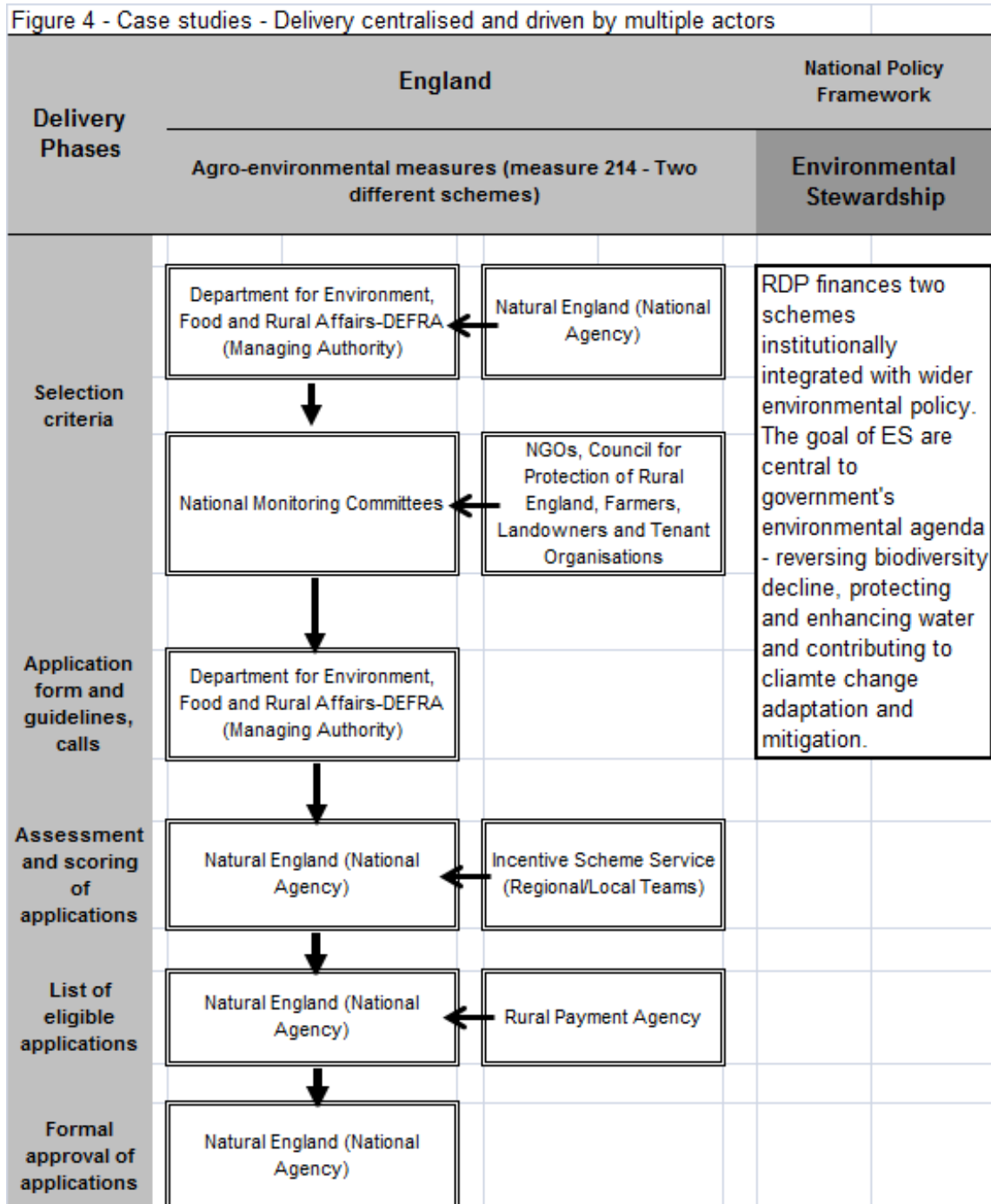
Environmental programmes have a long tradition in Austria. Agri-environmental measures have a comparatively high share of the national RD budget and are part of the wider national agri-environmental programme called ÖPUL which also serves for Länder measures, NATURA 2000 and other interventions. Provinces have a specific department dealing with nature protection. The process of consultation among various stakeholders is wide and consolidated at sub-regional level (Austrian National Report). All these conditions can explain why the delivery of these measures is driven by a set of multiple actors.

To some extent, a similar situation can be found in England, where all Axis 2 measures are delivered in a rather different and separate way to other measures of the programme. Agri-environment measures are the dominant element within the programme and account for 68% of the total public funds 2007-13. Following a “Review of Rural Delivery” in England (2002-3), all environmental funds are now channelled through one delivery route, the new environmental agency Natural England (NE), which was created in 2004-5 by merging parts of three separate previous agencies. As part of this design of rationalisation, a new (devolved) agency was also used to deliver Axis 2 forestry measures, the Forestry Commission for England (FC).

Moreover, a new scheme was launched for England, Environmental Stewardship, with a standard menu of options and designed in two halves: an Entry Level Scheme (ELS), which targets all farmland and pays a small, standard payment per hectare for a range of simple management options, and a Higher Level Scheme, which targets priority areas around the country and higher levels of management in return for higher payments which are differentiated by type of management. Environmental Stewardship is a national programme aimed at coordinating interventions in the environment and closely linked with the implementation of the full decoupling of Pillar 1 CAP aids following the 2003 CAP reforms. Natural England has responsibility for most of the phases, and in practice works as an intermediate body:

*“In respect of the nature of the public sector implementation, it is clear that NE staff play multiple roles in the delivery of the whole ES scheme. Some of their work is administrative, some promotional, much is educational and technical (providing qualitative support to ensure that agreements deliver desired outcomes), and some is monitoring, enforcement and evaluation. Several grades of staff are involved, including technical generalists (extension officers), technical specialists (nature conservation scientists), senior policy managers and strategists, marketing and promotional staff, and basic helpline and data management administrative staff.”* (Question on Measure 214, England)

Key roles in the delivery system are played by DEFRA, Natural England and the Rural Payment Agency (see Figure 4). Nevertheless, especially within the Higher Level Scheme, which is narrower and deeper than the other Scheme, the role of other actors is certainly stronger in providing the needed support to NE: regional/local teams of experts in the field of conservation and a mix of agri-environmental and forestry NGOs and commercial advisors working closely with NE.



The Greek delivery system is actually a centralised system, where the main decisions are taken by the Ministry of Rural Development, especially those concerning selection criteria and final and formal approval of all applications. But regions and prefectures (at a lower level) contribute substantially in some cases. In the previous programming period there was a division of competences between the central and regional and sub-regional levels: investments in the field of animal production were under the responsibility of the Ministry, whereas investments in crop production were under the responsibility of regional administration. This system has been changed in designing the new programming phase and now the division of competences is based on the

investment size: investments in small holdings, especially in the field of quality products (i.e. feta production), have been moved to the central structures, whereas large-holding applications are more decentralised (see Figure 3). In the latter case, applications are assessed by Prefectures (which have a special Rural Development Division) or by Regional Agricultural Development Divisions (large holdings), and then submitted to different actors according to the size of farm criterion. This division of competences is partially explained by the need for central administration to carefully check applications related to quality of products. Regional and sub-regional structures, however, play a key role in assessment, and they always provide support to the approval by Advisory Committees of the Region or Ministry of Rural Development.

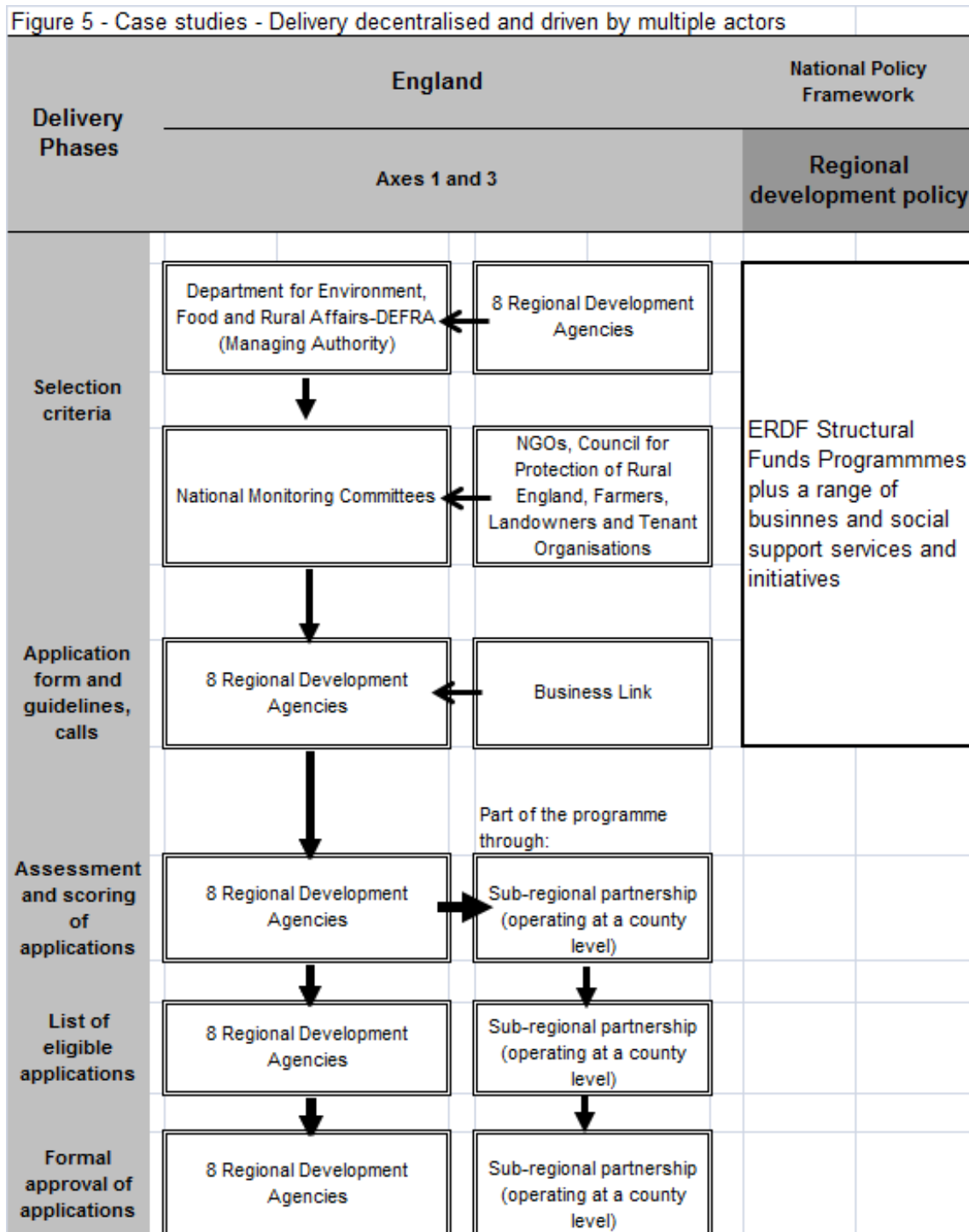
### **3.4 Delivery decentralised and driven by multiple actors**

This is undoubtedly the most complex delivery system because it combines two features: the participation of multiple actors and the decentralised management of the measures. This system is mostly adopted for Axis 3 measures, but in some cases is also extended to the other Axes. The complexity is due to the presence of different actors, the decision-making decentralised at sub-regional level, and finally, in some cases, by the presence of some LEADER-like approach in the delivery process. This seems on the whole the system in most marked contrast to the first one (centralised and driven by sectoral administration).

Within this system, we find the case of the delivery of Axes 1 and 3 in England. As in the case of rationalisation of environmental schemes, there was also a change in the system for delivery of socio-economic funds (see Figure 5).

*“For the axis 1, 3 and 4 measures in England, the combined budget for these three axes has been divided up between the eight Regional Development Agencies (RDAs) for the English NUTS 2 regions, and each RDA is responsible for deciding how best the goals of these axes should be delivered, within their territory. All regions are implementing the same group of measures from these 3 axes, and all are devolving some elements of the programme to be delivered through ‘sub-regional partnerships’ operating at a county or other similar-scale, local level. However, in some regions most delivery is being achieved through Local Action Groups operating under the Axis 4 model, while in others there are also sub-regional partnerships which are different in structure and function to LEADER. In a few regions, the RDAs are delivering some elements of the programme directly to beneficiaries. In all regions, the supporting facilitation and technical advice role for most RDPE measures is provided by ‘Business Links’, RDA-funded agencies who support the effective delivery of many RDA and nationally-funded support schemes and services to businesses, both urban and rural.”* (England National Report)

Also in this case, as in the previous case of Natural England, we may say that RDAs operate as Intermediate Bodies to whom is delegated the management of Axes 1, 3 and 4.

