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## **Improving the Delivery of Rural Development Programmes**

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### **Contributed paper for the seminar ‘The future Reform of Rural Development in Europe (2007-2013): where are we heading?’**

*Paper prepared for presentation at the XI Congress of the EAAE  
(European Association of Agricultural Economists),  
Copenhagen, Denmark, August 24-27, 2005*

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# **Improving the Delivery of Rural Development Programmes**

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## **Abstract**

Key issues in the effective delivery of EU-funded rural development programmes include simplification, transparency and accessibility. This paper draws upon the experience of rural development programming, as presented in a number of case studies drawn from recent and ongoing research by the author and others, and discussed in the panel sessions at the Salzburg RD conference in 2003, to summarise outstanding needs in these areas. Central areas of concern include a lack of local flexibility and poor integration between top-level goals at the point of delivery, as well as a lack of trust and support for capacity building and innovation among local delivery agents, where synergies between economic, environmental and social aims can most readily be identified and pursued. The summary of needs is then used to critically analyse the Commission's new draft Regulation for Rural Development beyond 2007 and to identify key issues and actions that should guide ongoing developments between now and 2007, both within the Commission and Council and among the full range of national, regional and more local agencies and stakeholders in this process.

**Key Words:** rural development policy, delivery, simplicity, transparency, accessibility

## **1. Introduction – Context and Background**

The Agenda 2000 reforms to the Common Agricultural Policy saw the launch across the EU of new rural development programmes under Regulation 1257/1999. These multi-annual programmes were composed of a wide array of measures designed to promote agricultural adaptation, environmental land management and broader rural development. They were potentially applicable throughout the rural areas of each Member State, rather than being restricted only to particular designated zones, as was the case for previous rural development aids offered under Structural Funding programmes. At the time of its launch, the Commission promoted rural development under Reg 1257/1999 as the new 'second pillar' of the CAP, signifying its strategic importance to the broader reform package, and to the future shape of the policy (CEC, 2000).

The regulation and its implementing regulations have set out a framework and various conditions which delimit both the scope of these programmes and their potential modes of delivery/operation. By nature, these regulations draw some characteristics from the Structural Fund programmes which preceded the RDR, and other characteristics from the broader framework of agricultural funding – the European Agricultural Guidance and Guarantee Funds – which finance them. The result has been an implementing framework with rules and procedures which is widely perceived as overly complex, at several levels of the public administration, including within the Commission itself (CEC, 2003). It is recognised that the complexity of the policy is likely to be a barrier to effective rural development policy delivery. RDR programmes have also been criticised by stakeholder organisations for a lack of real accessibility to potential beneficiaries (eg, 2005) and for a lack of transparency in relation to their implementation within some of the Member States (eg Buller et al, 2003). Some of this criticism is supported by the findings of studies conducted across a range of EU member states, examining implementation of rural development programmes (Dwyer et al, 2003, Dwyer et al, 2004).

This paper therefore attempts to clarify what concerns exist regarding the calls for simplification, greater transparency and improved accessibility in rural development policies under the CAP, and then to assess how these can be addressed in future. The assessment is made in the context of a new round of programming and a new rural development regulation, which was agreed by the Council in June 2005.

## 2. Definitions

For the purposes of clarity, the three terms used in this paper are defined as follows:

**Simplification** – Something which is made more easy to grasp conceptually, more easy to operate/implement/plan, and also perhaps more efficient to administer, by reducing the numbers of different parameters or streamlining the way in which they interact, within a policy. An important point about simplification is that perspectives on its precise meaning in any given situation will vary from the top to the bottom of any policy implementation hierarchy: what looks simple to administrators in the ‘centre’ may look much more complex to beneficiaries ‘on the ground’, and vice versa.

**Transparency** – This concerns the clarity, probity, and simplicity of a policy or a policy toolkit as perceived by the public at large and in particular, by those most directly affected by the policy. A policy is transparent if people can understand why it exists and what it aims to do, as well as how it operates and what the implications of this are, for potential beneficiaries of funds or of the public benefits that it generates. Transparency can be an important means of achieving ‘legitimacy’ in the eyes of the public, for the use of public funds in delivering a policy goal.

**Accessibility** – This term really focuses upon the issue of whether the intended beneficiaries in rural development can actually get the help they need, through the programme, or whether funds are difficult to access or only accessible to those who benefit least from them, relatively speaking. For example, if a policy is designed to help small businesses to access capital for investment in plant or machinery but it is offered through a complicated and demanding system that only large and more capitalised businesses have the expertise to handle, then it has failed the test of accessibility. It is a critical issue for policy performance - in terms of both policy effectiveness and efficiency.

All three factors have been highlighted in discussions and debates about rural development policy, in recent years. (evidence?) In particular, they were a focus of discussions at the EU’s conference on rural development in Salzburg in 2003.

## 3. The Salzburg Conference, 2003

In November 2003, Agriculture Commissioner Franz Fischler convened a major European conference on rural development in Salzburg, Austria. The aims of the conference, entitled ‘Planting Seeds for Rural Futures – rural policy perspectives for a wider Europe’, were: ‘to provide an important opportunity to debate with a wide range of rural stakeholders how they see current Community rural development policy for the period 2000-6 and what they consider are the priorities for the future development of the policy in the next programming period from 2007 onwards in a wider EU.’ (CEC, 2004)

To support this aim, the Commission prepared a background paper for the conference in which it raised issues identified as ‘key questions for the future of Community rural development policy in an enlarged EU’. These questions were then worked out in more detail for a series of five panel discussions held during the conference. One of the themes running

through these questions and panel discussions echoed the concerns about simplicity, accessibility and transparency introduced above. Among the Main questions it was asked:

‘4) is the current menu of measures well adapted to the needs of rural areas? Are there additional measures needed? Are there measures which no longer respond to current needs and which should be abandoned or redeveloped?’

5) since its inception in 1991 the Community Initiative LEADER is widely recognised as having been a successful and innovative pilot instrument to promote bottom up and integrated approaches to local development in rural areas. How can the involvement of local groups and partnerships in rural development programmes be increased?

6) how can the way the policy is implemented be simplified? What should be the respective roles of the Commission and the Member States in the development and implementation of the rural development programmes? Can the definitions of measures and eligibility conditions for co-financing be simpler?’

(CEC, 2003)

Reflecting these and other concerns, the conference Panel Discussions included one focused upon learning the lessons from the LEADER experience, and one on the theme of simplification. Both of these included a consideration of how to improve the delivery of rural development programmes in order to make them simpler, more accessible and/or more transparent. Simplification was recognised as a key point for discussion and development at the conference. LEADER methods were also highlighted as offering the potential to be more accessible than mainstream policy delivery models. Furthermore, the recommendations from both the LEADER and the simplification panels embraced issues of policy transparency and accessibility. The feedback from the panels was broadly supported by delegates to the conference, which included a wide range of stakeholder organisations and government administrators from all 25 EU Member States. Thus, the discussions at Salzburg can be seen to have set something of an agenda for the improved delivery of the programmes, in the future.

In the conference the following relevant statements were made:

*‘.. it is important to devise and implement programmes as efficiently and simply as possible’* Schutze Pals, German Ministry

*‘..we must ensure that the work of those involved in our programmes is not frustrated by unnecessary complexity and bureaucracy. Here, perhaps more than anywhere, we need to take forward a positive agenda’* Franz Fischler, Commissioner

*‘What is effectively at stake is a better image of rural development initiatives among the rural European beneficiaries and players’* Barbaroux, CNASEA (Fr)

*‘co-operation, exchange of knowledge and experience and learning trajectories have increased... LEADER has contributed to the strengthening of social capital and to the search for new forms of governance’ ‘favourably perceived EU [rural development] policy is not translated in an adequate way at the intermediate state level – what is lacking is the application of a kind of LEADER methodology’* Van der Ploeg (NL)

CEC, 2004

In preparing for the next period of rural development programmes and in the light of the recent Council agreement on the new Regulation that will govern these programmes from 2007-13, it is important to take stock of the issues raised in the debates in Salzburg about effective programme delivery, and to consider the extent to which they might be overcome in the future, under the new programmes. Such a comparison can generate recommendations for

enhanced development and implementation of the new programmes as well as for further modifications to the EU policy framework. This is the focus of the next sections of the paper.

#### 4. The Agenda Set Out at Salzburg: What Was Wanted

The large number of stakeholders meeting at Salzburg brought with them a whole range of agendas for the future of rural development policy. This section of the paper draws from the papers presented and discussions held in the two panels on simplification and on LEADER, to highlight particular issues and concerns in those discussions.

From the simplification panel, a number of key points were highlighted.