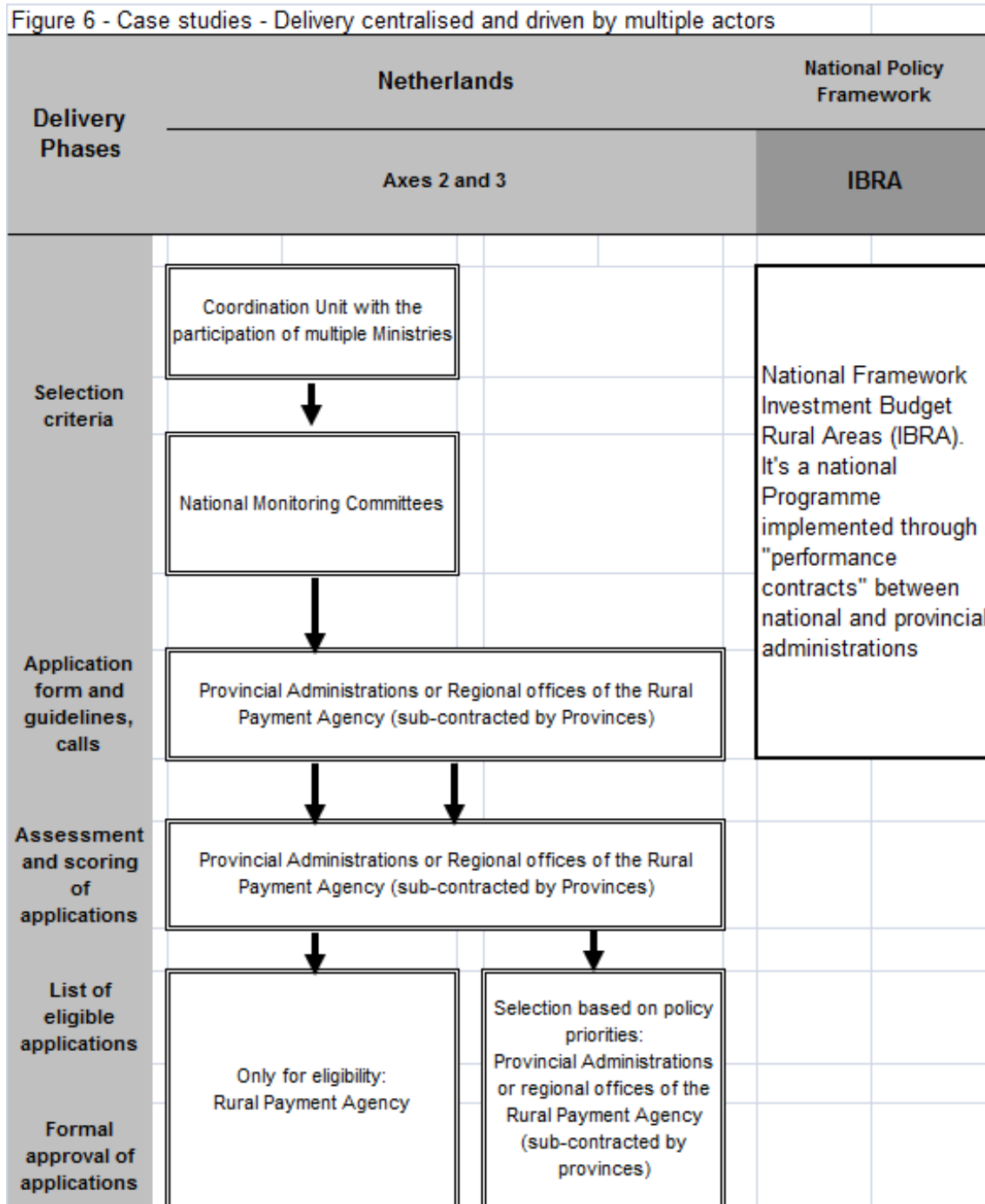


The complexity of this system is also in the different approach to delivery adopted by regions and the RDAs. What makes this system interesting is also the close integration with the delivery of other socio-economic support for both rural and urban areas, at the regional level.

*“Thus the RDAs plan and administer the ERDF Structural Fund programmes for their regions, and also deliver a range of business and social support services and initiatives in England through their ‘global grant’ which is agreed with central government on a 3-yearly basis, in re-*



spect of explicit regional strategies and programmes. Some of these other initiatives and services are targeted to rural areas, some to urban areas, and some are undifferentiated in this respect. They are all 'additional' to general public service delivery (health, transport, education, social services, waste management), which is largely organized at a sub-regional (county) level, within the public administration. However, most sub-regional partnerships which deliver RDA-funded initiatives include representatives from the county-level public administration. As well as integrated delivery within each RDA, the Government Office for each region has a responsibility to facilitate coordination between RDPE, Structural Fund and domestic policies affecting rural areas" (England National Report).

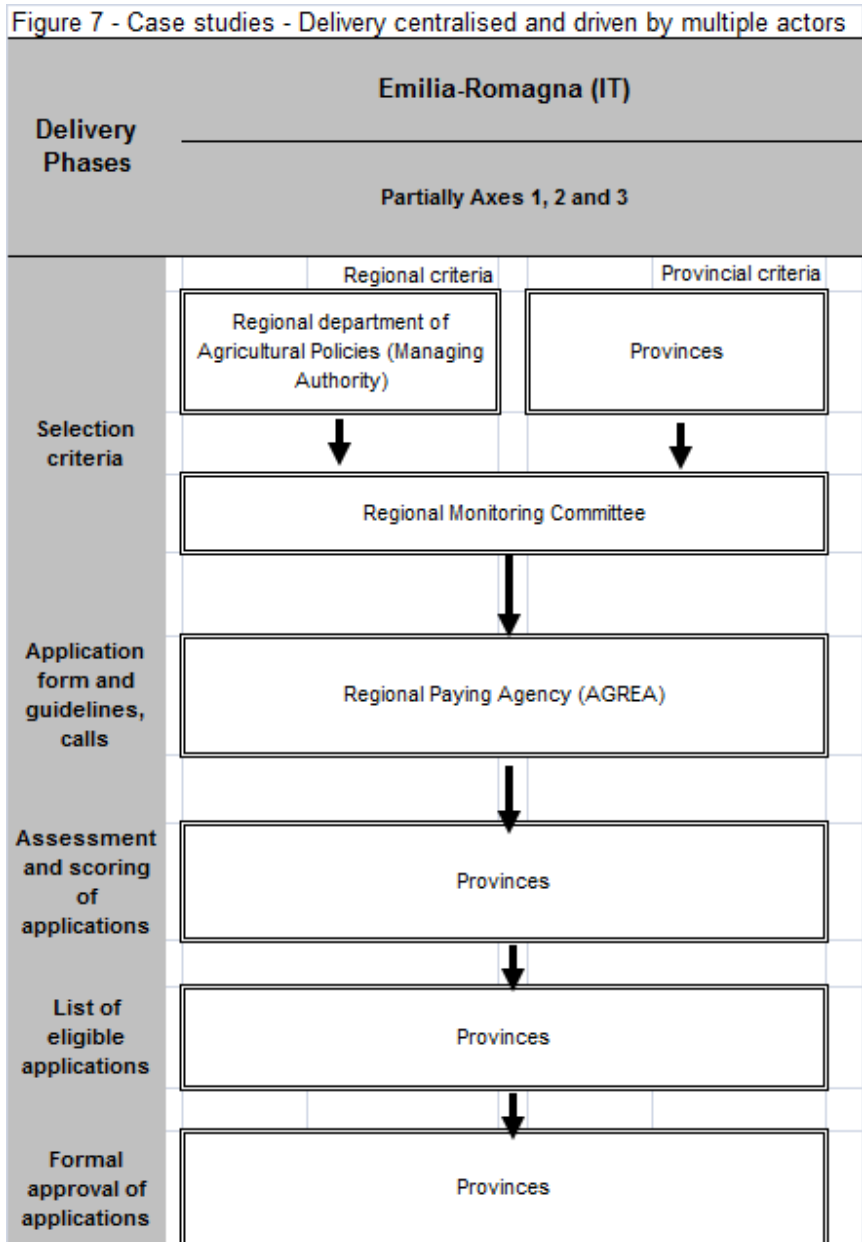


The English system combines the presence of RDAs with sub-regional partnerships and at the same time gives the RDAs the responsibility and the opportunity to combine different sources of funds for a common strategy at regional and sub-regional level. The Netherlands system is in this respect quite similar, but the decentralised body is instead the Province. In this case Provinces have the opportunity to gain a major role due to the process of gradual transfer of implementation from national institutions to the provincial administrations. There is also in this case a national framework in which Rural Development Funds are included: the so-called IBRA (Investment Budget Rural Areas), which should work as a coordination mechanism between national and provincial rural policy setting. RDP funds have only a marginal role in overall IBRA budget allocation (less than 10%), while major financial contributions come from national, provincial and third parties (e.g. private sector, water boards, nature organisations, etc.). Dutch Provinces are involved in all relevant decisional steps, but they are not always the guiding actors in the delivery: sometimes provincial administrations opt to outsource the implementation of Axes 2 and 3 measures almost completely and have little or no internal expertise to assist applicants, to provide them with information, etc. (see Figure 6).

The Dutch example provides another element in the delivery architecture: national administrations stipulate “performance contracts” with provinces, in which both agree on a number of (quantitative) targets to be met in the period 2006-2013 within the IBRAs. RDP is being incorporated in this broader process of decentralization based on performance contracts. This could help to pursue a more integrated rural policy delivery, but actually this is only partially met due to the co-existence of contrasting agricultural views and strategies which provide “...an enormous amount of projects with little overall consistency, coherence or capacity to create synergies. Also provincial administrations do not position themselves clearly in ongoing debates on agricultural and rural development and opt for the support of a wide variety of rural projects without a clear vision on rural and agricultural development not rural-urban interaction patterns.” (National Report, The Netherlands).

The role of the provincial level is also emphasized by the delivery system of Emilia-Romagna. The Emilia-Romagna territory is administratively divided into nine Provinces, and each Province has to prepare its own Provincial Rural Integrated Programme (PRIP). In this region the Provinces are the only level responsible for the implementation of RDP measures at the local level, with the exception of those measures which concern fields of intervention of strategic relevance (e.g. projects deriving from the integration of several measures) and/or in need of an approach coordinated at a regional level to avoid the risk of a fragmentary implementation (e.g. Measure 123 – investment support to processing and marketing of agricultural and forestry products, Measure 226 – Restoring forestry potential and introducing prevention actions, Measure 227 – Support for non-productive investments, and Measure 323 – Conservation and upgrading of the rural heritage). The devolution of implementation responsibilities to a great extent to the local level has also the aim of allowing a coordination at the provincial scale of RDP funds with other EU regional funds as the Social Fund and the Regional Development Fund.

Differently from the previous cases, where only the Management Authority was responsible for the definition and approval of selection criteria, in Emilia-Romagna this definition takes place at two levels, regional at first and provincial then. The first level is within the Operational Programme prepared for each Axis (OPA) by the regional administration. In the OPA, the Region establishes a set of priorities with a weighting of 65% of the total in the assessment of a project. In their plans, Provinces can indicate their priorities and add up to 5 criteria, which together sum the remaining 35%. In conclusion, Provinces can identify additional selection criteria within the limit of this weighting. This double-level definition of selection criteria was already in place in the previous programming period, although at that time the weight of the Provinces in their identification was significantly higher. The Region has re-gained a stronger role in the criteria definition in order to overcome the fragmented experience in the selection of projects, which were considered too different between the Provinces and Mountain Communities.



#### 4. The role of private actors in the different systems of delivery

The above analysis of the delivery has mainly taken into consideration the role of public institutions, as formally defined and codified in the procedures of implementation of RDPs and more generally of the policies for rural areas. Private actors and interests usually influence the delivery in different ways and intensities. There are formal places, as the Monitoring Committee, where private actors can play their role in identifying selection criteria and other relevant decisions. But there are also informal places and processes where this influence is not really significant for micro-level delivery, but it is crucial for that at the macro-level:

*“Apart from the formal process, there are attempts to influence decisions informally, at the political level (e.g. lobbying by local governance actors, political trade, enforcement of capital interests). However, this does not affect the policy delivery process at the level of measures, but rather at the level of the RDP (eg. amendments of the RDP in terms of redistribution within the axis, general implementation rules and eligibility criteria, designation of eligible areas – e.g. LFA)”* (Slovenia National Report).

The functions of delivery which are mainly supported by private actors are advising, promotion, information and technical facilitation for potential applicants. These functions are often carried out by public agricultural extension officers (specific services of the central or regional administration are available at local level, Chambers of Agriculture and Forestry, etc.). The extension services receive instructions and training from the Managing Authority and transfer that knowledge to the final recipients. Support in terms of preparation of the application for investment support is never subject to payment from the applicant. In case of private provision of these services, this can occur under the form of a paid service as in the Irish case, where applicants must have support from a paid farm advisor in completing the application and verifying that the investment is viable. More often, the provision of these services by private institutions is supported by public funds. There are many cases. In Italy, the CAAs (Centres of Agricultural Assistance) are mainly managed by farmers' organisations and stipulate a contract with the MA of the programme. In England, NE (Natural England) also engages with actors in the private sector - farm secretaries and land agents (commercial agents who administer land transactions) - informally. Both these kinds of actor help individual people (farmer applicants/beneficiaries) to interact successfully with the delivery system.

Apart from these traditional actors, some new actors are emerging from the delivery of specific measures, as in the case of agri-environmental cooperatives in the Netherlands.

*“Increasingly these agri-environmental cooperatives, as new institutional arrangements, are actively involved in early implementation phases and function as a kind of sub-contractor for the provision of tasks that previously were offered by public bodies (e.g. information, education, etc.). All this with the objective to reduce policy implementation transaction costs, to increase policy efficiency of agri-environmental measures and to proactively respond to dissatisfaction among farmers as well in society at large. This is also expressed in the so-called “Provincial subsidy regulation farm based nature management; organization costs agri-environmental cooperatives”. This subsidy regulation allows provinces to actively support agri-environmental cooperatives that stimulate the professionalization of farmers' based nature management through different activities as: knowledge promotion nature management; regional cooperation in nature management; promotion of agri-environmental schemes; application assistance; quality control; monitoring and reporting.”* (The Netherlands National Report)

The role of the private actors in the construction of the different delivery systems is surely undervalued within the institutional maps. This role should be explored through other research tools, different from the institutional mapping. In many cases it is quite evident that the presence of a well-organised and efficient delivery system is strongly influenced by private actors offering advice, information and technical assistance.

## 5. The role of the broader policy framework

RPDs are sometimes managed within a broader policy framework which includes other EU programmes and/or national and regional policies, autonomously designed and financially supported by Member States. The inclusion of an RDP in a broader policy context produces several interesting implications:

- a) it contributes to a more integrated rural policy design and delivery;
- b) it makes possible to channel different funds and programmes through the same delivery system;
- c) it creates synergies and complementarities among the different funds and programmes which could strengthen the social and economic impact of RDP measures.

This inclusion in a broader policy framework can be implemented at three different levels:

- 1) *at the national level*, where a national plan designs and delivers measures which are deemed to complement those in the RDP. This is the case of the Irish National Development Plan 2007-2013 containing a number of exchequer-funded measures that have an explicit rural development focus (sectoral on-farm investment support, assistance for afforestation and related forestry activities, and an animal welfare scheme);
- 2) *at the intermediate level*, very close to local as in the case of the Dutch Provinces. In the Netherlands, the broader policy framework is the Investment Budget Rural Areas (IBRA), which aims at joining a variety of previously sector-based policies and transferring the responsibility for these policy frameworks to Provincial administrations. The IBRA framework also operates as a coordination mechanism between national and regional rural policy priority setting. Within IBRA, the RDP funds represent an extra financial contribution for rural policy, but with a relatively marginal role (less than 10% of the total IBRA budget). Anyway, the delivery system does not change: provincial offices combine these different subsidies from European, National and Regional Funds for rural development and operate as a sort of intermediary between these different subsidies, frameworks and potential applicants. So, the potential effects on the delivery system are very positive, but this new framework needs more time to be fully evaluated;
- 3) *the local level*, where different policies are combined by some Agency or local partnership. This is the case of the English Regional Development Agencies which deliver: a) Axis 1, 3 and 4 measures of the RDPE; b) ERDF Structural Fund programmes for their regions; and c) a global grant provided by central government on a 3-yearly basis for supporting business and services and initiatives in England. Some of these funds are channelled through sub-regional partnerships, as we have already described.

These are three different ways of organising delivery in response to a framework which is broader and more complete than the RDP itself. Unfortunately, with these cases being only recently introduced, it is rather difficult to say what actual effects will be produced. Undoubtedly, the presence of a broader framework is positive for the delivery of the different schemes. Some doubts can be raised in all those cases (i.e. the RDAs in England) where RDP funding which is given to bodies to which it represents only a small share of their total available funding, the focus on rural needs and action gets somehow lost, and the people responsible for spending the money are less concerned to ensure that it really meets rural needs in each locality because they prefer to fund large-scale projects with big economic gains.

## **6. Different systems of delivering the Leader approach: what further changes have occurred with respect to the original approach?**

The new programming period 2007-2013 was strongly innovated by two fundamental choices:

- a) The first was the so-called “mainstreaming of Leader”, that is the substitution of the small Community Initiative and its specific programme with the adoption of the approach by the main Rural Development Programme. This adoption has become the fourth general priority of each RDP;
- b) The second was to keep a mandatory feature of Leader for each Member State, under the form of a specific Axis whose minimum threshold has been set as up to 5% of EU funds.

These two choices were complemented by the possibility to implement Leader by using all measures of the new menu provided by the EU regulations. Another important change has concerned administrative procedures: the introduction of a single Paying Agency (PA) for all RDP measures, including Leader ones, has meant that even payments to single projects were transferred from the competence of Local Action Groups to the single PA.

These were the main changes in the EU juridical framework (EU regulations), which were introduced after a vigorous debate about the perspectives of the Leader approach. The need to justify greater efforts on rural development in EU policy, on the one hand, and the need to simplify the programming system of rural development, on the other, were the two main driving forces of these changes at the EU level of governance.

How have these innovations been transferred into the different Member States and Regions? Was the transposition of these new rules across Europe not only very differentiated, but also the source of more and specific constraints on the original Leader approach? Have all opportunities and potentialities related to the mainstreaming really been put in place during the delivery of RDPs 2007-2013?

The analysis of the delivery of Axis 4 might give some interesting results to try to respond to some of these questions. Further insights could be provided by the specific analysis of the case studies in the RuDI WP8. To analyse the delivery of Leader in this report, a specific section of the WP3 questionnaire was devoted to the institutional map of Leader and to relations between Local Action Groups (LAGs) and the Managing Authority (MA) of RDP.

From the delivery standpoint, Leader is strongly influenced by two fundamental dimensions:

- a) The role of LAGs in their territories, and the degree of autonomy and decentralisation which is given to LAGs by the national/regional RDP and the juridical framework in each State/Region. The degree of autonomy and decentralisation depends upon the number of crucial functions/tasks performed by LAGs: i.e. the definition of selection criteria of individual projects, the assessment of eligible applications, the approval of individual applications, the definition of the selection criteria by the LAG manager, etc. The more control of these tasks is taken by State or Region, the less decentralisation (and consequently less decision-making power) is provided to LAGs in the delivery of Axis 4;
- b) The second dimension is given by the room for manoeuvre left to an LAG in terms of definition of its own strategy of local development. This dimension is given by the types of measure, themes and use of other funds (i.e. Structural Funds) which each LAG might consider in the definition of the Local Action Plan. The smaller is the number of eligible measures, themes and funds within the LAG’s “basket”, the narrower is the room for manoeuvre in which the LAG can operate.

When we consider these two dimensions at the same time, we can get four types of delivery, as represented by the following Table 5:

**Table 5: LAGs in Leader delivery**

LAG's space of manoeuvre (referred to the strategy)	Role of LAG in the delivery of Leader	
	Autonomy	Tight control by MA/other institutional bodies
Wide/intersectoral	ORIGINAL APPROACH (i.e. Ireland)	CONSTRAINED DECISIONAL POWER (i.e. Emilia-Romagna)
Narrow/specialised in some field	CONSTRAINED STRATEGY OF INTERVENTION (i.e. Catalonia)	CONSTRAINED STRATEGY AND DECISIONAL POWER (i.e. England)

The first type corresponds to the “*original model*” (very much adopted since Leader I to most of Leader+). This type tends to be very uncommon in our study because most cases are constrained either in terms of space of manoeuvre or in terms of degree of autonomy from the MA or/and other institutional bodies (i.e. Regional/National Agencies). A type of delivery which is very close to the original approach is that adopted in Ireland, where LAGs not only maintain most of their autonomy, but also their space of manoeuvre seems to be slightly wider than before. Aiming at the rationalisation of local development bodies, which had exploded in number during the last 10 years, the Irish Government pursued the amalgamation of Leader groups and social exclusion programmes into single entities called “Integrated Local development Companies”. The majority of the 36 Irish LAGs will be managed at the county level and will deliver a range of programmes covering social exclusion, rural transport and community services. This will require integration with national programmes, such as the Rural Social Scheme, as well as Leader. Undoubtedly, this change introduced some relevant innovation in the delivery structure of the LAG and this may eventually cause some constraints and potential damages to the original Leader approach<sup>3</sup>.

The fourth type, at the opposite corner of the above table, is characterised by “constrained strategy and decisional power”. This type seems to be quite different from the previous one. In the case of England, the manoeuvre space is more or less limited, depending from the region: in the South-West, the LAGs allocate the budget for Axis 3 measures only; in the North-West, Axis 1 and 3 are being delivered through the Leader approach but the combination of measures available to the LAGs is currently limited to those identified as the priorities for delivering the objectives of the Sub-Regional Implementation Plans (i.e. the Lancashire West LAG can use three Axis 1 measures and four Axis 3 measures). Some LAG members have commented to the lead

<sup>3</sup> After the interview, this could not be investigated any further in-depth. The Irish LEADER case study will be helpful to clarify this in work package 8.

local authority that all measures may be appropriate to the LAG needs. Moreover, the Leader approach is not being used to allocate any of the Axis 2 budget. This raises serious doubts over the possibility of integrating economic and social interventions with environmentally oriented ones.

Even in the field of the decision-making process, changes in the regulations and the delivery of the Leader approach in 2007-2013 period have made the current English programme quite different from Leader+, in that decisional power was transferred to Regional Development Agencies. LAGs now have much fewer devolved responsibilities and ultimately RDA is accountable. Moreover, eligibility criteria for the measures and additional financial constraints and checks contrast strongly with the “spirit of Leader” as it was conceived in the past.

A very similar situation can be found also in Netherland or in regions like Wallonia and Mecklenburg-Western Pomerania. In some regions, the implementation of the Leader approach is so far from the original model that we can define it as a true “*de-structuring*” of Leader: i.e. in Wallonia, all individual projects collected by LAGs are approved by a special inter-ministerial Selection Committee.

The other types of delivery can be found in the following intermediate cases:

- The second type, where limitations and boundaries are placed on the autonomy of the LAG, but the space of manoeuvre is rather wider (because it includes different types of measures in the three Axes of RDP), has been called “*constrained decision power*”. This case can be found in Emilia-Romagna (IT);
- The third type can be found in Catalonia (ES), where the space of LAG manoeuvre is limited to within the agricultural sector, especially in the quality and food industry support measures (“*constrained strategy of intervention*”).

Looking at the different situations of Leader delivery in Europe, it seems that in most cases the original model has been modified by rules, which has severely restricted either the role of the LAG or its room for manoeuvre, or both. This conclusion raises fundamentally two main questions:

- a) Why has the EU Regulation been interpreted according to such restrictive modalities in most EU countries and regions?
- b) What kind of effects will be carried out by these prevalent models of implementing Leader?

Undoubtedly these modalities of conceiving and delivering Leader derive from two main driving forces: i) firstly, the desire of setting more boundaries and limits to the power/competencies of local partnerships, whose increasing role at local level is creating conflicts and competition with elective bodies and other agencies; ii) secondly, the need of a greater administrative and financial control of projects and actions promoted by LAGs at local level, in order to avoid inefficiencies and irregularities in public spending. Both forces have carried out a sort of increasing “bureaucratisation” of the Leader approach within the concrete delivery of Axis 4. These changes have raised new tensions among LAGs, which voiced real concerns about the effectiveness of the new way of conceiving the Leader approach by Managing Authorities of RDP.

Actually, these new interpretations of Leader might carry out severe limitations in its potential effectiveness. We would also say that new problems in efficiency can derive from it, because there is a sort of centralisation of Leader within the Managing Authority of RDP (in several cases individual projects are approved and financed at central level). These effects can generate, in turn, a real demotivation within the LAG and produce negative effects on innovation potentiality and capacity to respond to the real needs of territories.



## 7. Most common delays or implementation problems according to the type of delivery

We focused on the main characteristics of the different systems as they emerged from the construction of the institutional maps. Are there common and specific difficulties in the concrete implementation of the measures according to this classification? And what kind of difficulties can emerge from the main phases of the delivery and particularly from the most crucial sub-phases influencing the decision making?

To answer these questions, we used the typology of delivery and classified our sample of measures accordingly. Through interviews, we also collected information on which phases and sub-phases of the measure's delivery are most likely to cause delays and/or implementation problems. In order to quantify the intensity of problems met, interviewees were asked to give a mark (from 1 = high intensity to 3 = low intensity). The lower the score given, the higher the intensity of implementation problems and difficulties of delivery. After having grouped measures according to the typology of delivery, the average score in some crucial steps of delivery was calculated, particularly for four phases: the approval of selection criteria; the preparation of application forms and guidelines; the collection, assessment and scoring of applications; and the approval of a list of eligible applications.