The panel echoed the Commission's own call for '**one programme, one fund**' for rural development in future, ending the current situation whereby because of the split in funding between EAGGF guidance and guarantee funds and programmes and because the new Member States have a separate regulation for their policies, there are multiple programmes operated under different funding rules. Moving to a single fund and a single programme for any one rural area would achieve an important simplification particularly for DG Agri officials in Brussels, by reducing the total number of Rural Development programmes and ensuring that all such programmes were implemented according to a common set of rules.

**A free choice of measures** was recommended to deliver the broad aims of rural development in each country, with flexibility between priorities, so that measures could be used differently in different areas to achieve locally appropriate aims. For example, training could be used to support environmental enhancement rather than just to encourage more competitive businesses. There was also a move to reduce the relatively complex, current multi-measure approach by slimming down the regulation so it would contain fewer, more broadly defined measures with less detailed eligibility rules for each. The intention of such a change would be not to alter the scope of funding but to enable the instruments of delivery to vary more between different areas, according to their particular needs and opportunities.

It was felt that **the EC should require less administrative detail in advance of programme approval, in return for better strategies, targets and monitoring** provisions from the Member States/regions. The aim of such a shift would be to avoid the Commission officials having to spend a lot of time scrutinising details of programme design and delivery in advance to check compliance with detailed rules and instead, focusing their attention on whether the policies are delivering against agreed goals. There are various models possible to achieve this, and stronger ongoing evaluation will be needed if delivery against priorities is to be assured.

**Technical Assistance, networking and exchange of best practice was highlighted as very valuable** to rural development projects, schemes and initiatives. In the opinion of delegates to the panel, it should be supported by EU funding, in future. This echoes the finding from Dwyer et al (2003) that:

'The need for training, reskilling and capacity building, particularly among rural actors themselves, needs to be brought out much more strongly in the programmes in most countries. In the RDR there is a step backwards by comparison with Objective 5b, where these aspects received more emphasis. One critical aspect is the apparent difficulty of using RDR funds to support technical advice and facilitation. Another is the restriction of Article 9 funds for training only to farmers and foresters, which is inconsistent with the common need to support diversified and wider community projects'.

**Expenditure under programmes should all be subject to the N+2 spending rule** – ie allowing projects to spend their allocated funds within 2 years beyond the year of allocation, rather than requiring this in the allocation year itself as is currently the ‘norm’ for EAGGF Guarantee budget funding under the CAP. This is necessary to reflect the characteristics of rural development projects and initiatives, which can frequently involve multi-annual planning and implementation and where deadlines may slip due to a wide variety of unanticipated external circumstances. This flexibility is already applied to expenditure under the Structural Fund Programmes and the EAGGF Guidance budget, but has not applied to expenditure under EAGGF Guarantee. Under the Agenda 2000 reform package, the majority of RDR funding now comes from the Guarantee budget.

Discussants also called for **better co-ordination of RDPs with regional programmes**. In many EU Member States there are regions which already have substantial or important rural development policies implemented either under other parts of Structural Fund programmes (funded by ERDF and ESF), or under their own domestic rural policies, funded as state aids. Other than the requirement to avoid double funding between these different public funding streams, the RDR does not have to be closely co-ordinated with other such policies and therefore issues of coherence and compatibility may arise (eg in Sweden – Bruckmeier, 2003, and in Spain, Beaufoy et al, 2003).

**For audit and control processes, there is a need to rely more on national control systems** rather than imposing new EU control systems on top of these ones and thus adding to bureaucracy in scheme implementation and audit. At present, scheme administrators have to report on schemes against three separate ‘years’ (FEOGA, calendar and national accounting years), which seems unnecessarily burdensome. In addition, the EC audit process is not well adapted to small schemes, which can result in multiple checks of the same multi-annual agreement which then distorts the recorded level of errors found, as well as checks being required 2-3 times per year for some schemes, which also seems excessive (Dwyer and Kambites, forthcoming). Discussants called for a ‘*contract of confidence*’ to be established between the Commission auditors and those in the Member States, in recognition that because the measures are all cofinanced, the national audit interest in them is just as strong as the EU level. This should lead to more of the onus for controls being placed upon the national or regional scheme administrators, rather than the EU, which should be more prepared to accept the findings of national control systems instead of duplicating them. Also on a similar theme, the panel called for *simpler approval and administrative systems for very small spends under programmes*, to make them easier to operate and thus increase the focus of their resources upon programme outcomes. This call has parallels with some of the discussions and experiences from LEADER, where the methodology of the LEADER approach attempts to ensure that small grants can be awarded to beneficiaries through a simple and very devolved administrative arrangement.