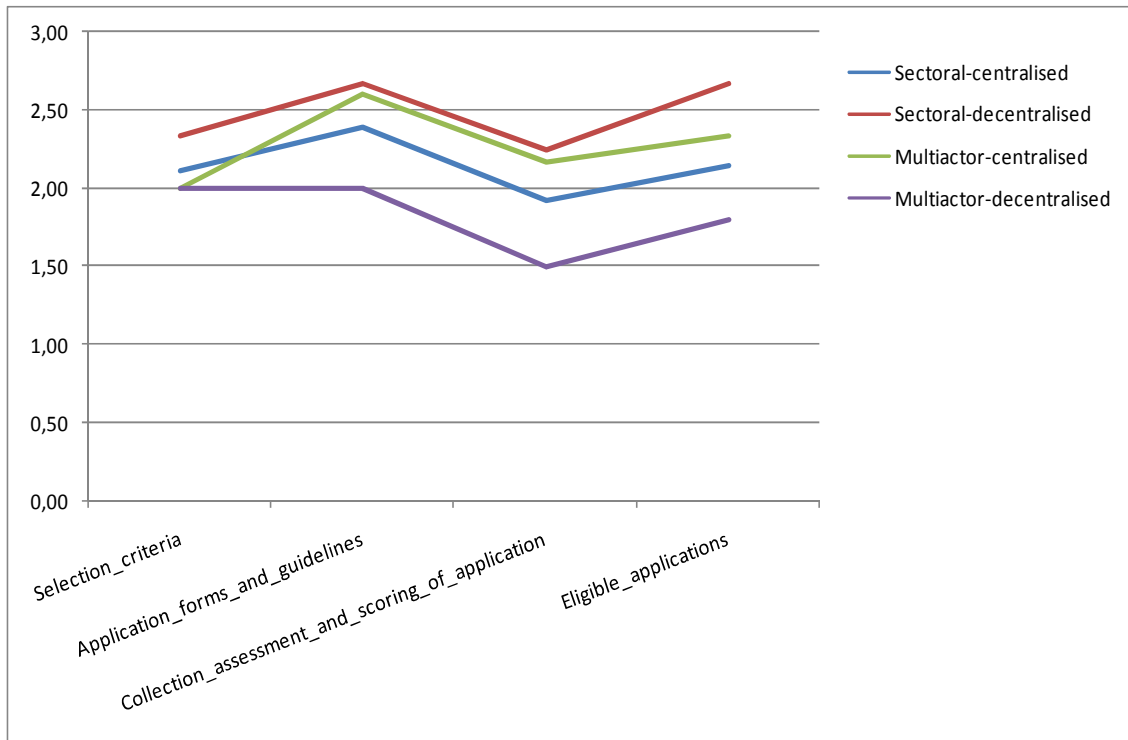
Figure 8 shows the average score of each type of delivery in different phases of the same delivery process. It is interesting to note that, independent of the type of delivery, the most problematic phases are the collection, assessment and scoring of applications. These are clearly the most "delicate" phases in absolute terms for all administrations and delivery structures. This is due to several factors:

- a) the huge amount of work that processing of applications implies;
- b) the "bottleneck effect" that a strong demand for public funds very frequently causes in these phases, especially when the actual applicants are more numerous than foreseen before the public calls. This is particularly true when the assessment of applications can be very time-consuming due to small holdings dominating the demand for funds;
- c) implementation problems which derive from the introduction of a new procedure and/or new criteria into the new programming period. These changes in procedures and/or criteria always imply a sort of "adaptation process" within the delivery structure, which is likely to cause delays;
- d) finally, scoring of applications can cause delays when over-complex selection criteria are introduced into the process.

There are however differences between delivery models: the multiple actors-decentralised model shows more difficulties than other models in each delivery phase. It is likely that problems linked to the "adaptation process" are more relevant in this case, due to the presence at the same time of many actors and of the devolution of functions to local structures. This could mean that, every time changes in procedures and criteria are introduced into the existent delivery, the impact on the efficiency of a multi-actor-decentralised system would not be positive, at least in the short term.

Figure 8 shows that the sectoral-centralised model, although less problematic than the previous one, is not the best one, perhaps because of the so-called "bottleneck effect" typical of the excessive concentration of functions of assessment and scoring at the central level. The sectoral-decentralised model, instead, reveals fewer problems than the centralised one, probably because this "bottleneck effect" is not so relevant.

**Figure 8: Delays and difficulties in implementation – average score by phase and type of delivery**



## **8. Most common delays or implementation problems according to the type of measure**

The second part of the questionnaire was focused on the analysis of the critical aspects relative to the implementation of the measures of RDPs. Two types of questions were addressed to the interviewees in order to have an assessment based also on their experience related to the different measures:

- a) the first type of question concerns, as we have already said, the main phases which are affected negatively during the implementation of the specific measure;
- b) the second aimed at understanding which are the factors affecting the delivery of the measures examined. Four categories of critical factors were identified that could influence both in positive and negative terms the process: beneficiaries, other actors, interactions, procedures. Some issues were linked to each of the factors, such as the investment capacity, the number of administrative and legal obligations to be met, previous experiences with similar schemes, the adequacy of staff members in terms of expertise, and the adequacy of the selection criteria, in order to better clarify why the specific factor is considered critical for the measure implementation. A mark from 1 to 3 indicated the level of criticality of the specific factor, in relation to which was asked for specifying the negative (-) or positive (+) influence it exercises<sup>4</sup>.

Across the measures, the phases identified as critical, meaning those most likely to meet delays and implementation problems, show a higher frequency of mark 1 in comparison to the others. The following phases emerge as critical (the number of cases is in brackets):

- 1) Collection assessment and scoring of application (15)
- 2) Selection criteria (13)
- 3) Field Inspections and controls 4 (11)
- 4) Approval of list of eligible applications (10)
- 5) Data collection (10)
- 6) Preparation of application forms and guidelines (9).

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<sup>4</sup> So the marks go from -3 to +3.

**Table 6: Intensity of criticalities by phases and measure<sup>5</sup>**

Measures	LFA (5 cases)	Farm Investment (10 cases)	Value added (6 cases)	Agri-environment (10 cases)	Axis III (7 cases)
<b>Phases</b>					
<b>1 Definition of detailed implementation procedures</b>					
Preparation and approval of selection criteria	3	1/2	1	1/2	3
Preparation_of_application_forms_and_guidelines	3	1/2	3		3
Preparation of public calls	3	3	3	3	3
<b>2 Information and technical assistance to applicants</b>					
Holding meetings with potential beneficiaries	3	3	3		3
Provision of one-to-one information and assistance	3	3	3	1/2	3
<b>3 Approval of applications</b>					
Collection assessment and scoring of application	1/2	1	1	1/2	1/2
Field inspections and controls	3	1/2	3		3
Approval of list of eligible applications	3	3	1/2	1	1/2
<b>4 Provision of funds to beneficiaries</b>					
Preparation and transfer of first/intermediate instalments	1/2	3	3	3	3
Field inspections and controls <sup>4</sup>	1/2	3	3	1/2	3
Preparation and transfer of final instalment	3	3	3	3	1/2
<b>5 Monitoring</b>					
Data collection	3	1	3		1/2
Data analysis	3	1/2	3	1/2	3
Reporting	3	1/2	3	1/2	3
<i>Country/Region with the highest number of critical phases</i>	PT - Sicily	LIT-GR - BG	Wales	Netherlands	Cz Republic

The relevance of factors affecting delivery is linked to the specific measure(s) or types of measure considered. By analysing the measures split up by those for investment support in enterprises' capital and those for income support, some differences emerge, and are useful to capture the relation between the critical factors and the different measures.

With regard to *the measures for investment support in enterprises' capital* which we examined (Measures 121, 123, 125 and 312), we can note that the quality of support by external experts to the preparation of applications has been identified as having a relevant influence by 10 out of 18 cases for which we selected this type of measures. In two cases, Greece and Slovenia, this issue influences negatively the delivery, since the external experts do not have good level of expertise and do not bear any responsibility for deficient applications. Both the number of administrative and legal obligations to be met and the adequacy of staff members in terms of number were considered very critical in 9 cases. The number of administrative and legal obligations to be met is of particular relevance because in 7 cases it has a negative influence: Belgium (Measure 121: "*Following the required procedures of both the Commission and of the Walloon Region is a hard task. In terms of Monitoring the balance between the amount spent and the cost of setting up the new requirements of the monitoring system and the information which comes out is totally lost*"), Portugal (Measure 125: "*They slow the process. Too [much] bureaucracy. Too much documentation that has to pass through several levels. Rules stricter and hard. As a consequence the payments are difficult and slow, 6-7 months to do a payment*"), Hungary, Malta, Puglia region, Romania and Latvia.

Another factor considered as being critical for the delivery of this type of measure is the adequacy of staff members in terms of expertise, which has been marked with 1 in 8 cases, where it

<sup>5</sup> 1 = high (higher frequency of marks 1); 1/2 = medium (higher frequency of marks 1 and/or 2 or similar presence of 1, 2 and 3; 3 = low (higher frequency of marks 3).

affects positively the delivery of the measures. Finally, for 7 cases out of 18, the complexity of application forms and guidelines emerged as having an influence, considered negative for most of them, such as Belgium and Greece for Measure 121, and Cumbria region for Measure 123.

As regards the *type of measures for income support/compensation for lost income due to the environmental undertaking (agri-environment, young farmers and LFA aid)*, we considered 22 cases. Three are the issues arising as the most critical. Relating to beneficiaries, the first issue is the previous experience of applicants with similar schemes, which is considered relevant in 11 cases, three of which have identified them as affecting negatively the speed of delivery of this kind of measure<sup>6</sup>: Hungary, Ireland and Netherlands, all of them in relation to Measure 214.

A second issue having a relevant influence refers to the other actors, and is the quality of support by administration, critical in 11 cases and positively in most of them, with a negative influence only in the case of Hungary. As noted above, some new Member States meet some problems due to lack of experience in implementing the interventions of rural development according to the Agricultural Fund for Rural Development framework, and this also affects the capacity of the administration to give high-quality support. As we observed with regard to the other group of measures, the third factor which emerged as important for the delivery is relative to the procedures and is the number of administrative and legal obligations to be met. Also for the measure for income support, it represents an interesting critical issue, since in 10 cases out of 11 cases it influences the implementation measures negatively.

The issue of communications is considered relevant in 10 cases of which only one is negative: the case of the Czech Republic, where scarce communication among key partners and an inadequate information system between the Payment Agency (SZIF) and the Managing Authority (MoA) were highlighted. Related to the Interactions, the attribution of roles to actors (e.g. definition of functions, links, etc.) also represents an important issue in 9 cases, all positive. In the same way, the adequacy of staff member in terms of expertise emerges as a critical factor in 9 cases, all of them positive. Finally, the availability of technical support for applications (e.g. information technology and computer facilities) is relevant in 10 cases, all of them positively affecting the delivery, with the exception of Cyprus.

Particular emphasis should be given to specific difficulties met by the new Member States. The implementation of rural development schemes funded with European funds through SAPARD in the past programming period was of course very useful for the new member states, since it contributed to the increase of their consciousness and expertise.

However, from the analysis of the critical factors affecting the delivery of RDPs, it emerges that some of the new member states suffer more than the other countries for a lack of experience that affects negatively the capability of beneficiaries and of the other actors identified to apply for the measures.

Romania and Hungary have problems in terms of experience of applicants with similar schemes in Measures 211 and 214. In both these countries, only a very small number of farmers have already had experience with agri-environmental interventions, and many of them do not even know the content, objectives and impacts of the measure. The scarce knowledge and consciousness of the measures is a critical element also raised in the case of Slovakia with regard to Measure 214.

In some cases, the problems refer to the inadequate expertise of external experts in the preparation of applications. Slovenia and Czech Republic have similar problems concerning the low quality of support by external experts in making the business plans (which is often carried out only superficially) and in presenting the documentation. In regard to this, Bulgaria represents a

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<sup>6</sup> Often though, the longer time to process an application might also be read in another way: it might result in a better/stronger agreement with less likelihood of non-compliance, since both results reflect the fact that farmers have learned from their previous experience and so are negotiating their entry more actively.

positive example; here, the National Agricultural Advisory Service (NAAS) provides good-quality, free-of-charge advice to applicants in filling the application forms for the agri-environmental measures.

In some countries, such as Slovenia, Czech Republic Hungary, Bulgaria and Romania, more practical experience is needed to enhance the quality and the adequacy of the support given by the administration and staff members. In particular, in Slovenia and Romania, this critical aspect concerns the technical assistance given by the Paying Agency, which has in some cases a broader role in the delivery of the measures, not only among the new member states. In these cases, Paying Agencies have a lack of experience and lack of qualified personnel, since the staff members have no previous experience and in many cases were rapidly recruited to increase administrative capacity, without receiving sufficient training. An exception is represented by Latvia, where the quality of support by the administration and the expertise of staff members seem to be adequate.

## **9. Analysis of implementation times**

The analysis of the implementation times of rural development policy measures allows us to understand the administrative efficiency of the organisational structure put in place by the 27 Member States to manage the RDPs 2007-2013. The time devoted to the implementation of all the phases of delivery are a clear indication of the administrative capability to manage the complicated implementation framework provided for in the EC Regulations 1698/05 and 1974/06, in the framework of the nature of administrative competencies foreseen in each Member State.

The evaluation of the efficiency of the rural development policy organisation was carried out through a survey of the time necessary to execute the main phases of the delivery of a single measure (micro-delivery). Phases surveyed were the following:

- a) Preparation of the application.
- b) Approval of the application by the public administration.
- c) Payment to the final beneficiary.

The quantification of implementation time of the procedures related to a measure, strictly related to administrative efficiency, allows us to identify the phases which are more problematic from a managerial point of view. The analysis carried out on the information retrieved from the questionnaires revealed that measure delivery times are essentially influenced by the following elements:

- 1) the type of measure;
- 2) continuity in the management of a measure, in the sense of previous experience of a given management system;
- 3) the macro-delivery.

The action of these elements on delivery times is described hereafter in turn.

### ***Analysis of times by measure type***

Times necessary for the implementation of each phase were assessed on the basis of the nature of the measure, in particular:

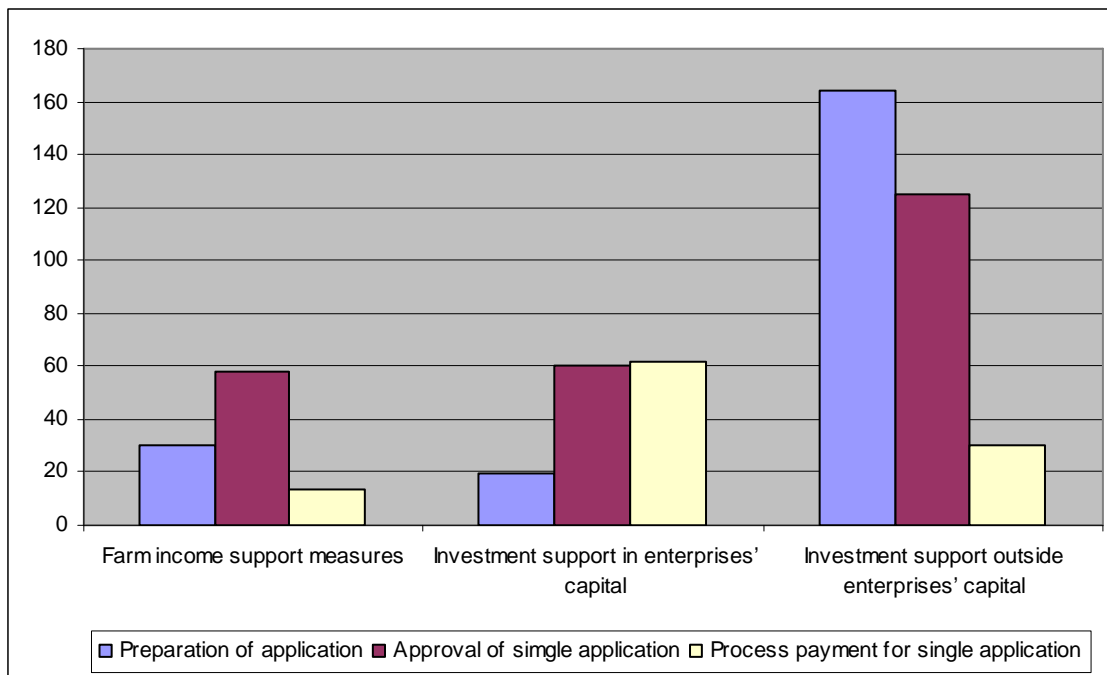
- Investment support other than for enterprise capital: this delivery typology foresees the inclusion of procedural phases and the involvement of subjects generally not foreseen for other intervention typologies;
- Investment support for enterprise capital: this category includes all those measures allowing easier access to funds for investments;

- Farm income support measures: this category refers to the delivery of a series of regular payments (mostly annual), upon compliance with a specific engagement, and encompasses different procedures with respect to the provision of funds.

Analysis of average times for the three measure types (see Figure 9) highlights that farm income support measures in general require very low implementation times, especially in the phases of preparation of the application and of payment to the individual beneficiary. In general, these measures require an execution time of slightly more than two months, half of which is needed for administrative controls leading to the award of the grant<sup>7</sup>. Investment support measures require on average 5 months. Administrative times are concentrated on the phases of approval of applications and of payment to the beneficiaries, usually related to on-the-spot controls for the verification of beneficiary's actual expenditures.

Measures related to infrastructural or other public work interventions seem to be those requiring longer delivery times, especially in the phase of preparation of applications. For this intervention type, in fact, special permissions and other administrative fulfilments are in general required. In addition, the nature of the beneficiaries, in the most cases public, extends delivery times. On average, this kind of investment not related to enterprises require at least 10 months, of which at least a half is devoted to the preparation of the funding application.

**Figure 9: Average delivery times (number of days) per phase and measure typology**



<sup>7</sup> It must be noticed that in responding to the questionnaire, it is very likely that interviewees were considering the delivery time for initial set-up of a new contract with a farmer, which then runs for 5 or 10 years with minimal intervention.

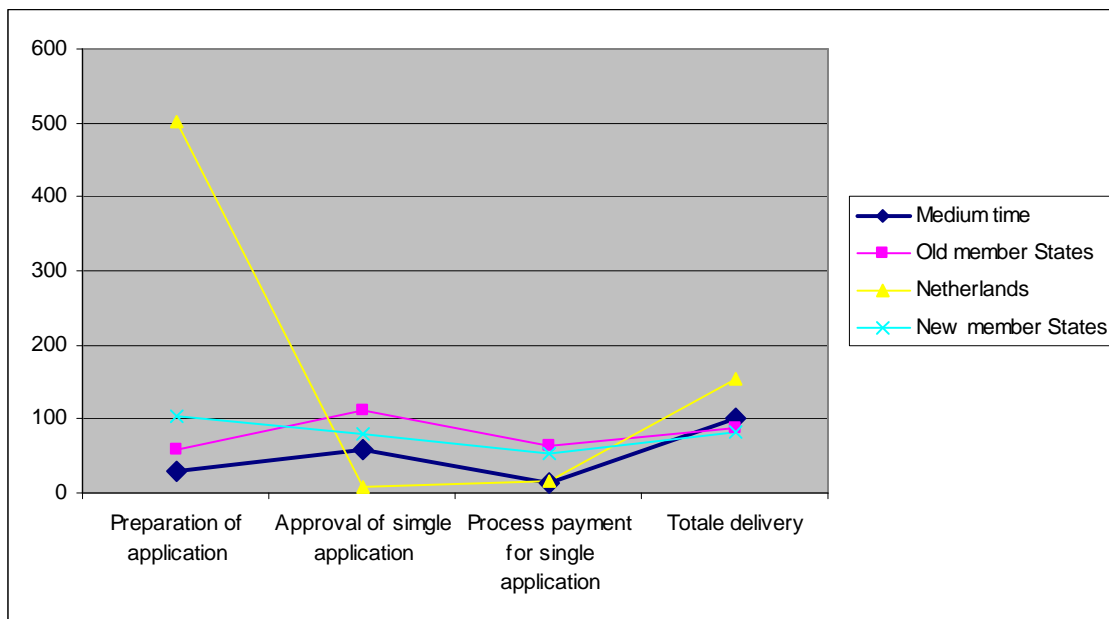
**Continuity in the management of a measure**

If we consider delivery times across Member States, it is possible to see differences more or less wide with respect to the average times for the three phases analysed, as reported in Figure 9. In general, countries which recently joined the EU show longer implementation times for the measures, especially in case of measures not previously included in the SAPARD programme (e.g. some Axis 3 measures).

In the old EU-15, “traditional” measures show shorter implementation times. In these cases, the continuity of procedures based on consolidated management systems has an impact. For these measures, it has in fact been possible, starting from the previous programming periods, to establish management systems capable of coping with difficulties encountered in the implementation of the measures. However, these countries register some management problems and hence delays for those measures whose implementation procedures, as stated both at the EU level by Regulation 1974/06 and nationally, have been modified with respect to the past.

Figures 10 to 12 provide a graphical overview of these statements, showing delivery times per individual phase, typology of measure and Member State with respect to the EU average.

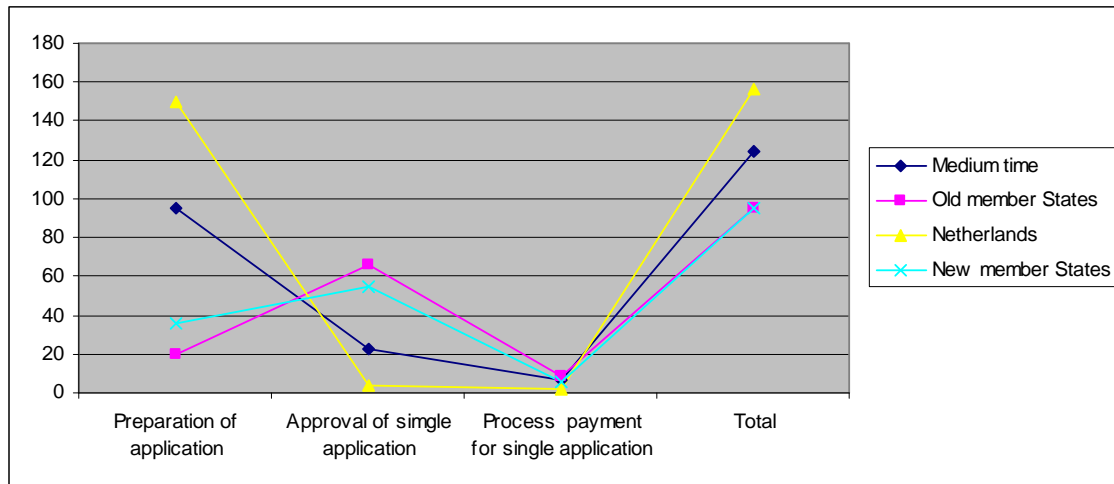
**Figure 10: Average times (number of days) for Investment support in enterprises’ capital measures**



Those investment measures investigated in detail (121 - Modernisation of agricultural holdings, and 123 - Adding value to agricultural and forestry products) are traditionally present in EU-funded rural development programmes and were already included in the SAPARD programmes. The well established knowledge of the procedures translates into short delivery times, near the EU average, in all surveyed countries.

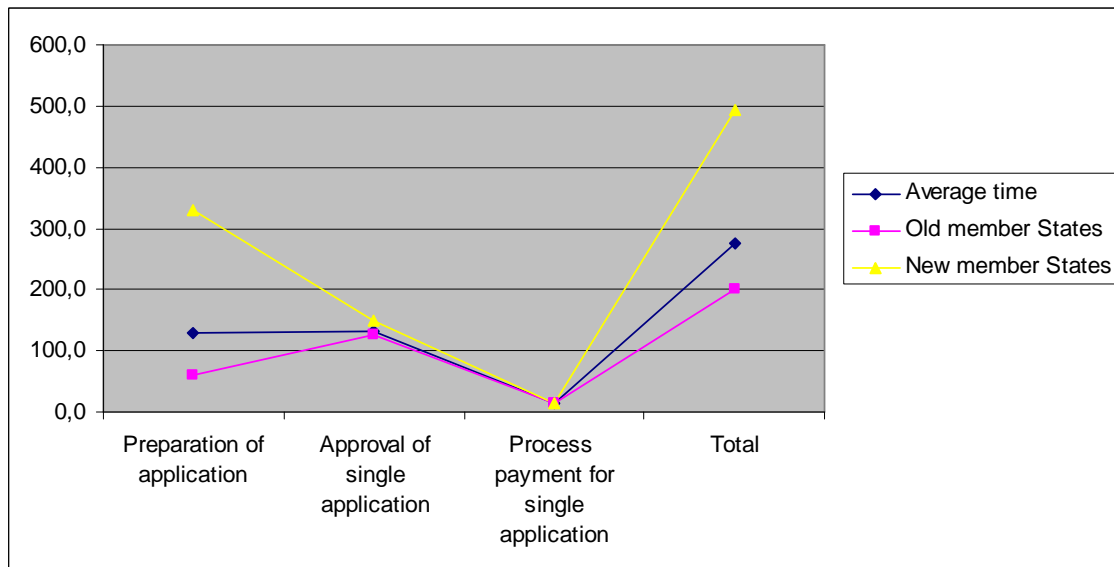


**Figure 11: Average times (number of days) for farm income support measures**



The farm income support measures that we have studied (112, 211 and 212, 214) present some differences in micro-delivery times across Member States. New Member States show longer implementation times than old ones. The reason behind this difference can be partly attributed to the innovation inherent to procedures that, even if to some extent already known based on SAPARD experience, have become more complicated and demanding in the EAFRD-funded programmes, and require well organised administrative settings, especially for the approval of applications related to on-the-spot controls necessitating adequate time, human resources and specific financial endowment. It is not surprising that this phase is the most time-consuming, even considering the sub-set of the 15 old Member States.

**Figure 12: Average times (number of days) for investment support outside enterprise capital**



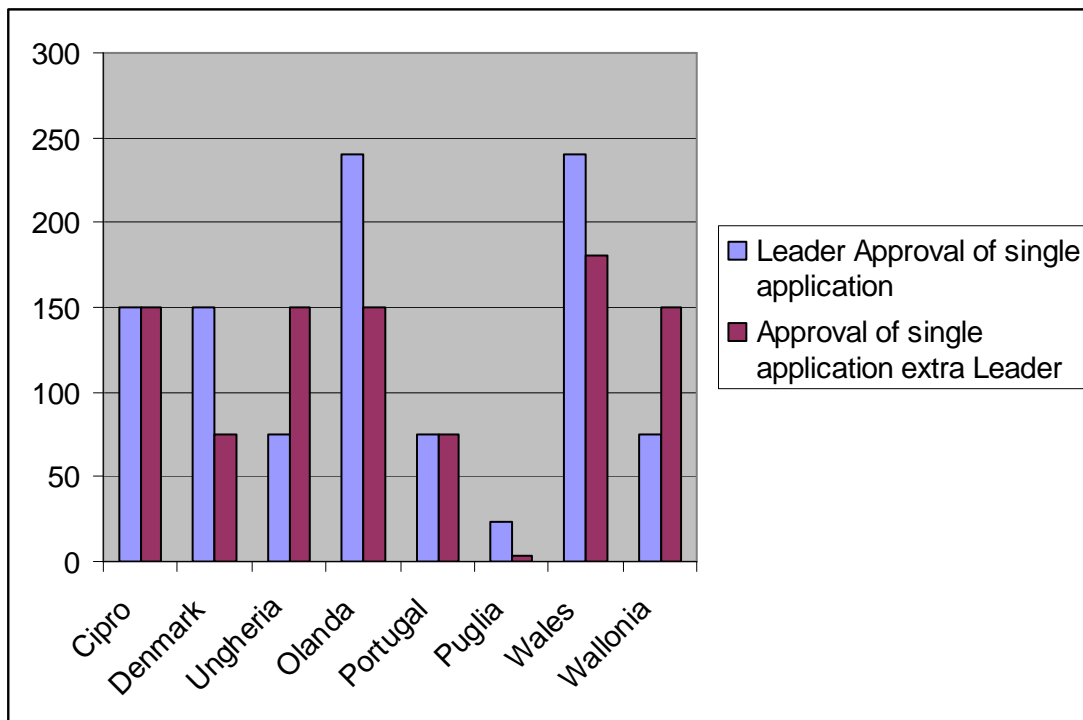
Even measures aimed at the creation or valorisation of tangible and intangible infrastructure (the measures surveyed in RuDI were 125 - Improving and developing infrastructure related to the development and adaptation of agriculture and forestry, and 322 - Village renewal and development) show longer delivery times in those countries where they have been introduced for the

first time within the current programming period. The implementation of these measures is also linked, beyond EU-driven procedures, to specific national legislation which can lead to delays, or in some instances delivery times, for a measure.

**Time and the LEADER approach**

A relevant issue concerns the ways in which the delivery of measures implemented is affected by the LEADER approach, which delegates to Local Action Groups the execution of rural development measures. Figure 13 compares delivery times of investment measures implemented through LEADER with those necessary for the same measures in case of centralised delivery. Empirical evidence does not confirm that delivery times for investment measures implemented through LEADER always require more in terms of time resources for the approval of applications. The evidence suggests that in some cases the implementation times of LEADER are higher than with traditional delivery, and that in other cases the reverse is true. In effect, it can be expected that the participation of a high number of actors in the administrative process can generate a growth in the overall duration of the process. This however happens in the exchange of a collective assumption of responsibility, which translates into greater transparency in administrative processes and in improved effectiveness which, through decentralisation, is more fine-tuned to local needs.

**Figure 13: Implementation times – comparing implementation through Leader and centralisation**



## 10. Eligibility and selection criteria in the different Member States

Eligibility and selection criteria are defined at the very beginning of the programme delivery, but can have a significant impact on the process. The first evident impact of the process to define them and of their actual identification is on the applications' assessment and scoring phase. The application of the criteria can lengthen the assessment process in cases where they are too complex, or have been changed and time is necessary for the administration to adjust to them, etc., in this way impacting on the efficiency of the programme.

Another, perhaps less visible, impact is on the implementation phase itself. The careful definition of eligibility and selection criteria in fact influences the quality and robustness of the projects selected and thus reduces the risk of implementation delays and project failure. In addition, they can help to ensure that the selected projects actually respond to the national/regional priorities, in this way affecting the effectiveness of the programme.

Several countries confirmed that in their experience the preparation and approval of selection criteria was a critical phase (11 countries/regions, see Table 7).

**Table 7: Countries identifying the preparation and approval of selection criteria as critical**

Measure	Country	Region
121: Modernisation of agricultural holdings	Germany	Mecklenburg-West Pomerania (DE)
	Latvia, Lithuania	
123: Adding Value to Agricultural and Forestry Products	Italy	Puglia
	United Kingdom	Cumbria, Wales
125 Improving and developing infrastructure related to the development and adaptation of agriculture and forestry (in Portugal 1.6 - Irrigated land and other collective infrastructures).	Portugal	
211: Natural handicap payments to farmers in mountain areas	Austria	
214: Agri-environment payments	Slovakia, Czech Republic	
323 b (Naturnahe Gewässerentwicklung) + d (Nachhaltige Entwicklung von Gewässern und Feuchtlebensräumen Axis 3 and Leader	Germany	Mecklenburg-West Pomerania (DE)
	Netherlands	

According to EC Regulation 1698/2005, selection criteria must be identified by national/regional Managing Authorities, which must consult the Monitoring Committee on this issue within four months of the approval of the Programme. Regulation 1974/2006, in providing detailed operational rules for the application of Reg. 1698/2005, also indicates minimum eligibility and selection criteria for several measures.

On the basis of the framework set by the EC Regulations, combined with national/regional strategies and priorities, the Rural Development Plans provide definitions of eligibility and selection criteria. The level of detail of these indications varies from country to country. In some cases, if the decision on eligibility and selection criteria is centralised at the top level (Ministry/Central Department/Payment Agency), these criteria are identified already in the RDP or in documents issued afterwards by the Managing Authority but these indications are then operationalised and criteria attributed a weight in the public calls. In other cases, the definition of criteria is a process whose responsibility is shared between the top and a lower level of governance

(the Provinces in the case of the Netherlands and Emilia Romagna, IT). In this case, the RDP can contain more detailed indications on criteria and weights.

Although public calls were not available for all measures when the WP3 interviews were carried out, the information contained in the questionnaires were retrieved from the RDPs, from key informants and from other documents available from the Managing Authority.

This section provides first a description of the selection criteria for the measures surveyed, identifying the criteria related to the features of the beneficiary and/or the farm, those related to the features of the project and the territorially based selection criteria. This analysis is carried out for two groups of measures, the investments in enterprises' capital (Measures 121 and 123) and the farm income support measures (Measures 112, 211 and 214).

In some countries the eligibility and selection criteria have been modified in passing from the 2000-2006 to the 2007-2013 programming period. These cases are analysed in Section 12, with the objective of understanding the nature of the changes and the reasons behind them.

### ***Investment support in enterprise capital (Measures 121 and 123)***

The EC Regulations 1698/2005 and 1974/2006 explicitly identify the minimum requirements for the measures focusing on investment support in enterprise capital (Measures 121 and 123).

#### **Box 1: Typology of criteria for Measures 121 and 123**

<b><u>Measure 121</u></b>	<b>Beneficiary</b>	<b>Project</b>	<b>Territory</b>	<b>Others</b>
Belgium/Wallonia	-	-	-	-
Hungary	E	E	-	-
Ireland	E	E	-	-
Lithuania	E	E	-	-
Bulgaria	E	S	E	-
Germany/Mecklenburg-West Pomerania	E	S	-	-
Greece (1.1)	E	S	-	-
Latvia	E	S	-	-
Malta	E	S	-	-
Greece (4.1)	E	S	S	-
Slovenia	E	S	S	-
Italy/Emilia Romagna	S	S	S	-
<b><u>Measure 123</u></b>	<b>Beneficiary</b>	<b>Project</b>	<b>Territory</b>	<b>Others</b>
Italy/Apulia	E	S	S	-
Romania	E	S	S	-
United Kingdom/Cumbria	S	S	-	-
Italy/Sicily	S	S	-	S
United Kingdom/SE England	-	S	-	-
United Kingdom/Wales	-	S	-	-
Denmark	-	S	-	-

The analysis of the national and regional questionnaires revealed that, as far as the features of the beneficiary and/or the farm are concerned, most countries did not fix any selection criteria on the type of beneficiary, relying only on eligibility criteria (age, residence, income, family status, children, education, training, holding size, experience). Only in two regions (Cumbria, UK, and Sicily, IT) are selection criteria set for Measure 123 on the type of beneficiary (priority to women

and/or young people) and on the features of the farm. In the latter case, requirements can be articulated, serving several purposes: in the case of Cumbria, the selection criteria seem to point at funding innovative and strategic interventions (priority given to farms undertaking new businesses and promising significant benefits in terms of programme output), encouraging employment (farms taking on a first employee). In Sicily, the selection criteria aim at favouring access to the funds of small and medium-sized enterprises, the diffusion of integration practices within production chains (priority to holdings participating to productive chains agreement), the penetration of quality systems (priority to enterprises realising more than half their production through quality systems) and the widespread diffusion of a legality culture (priority to farms established on buildings/territories confiscated from criminal organisations).

The only case of the introduction of selection criteria related to the features of the beneficiary refers to Emilia Romagna (IT), where they are introduced with the scope of encouraging the integration of Measure 121 with Measures 112 (setting up of young farmers) and 114 (use of advisory services).

The scoring of applications for Measure 121 happens in most cases only on the basis of criteria related to the features of the project (7 cases out of 12). These selection criteria refer to:

- production sector, according to RDP priorities (in Emilia Romagna, also according to PRIP priorities);
- compliance with EC standards;
- positive financial performance;
- quality of the project.

The production/processing sector is also a key criterion for selecting projects under Measure 123, as well as the employment and environmental performance of the investment.

At the time of writing this report, the level of detail in the list of selection criteria varies from country to country, going from a generic indication that the project should complement current activity and not displace others, as well as fitting within local and regional strategies (Cumbria, UK) to a very detailed list of criteria related to sectors and territory (Emilia Romagna and Sicily, IT). This is not necessarily a sign of a superficial identification of selection criteria in the former case, but rather in some cases may arise from the fact that the interviewees and the RDPs could not provide sufficient information in those countries where the public calls have not yet been issued. In this respect, the two Italian cases represent an exception. In Emilia Romagna, where a two-step procedure is in place to define selection criteria (first regional, then provincial), a sufficiently articulated description of regional criteria was included in the RDP, and all the provincial public calls for Measure 121, which describe the provincial criteria, were already issued at the time of writing. In Sicily, the public call has not been issued, but the Managing Authority has prepared a document containing selection criteria for all measures which has a great level of detail in terms of which criteria are to be used for each measure, leaving to the public call the final decision on the attribution of weights.

Territorially based selection criteria are adopted for Measure 121 by 4 countries out of 12. In three cases (Greece, Latvia and Slovenia), the criteria tends to privilege projects implemented in less favoured areas, mountain areas or in general takes into account the level of economic development of the region. In Emilia Romagna (IT) the criteria is more articulated and takes into account the prioritised intervention sector as defined at the Provincial level with respect to the territorial areas as defined in the NSP. For Measure 123, the incidence is lower, and territorial priorities are set in 2 cases out of 7 (intervention sector and type of rural area, areas with available raw materials and no processing industry).

No additional criteria are used by Member States, with the only exception of Greece, which includes a (generic) reference to sustainability (Measure 121, 1.1 ROP).

**Farm income support measures (Measures 112, 211 and 214)**

Payments to young farmers (Measure 112), payments for farmers established in naturally handicapped areas (Measure 211) and payments for agri-environment interventions (Measure 214) are farm income support measures whose selection process is quite different from the one for investment support measures such as Measures 121 and 123.

Regulation 1698/2005 establishes for Measure 211 a system of eligibility criteria related to the beneficiary and the territory where the intervention takes place, and these are broadly followed by all surveyed countries, with no addition (payments directed to farmers who undertake to pursue their farming activity in naturally handicapped mountain areas and engage to keep the activity for at least five years from the first payment).

On the other hand, for Measures 112 and 214, the Regulation opens the selection of beneficiaries through calls for tender, thus leaving Member States/Regions to identify the most appropriate selection criteria according to their own strategies. For Measure 214, Reg. 1698/2005 mentions that possible additional selection criteria must concern the “economic and environmental efficiency of the project”.

Territorially based selection criteria are homogeneously adopted for Measure 112, and are directed at privileging disadvantaged areas in the scoring of applications.

In the case of this measure, the criteria related to the project features are related in particular to the assessment of the business plan young farmers are requested to present. Where the judgement criteria are explicit, they refer to the quality of the business plan and its coherence against the overall RDP objectives or a given subset of them. Business plans' selection criteria are also used to promote the integration with other measures, as in the case of Extremadura (ES), where the combination in the business plan of Measure 112 with other measures (especially Measure 121) is awarded a higher score.

**Box 2: Typology of criteria for Measures 112 and 214**

<b>Measure 112</b>				
	<b>Beneficiary</b>	<b>Project</b>	<b>Territory</b>	<b>Others</b>
France	E	E,S?	S	-
Italy/Puglia	E	S	S	-
Spain/Extremadura	E,S	S	S	-
Italy/Sicilia	E,S	S	S	-
Portugal	S	S	S	-
<b>Measure 214</b>				
	<b>Beneficiary</b>	<b>Project</b>	<b>Territory</b>	<b>Others</b>
Austria	E	-	-	-
Bulgaria	E	-	-	-
Czech Republic	-	-	E	-
United Kingdom (EL S)	-	-	E	-
United Kingdom (HLS)	-	-	E	-
Germany/BW/MEKA III	E	E	E	-
Ireland	E	E	E	-
Germany/BW/LPR	E	E,S	E,S	-
Hungary	E	S	S	-
Netherlands	-	S	S	S
Slovakia	S	-	S	-
France	S	S	S	S

Concerning the criteria related to the features of the beneficiary and/or the farm, there are a few additions to the regulatory indication of eligibility criteria, aimed at promoting young farmers' training (assessment of the training plan, Portugal), the integration with quality support measures (existence of quality systems supported by Measure 132, Sicily, IT), enhancing the widespread diffusion of a legality culture (priority to farms established on buildings/territories confiscated to criminal organisations, Sicily, IT).

Most of the surveyed countries (7 out of 12) chose to stick to eligibility criteria in the assessment of applications for agri-environment payments (Measure 214). As expected, most of the eligibility criteria for Measure 214 are of a territorial nature and refer to the localisation of the farm in environmentally sensitive areas (e.g. Natura 2000, Water Framework Directive, others). In the five countries/regions which chose to introduce selection criteria, these same territorial criteria are used to score applications, prioritising given sensitive territorial areas in accordance to the RDP's strategy. Concerning the criteria related to the features of the project, the quality of the proposed scheme is expressly taken into account in two countries (France and Hungary) and is incorporated within the scoring system for HLS in England which assesses the likely extent and quality of outcomes. Selection criteria related to the features of the beneficiary and/or the farm are used mainly to promote synergy between measures (commitment of the applicant to implement other actions, France) and to add emphasis on strategic objectives (priority to organic farms and to integrated production, Slovakia).

### **11. Main changes in the systems of delivering since the last programming phase: which directions of change and which driving forces?**

The comparative analysis of the delivery systems has provided helpful insights about the following issues:

- a) the type of actor contributing, with different functions and decisional role, to the delivery process;
- b) the distribution of the decisional power among institutions and actors;
- c) the role the general policy framework can play in affecting delivery in some context where RDPs are actually part of a more general policy which is designed and implemented at either national or regional level;
- d) the main critical issues in delivering RDP in the different Member States at micro-level (single or group of measures).

We may say that the main focus of this analysis is the architecture of RDP's implementation. Another relevant point of the analysis, on which we want to focus in this section, is focusing on the most recent changes of the delivery system. These changes occurred since the last programming period and have modified the delivery systems (macro and micro) in several countries/regions. These changes have been put in place as a response to different factors: difficulties in the implementation of measures in 2000-2006 period; the need to adapt to new Regulation rules; the need to improve/strengthen RDP efficiency and effectiveness; etc. Changes in the delivery are particularly of an institutional nature. They respond to several forces: policy makers, administrations, private groups of pressure, European Commission regulations, etc. There are at least four main driving forces for change, and each brings about one or more changes, as is summarized in the following Table 8. In this section, we focus on four drivers of change in the delivery structures, while in the next we will focus on specific changes occurring in the definition of eligibility and selection criteria.

**Table 8: Drivers and changes in the delivery systems**

<b>Main drivers</b>	<b>Description of changes</b>
<b>1. Searching for simplification and reducing administrative burdens</b>	<ul style="list-style-type: none"> <li>1.1 - Re-organisation of the single scheme</li> <li>1.2 - Re-organisation of the delivery structure</li> <li>1.3 - Easier procedures for access to the funds</li> <li>1.4 - Re-definition of selection criteria and modalities of assessment</li> </ul>
<b>2. Strengthen management and control of RDP measures and expenditures</b>	<ul style="list-style-type: none"> <li>2.1 - Greater and reinforced role of Paying Agencies</li> <li>2.2 - Creation of new and specialized management structures</li> <li>2.3 - Re-centralisation of key phases of delivery at level of the Managing Authority</li> <li>2.4 - Setting up of new tools and systems of control for procedures and expenditures</li> </ul>
<b>3. Improving horizontal and vertical coordination between administrations and Funds</b>	<ul style="list-style-type: none"> <li>3.1 - Creation of new formal structures of coordination at national or regional level within EAFRD</li> <li>3.2 - Creation of new formal structures of coordination at national or regional level between EAFRD and other Funds</li> <li>3.3 - Introduction of contractual agreements between institutional actors</li> <li>3.4 - Developing informal modalities of coordination</li> </ul>
<b>4. Devolution of funds' management and RDP implementation to lower levels</b>	<ul style="list-style-type: none"> <li>4.1 - Transfer of decisional functions from national to regional and sub-regional level</li> <li>4.2 - Involvement of local partnerships in implementing integrated policies</li> </ul>



***Driving forces: 1. Searching for simplification and reducing administrative burdens***

Simplification is a continuous process within the reform of EU rural development policies. Independently of the novelties introduced by the new regulations, each country/region seeks its own direction for simplifying delivery. There is also a strong pressure for simplification from elsewhere: farmers' organisations and rural operators often complain about bureaucracy and administrative burdens associated with application forms and assessment. The desire for simplification has led to several types of institutional change, especially at the level of micro-delivery, i.e. at the single measure level.

***Re-organisation of the single scheme.*** This change can be identified with the amalgamation of several schemes in only one case (in Ireland, where a new Farm Investment Scheme was created) in response to the desire to simplify administration for both the applicants and the Managing Authority. This can help to remove difficulties associated with the dividing lines between schemes such as eligibility and administrative problems in allocating spending on projects that spanned more than one scheme.

***Re-organisation of the delivery structure.*** This change implies the rationalisation of previous structures and the setting up of bigger structures with separate and specific tasks. This is the case with the creation of two separate types of agencies in England: a environmental agency, Natural England, and eight Regional Development Agencies across England. This specialization of functions has led to Axis 2 measures of RDP being delivered in a rather separate way to other elements of the Programme. This problem could be managed through Regional Implementation Plans prepared by each region, in which all Agencies work together in order to develop a coherent view of the different schemes.

***Easier procedures for access to the funds.*** This type of simplification is implemented in several ways: the mitigation of formal requirements in terms of documents accompanying the applications (e.g. business plan, Slovenia); open tenders (Slovenia); one application form for all relevant RDP measures instead of separate application forms for each individual measure (Austria); business plans and application forms available electronically (Bulgaria). It is important to notice that all these types of simplification are always supported by enhanced access to information and technical assistance provided by various actors (the same Managing Authority, the offices of Paying Agency, local public and/or private structures of extension service).

***Re-definition of selection criteria and modalities of assessment.*** The next section will deepen understanding on this issue. Possible changes in this field are as follows: criteria more objective and not very demanding (Slovenia, farm modernisation); new clearer and more transparent criteria (Ireland, farm modernisation); introduction of a simplified scoring system (Hungary), etc.

***Driving forces: 2. Strengthen management and control of RDP measures and expenditures***

The need for stronger management and control was one of the main drivers of the last reform of the EU Regulation, and it was also a fundamental issue in the preparation and then the first phase of implementation of RDPs in every country. It should be noted that the setting up of an efficient system of management and control is the most important pre-requisite to be met by a Managing Authority before entering into a full implementation of RDP measures. In this context, management and control is assumed in a broader sense. The most relevant changes in delivery systems can be summarized as follows:

***A greater and reinforced role of the Paying Agency (PA).*** As we have already mentioned in the previous sections, PAs have progressively gained a major role, widening their competences to include the management of single measures. This is a clear change in many countries since the last programming period. From the control of the payment claims and the disbursement of

payments to final recipients, PAs have been entering progressively into crucial management functions such as guidelines, public calls, assessment of applications, eligibility and finally formal approval. In short, PAs now hold a leading role in the whole delivery system. It was sometimes reported by the national syntheses that PAs have also, among the other functions, a strong role in the definition of eligibility and selection criteria (e.g. Lithuania, Latvia, Denmark, Hungary). This concentration of functions into PAs, which should mainly have the function of paying and checking the regularity of payments, has been criticized in some countries: *“They agreed that there is currently a too strong role for one institution (ARDA) controlling and implementing a large part of the implementation process. As this seems to be the case in several EU countries it is not a problem per se, but it needs a reflection on the usefulness and discussion about the appropriate selection of the institutions involved. A stronger dispersion of tasks was addressed in the interviews as a means to provide more control, information and discussion on the programme delivery (which seems actually to be somewhat lacking nowadays)... Some criticise this strong influence, the prevailing top-down approach and the lacking responsibility of the Management Committee... Many farmers criticise that the capacity of ARDA is not sufficient causing delays in the decision making, evaluation and payment. Some argue that the Monitoring Committee should have a higher authority and responsibility on the implementation”* (Hungary national Report).

For these reasons, in some Member States a stronger role of the Managing Authority is recommended and actually pursued: a) through better coordination between MA and PA or b) through a better definition of their respective competences and roles (Hungary, Slovenia). In Bulgaria, the need for coordination between MA and PA has brought about the setting up of a Special Management Committee aimed at formal cooperation for RDP management.

**The creation of new and specialized structures of management.** This change was required in order to respond more efficiently to the need to manage a complex and segmented programme such as the RDP. This implies the existence of a specialized structure with skilled, full-time working personnel in RDP management, able to fulfil the huge work load deriving from that. This change has been occurring in all those countries where the previous EAGGF was managed by a structure responsible for all EU Funds, including Structural Funds. This is the case of Malta RDP, for which a new Rural Development Department was created having in charge the role of MA.

**Re-centralisation of key phases of delivery at the level of the Managing Authority.** This change has been actually implemented by all those Member States where the previous programming period clearly experienced some inefficiencies in the process of devolution. This seems a step backwards with reference to devolving part of the decisional power, but it actually represents a way to repair failures of the process. This change has been occurring in very different contexts: both in traditionally centralised systems (e.g. Greece) and in traditionally decentralised ones (e.g. Emilia-Romagna). In Greece there was a political will to devolve more decisional power to Regions and Prefectures in the 2000-2006 programming period. In the new RDP, Regions and Prefectures now have a role in providing information and technical assistance to applicants, collecting applications and to some extent (only for some measures) an assessment function. The previous role of approval of eligibility is now transferred to Ministry of Rural Development.

A similar process occurred in the Emilia-Romagna delivery system, where previous devolution (2000-2006) to Provinces and Mountain Communities was partially reversed for the RDP 2007-2013 in favour of a major role of the Regional Department of Agriculture, which now decides upon almost 66% of selection criteria adopted for every measure and the most strategic measures and integrated projects.

In both cases (Greece and Emilia-Romagna), it was evidently judged that re-centralising is easier and more productive than strengthening the administrative and technical capabilities of lower levels.

**Setting up of new tools and systems of control for procedures and expenditures.** In the field of management and control of procedures and expenditures, several tools have been introduced with the aim of improving the delivery efficiency. Many of these have to do with the introduction of ICT within the public administration. The needs and solutions seem quite different in Member States. They can be summarised as follows:

- c) tools designed to help applicants, professional advisors and administrative staff in the preparation and the assessment of the whole farm plan. This is supported by a computer mapping system (Slovenia);
- d) tools designed to rationalise and support inspection/control procedures on the spot in the field of nature protection and environmental monitoring (as in the case of Slovenia with a central register of farms, or in Austria with a national-wide central database);
- e) more complex tools introduced to support all the management and monitoring of payment procedures and the institutions directly involved in the RDP delivery. This is the case of the French integrated internet platform called OSIRIS, designed specifically for rural development measures.

All these systems have different implications in delivery, with no exclusion of the simplification effect. But the most relevant reason is the need to control and monitor implementation in each phase and the related expenditures, in order to adapt over time the financial plan and allocation of funds.

### ***Driving forces: 3. Improving horizontal and vertical coordination between administrations and Funds***

The recent reform of the Rural Development Regulations has brought about the four Axes (considered as the main priorities) and further new measures to the menu previously defined by Reg. 1257/99. Furthermore, the reform has formally created a separate programming and implementing frame for the new EARDF. Both conditions have increased in the new programming period the need of coordination, both within the EARDF and between the EARDF and other Funds, at every level. This need was perceived by several Member States and Regions and was translated into specific initiatives and solutions which were set up autonomously by them. These institutional changes are a positive signal that RDPs cannot be considered every time as a separate policy. This force has generated various examples of new arrangements seeking to enhance coordination.

**Creation of formal structures of coordination at national or regional level.** In this field there are examples of coordination structures within the EARDF and several examples of coordination among different policies and Funds. The simplest institutional improvement is widening participation within the Monitoring Committee (MC) in order to include other administrations and better organising the functions of the MC around specific/thematic sessions (by Axis, as in the case of France).

The formal structures set up for better coordination can be summarised as follows:

- a) MC enlarged to include also responsibility for the programmes funded by ERDF, ESF, EFF and EARDF. This solution has been adopted by France (both at national and regional level), Wales and Mecklenburg-Western Pomerania (D). These can assume the form of joint MCs or multi-fund MCs. In France these MCs work horizontally in close cooperation with the regional MAs responsible for the different Funds;
- b) the second type of structure is set up in the form of an Inter-Departmental Committee on Cohesion, made up of responsible departments for all types of European Funds, following the model of the MC, but with only institutional partners. This is the solution adopted in Ireland. In Mecklenburg-Western Pomerania the nature of this structure is in the form

of a Joint Administrative Authority as a formal institution to coordinate Structural Funds and EARDF;

- c) the third type of structured coordination is at a lower level, as in the case of Flanders (Be), where a new institutional arrangement is set up as Technical Working Groups and Provincial Management Committees, in which regional, provincial and municipal administrations work closely together in the implementation of Axis 3 measures.

These represent only three different models of possible formally designed and structured coordination, but they are also associated with different tasks to be performed: in cases a) and b), most emphasis is on avoiding double funding and on demarcation criteria. In the third case, the focus is instead on the improved quality of project proposals deriving from collaboration between different levels of administration.

**Introduction of contractual agreements between institutional actors.** Contracts among institutional actors are another tool used to enhance coordination and to give it a more formal and stronger commitment. This type of institutional change is not new, but a quite well-known instrument of governance (OECD, 2006). It should be noticed that in our interviews they were mentioned in two cases: the “Contracts de Project État-Regions (CPER)” in France and the so-called “Performance Contracts” between national and provincial administrations in the Netherlands.

In both cases, RDP funds are included as part of total funding which derives from different financial channels. This implies that contracts not only represent a modality of multi-level governance (the different actors mutually set a number of objectives to be met), but they are also a way of integrating different sources of funds.

**Developing informal modalities of coordination.** Apart from the type of coordination formally structured in Committees, Inter-Departmental groups and Contractual Agreements, there is a more informal type deriving from personal relationships, networks and diffused knowledge which are really significant and undervalued. “However, the interviewees were keen to stress that much of the delivery coordination for the RDP is on a more informal basis. Beyond the monitoring committee, it was explained, for example, that a formal coordination process is not really in place. It was argued that one was not necessary, as it might be in member states where delivery is more regionalised.” (Ireland National report). The analysis of such informal networks was out of the scope of this research activity, but it was quite clear from some interviews that these relationships exist and have some influence on the quality of delivery.

#### **Driving forces: 4. Devolution of funds’ management and RDP implementation to lower levels**

A greater and reinforced role of the PAs and the re-centralisation of key phases of the delivery at the MA level are not the only institutional changes which have taken place in EU Member States. There is a parallel driving force, which derives from a political strategy assumed by some countries, pushing ahead the devolution of functions in RDP delivery. This driving force is clearly opposite to those which were described previously. It is sometimes a complement to the coordination driving force. In many cases already mentioned, they operate as joint drivers of change.

We can distinguish two types of change driven by a devolution process:

- a) a growing role of the sub-regional institutional level, as seen in the Netherlands and Flanders (Be), where Provinces have gained a different decisional role in the new period. This does not imply that this change is always successful. There can be failures or difficulties, especially when Provinces or other intermediate institutions are unable to manage efficiently the funds and instruments provided by RDPs. This currently happens in some Dutch Province, which opt to outsource the implementation of Axis 3 almost completely because they are unable to assist applicants or to perform other functions. Other provinces are much more active, and, through the creation of sub-regional Programme

Offices, offer all kinds of assistance including for subsidies opportunities beyond the RDP;

- b) the second type of change worthy of consideration is the presence of local partnerships which contribute to the delivery of policy measures and are promoted separately from the Local Action Groups funded by Axis 4. These can be considered as a particular form of mainstreaming of LEADER approach, but work with rules and mechanisms not perfectly coincident with LEADER. Local partnerships are supported in Wales by combining resources of Axes 3 and 4, and sub-regional partnerships are supported in England through Regional Development Agencies which combine resources from Axes 1 and 3. Other forms of local partnerships continue to be supported in almost all Italian Regions, but with more funds and emphasis with respect to the previous programming period.

Generally speaking, these changes emerge from the desire to improve critical mass, avoid fragmentation of rural policies, and stimulate bottom-up project design and delivery.

## 12. Changes and drivers of change for the selection criteria

The passage from the 2000-2006 to the 2007-2013 programming period brought in some cases a change in the definition of eligibility and selection criteria. This change is in some cases an accomplishment of regulatory requirements, while in others it is an autonomous response of the Managing Authority to problems experienced in the previous programming period or to new needs and priorities emerging with the current one.

Table 9) below lists the surveyed countries/regions having experienced a change in eligibility and/or selection criteria in the passage between the two programming periods (21 countries/regions out of 41).

**Table 9: Overview of changes in selection criteria between 2000-2006 and 2007-2013 by RDP measure**

Measure	Change of criteria between 2000-2006 and 2007-2013	Countries/Regions
112: Setting up of young farmers	2 out of 3	ES/Extremadura, France
121: Modernisation of agricultural holdings	8 out of 12	Bulgaria, Hungary, Ireland, IT/Emilia Romagna, Latvia, Lithuania, Malta, Slovenia
123: Adding Value to Agricultural and Forestry Products	5 out of 6	IT/Puglia, IT/Sicilia, Romania, UK/Cumbria, UK/South West England, UK/Wales
125: Infrastructure related to the development and adaptation of agriculture and forestry	1 out of 1	Portugal
214: Agri-environment payments	3 out of 12	Bulgaria, Hungary, Slovakia
Axis 3 (Measures 312, 321, 322)	2 out of 7	Greece, Netherlands

The differences reported in the questionnaire responses can be grouped into the following categories:

- change to existing eligibility and selection criteria: this category includes changes in the thresholds (or other attributes) for criteria already in place (e.g. change in the age or size of farm thresholds);
- introduction of new eligibility and selection criteria: this category includes the introduction of criteria which were not used before in the eligibility and worthiness appraisal procedure (e.g. cross-compliance, quality, environmental sensitiveness, etc.);

- first introduction of selection criteria: this category refers to cases where a selection process has been introduced for the first time to complement an eligibility assessment;
- procedures: this category includes procedural changes, mainly referring to the allocation of responsibilities in criteria definition between governance levels.
- On the basis of the answers provided by the respondents, it has been possible to identify a broad set of drivers which underlies these modifications. These drivers have been classified as follows:
- searching for simplification and reducing the administrative burdens: this category includes changes introduced with the aim of simplifying the selection procedure, either reducing the number of criteria or reducing the complexity of the ranking system;
- strengthening the management and control of RDP measures and expenditures: this category includes changes introduced to improve the administrative management of the procedure, the accountability of public administration and the control of funds, thus reducing arbitrariness and external pressures on the selection process;
- devolution of fund management and RDP implementation to lower levels: this includes changes introduced to ensure a better correspondence of selected projects to local needs;
- better correspondence of implementation phases to programme objectives: this category includes changes introduced to operate a more appropriate selection with respect to objectives (e.g. integration, environment, equity, etc.);
- compliance with EC standards and penetration of the *acquis communautaire*: this category includes changes introduced in new Member States to comply with EAFRD regulations and in general EU standards, especially with respect to the passage from the SAPARD to the EAFRD regime.

The table below (Table 10) relates the identified factors to the change in criteria definition and the changes actually put in place. It is interesting to note that some of the changes introduced in eligibility and selection criteria serve several purposes at the same time.

**Table 10: Overview of types of change in selection criteria between 2000-2006 and 2007-2013**

<b>Difference in criteria</b>	
<i>1. Searching for simplification and reducing administrative burdens</i>	Introduction of simplified ranking system (e.g. in countries switching from SAPARD to EAFRD regime)
	Reduction of number of criteria
<i>2. Strengthen management and control of RDP measures and expenditures</i>	More transparent selection process to improve accountability of public administration
	Partial re-centralisation of the selection criteria definition phase, previously devolved to lower governance level
	Change to a more structured set of criteria to avoid subjectivity of judgement
	Introduction of new ELIGIBILITY criteria
	First introduction of SELECTION criteria in the current programming period
<i>3. Improving horizontal and vertical coordination between administrations and Funds</i>	
None	None
<i>4. Devolution of funds' management and RDP implementation to lower levels</i>	Partial devolution of decisional functions on selection criteria definition to sub-regional governance level (esp. Axis 3)
<i>5. Better correspondence of implementation phases to programme objectives</i>	Introduction of new SELECTION criteria targeting key EC, national, regional and sub-regional policy areas
	Change in priority sectors
	Harmonisation of ELIGIBILITY criteria
	Introduction of new SELECTION criteria privileging packages of measures
	Change to existing ELIGIBILITY criteria (LFA support linked to land use unit, size of farms, age of farmers)
<i>6. Compliance with EC standards and penetration of acquis communautaire (new Member States)</i>	Introduction of new SELECTION criteria
	First introduction of SELECTION criteria in the current programming period
	Introduction of new ELIGIBILITY criteria to support the compliance with EC standards

### 13. Conclusions and main implications of this report

This report has focused on many aspects linked to objectives of the WP3. We have tried to identify the main relations amongst the different levels of governance; we have also explored and described the delivery systems in different contexts, including those with a LEADER-like approach.

The analysis of the delivery systems in different contexts is a crucial issue in understanding the impact of Rural Development Programmes. But RDP delivery is an issue not very widely studied in policy analysis and, when studied, is essentially based on the traditional State-Region dichotomy and on the operational side, on the opposition between National Programme and Regional Programmes. We need to explore delivery at the micro-level and to take into account of more complex variables.

The typology that was identified in this report proved to some extent to explain the main differences between countries and regions. Based on two main dimensions, the typology classified delivery in four types:

- a) Centralised and driven by sectoral administration;
- b) Decentralised and driven by sectoral administration;
- c) Centralised and driven by multiple actors;
- d) Decentralised and driven by multiple actors.

This typology of delivery is strictly based on typical variables of governance. Most countries have been managing their RDP(s) through a delivery system which is defined within the boundaries of sectoral administrations. Therefore, even the analysis of delivery confirms the dominance of agricultural interests in driving the implementation of RDP. This feature has to be associated with the concentration of the decisional power in the hands of central structures, being either Ministries or Regional Departments of Agriculture.

These types show clear differences in terms of difficulties met by delivery and times of implementation. However, other differences emerge from the analysis between:

- Groups of measures (mainly between measures of investment and measures of income support);
- Groups of countries. We have to take into account relevant differences between old and new Member States, being much more diversified than was foreseen in their delivery systems and in the performances of the different systems.

The analysis of crucial phases of the delivery reveals interesting differences according to type of macro-delivery, type of measure and group of countries in terms of times of implementation and intensity of problems met in delivery. However, implementation times are influenced by many institutional and structural variables, and the comparative analysis above needs some note of caution.

The report deepens the issue of institutional changes, micro and macro. These changes have occurred since the last programming period and have modified the delivery systems (macro and micro) in several countries/regions. Institutional changes are driven by some forces which we have tried to identify and describe. Among the micro-changes, useful insights were given by the analysis of the eligibility and selection criteria. The main changes respond to several driving forces as follows:

- 1) Searching for simplification and reducing administrative burdens;
- 2) Strengthening management and control of RDP measures and expenditures;
- 3) Compliance with EC standards and penetration of the *acquis communautaire* (new Member States)
- 4) Improving horizontal and vertical coordination between administrations and Funds



5) Devolution of funding management and RDP implementation to lower levels

The analysis and classification of changes was helpful in exploring the main drivers, but it can be very important in understanding the processes through which these changes affect the efficiency and effectiveness of RDPs as a whole as well as of their individual measures.

This analysis allowed to understand how diverse the institutional architecture of the RDP is within the countries and regions. Rural development policies and their impact on rural territories are strongly affected by the different ways institutions/actors intervene into the national/regional context. They are also affected by the ways rural development programmes are framed into the general context of public policies and by relations they have with national and cohesion policies. From this standpoint some country/region, despite the vertical division between Funds and policies, has set up mechanisms and procedure for a greater horizontal coordination. It could be very important to explore more in-depth these study cases in next steps of the research project.

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