From the LEADER panel at Salzburg, the following characteristics were recommended by speakers as key ingredients of successful Rural Development, drawing upon the LEADER experience:

- the involvement of local actors in designing and implementing local development programmes and initiatives
- the mobilisation of local knowledge to construct appropriate programmes
- flexible public-private partnerships as an essential way to capture resources and commitment to local programmes and initiatives
- active support for exchange and ongoing learning between practitioners, as programmes and schemes develop.

These key ingredients have been identified and discussed by a variety of other writers on LEADER (eg Ray, 2000, AEIDL, 2000).

In addition, discussants raised a number of other important points. Firstly, they noted that rural development needs a multi-sectoral, multifunctional approach. This has also been identified by research (eg Van der Ploeg et al, 2000) as an important characteristic of successful rural development activity.

Secondly, they highlighted the importance of innovation as an element in rural development. The effective facilitation of innovation in public policies often runs counter to established regimes and ways of working. This is recognised by the Danish government in its promotion of innovation within national policy (Andersen, 2003), and has been examined more fully by Dwyer et al (2004). An appreciation of the required policy climate in which innovation can flourish will be necessary if rural development is to be effective in contributing to the EU's broader support for innovation under the Lisbon strategy. This will certainly require administrative adaptation across the agricultural and rural institutions of policy in the Member States, to enable them to implement processes that stimulate and support innovation and risk-taking, rather than being very risk-averse, as most of them are at present.

Finally, the Salzburg discussions touched briefly upon an inherent need, which will increase as the programmes expand, to address the 'democratic deficit' inherent in these programmes at present. As detailed in Dwyer et al (2003), the constituent measures of many current RDPs are often longstanding, and potentially out of touch with current public opinion. This requires policy makers to pose and seek answers to the questions: '*Who are programmes for?*' and '*Are they what taxpayers want?*' - as they develop new schemes for the next programming period.

Dwyer et al (2004) found that in several Member States, some funding schemes under the RDR were potentially out of touch with current experience of rural development needs and opportunities. For example, farm investment aid under Article 4 may continue to encourage farmers to increase their productive capacity and the level of capitalisation on their holdings, which in turn has tended to drive increasing levels of output and sectoral specialisation, in the past, with a focus on quantity of output rather than quality. This developmental path would appear to be increasingly at odds with modern understanding of the key factors in successful rural development as outlined in the previous discussion, above. Dwyer et al (2004) note:

'longitudinal evaluation studies of both Article 4 aids and the investment support offered to processing and marketing companies under Chapter VII of the RDR, have questioned the true additionality of such investment aid. Particularly if it relies upon applications coming forward without specific stimuli from government (as in France and Germany, where schemes are open-ended and demand-led), it can be difficult to show that it does more than help those businesses who could have helped themselves. The occasionally spurious validity of the business viability tests and conditions used to demonstrate that recipients meet the EU rules for this aid are also highlighted as a problem (eg where farmers fail to qualify for support because the proposed project is assessed as non-viable, then they find alternative means to undertake the project without grant aid and it is proven highly viable)... More broadly, the studies have also indicated that while these measures may be seen as a stimulus to efficient structural change and greater market orientation, their effects may actually be more clearly social than economic. Particularly where upper limits are placed on business size, the schemes appear to help slightly less 'efficient' farmers to survive by improving their systems, rather than allowing them to be bought up or squeezed out by the most efficient producers, as would be anticipated if they did not get any government help. This may have value as an approach to simultaneously improve the economic and social viability of the sector, but it means that the economic performance of the aid 'is not always unequivocal' (Buller, 2003). A recent French evaluation of investment aids also questioned whether schemes that generally



encourage a higher level of indebtedness among farmers (because the government aids are almost frequently matched by private sector loans) are wise, in the current and likely future economic climate for farming.

In addition, the restriction of funding for training only to persons engaged in agriculture and their families could be seen as limiting the possibility for other rural residents to develop entrepreneurial ideas and skills that could ultimately benefit the whole community, farming and non-farming alike (Dwyer et al, 2003).

Finally, as the Commission has sidestepped the difficult issue of trying to redefine Less Favoured Areas aids under the new rural development framework, these particular measures have also been strongly criticised at EU level (European Court of Auditors, 2002). They can be characterised as taking a rather outmoded approach to the needs of marginal agricultural areas, in view of the wider process of decoupling that is now being implemented. There is an increasing recognition that economic viability in many of these areas has long since ceased to be primarily dependent upon farming and that instead, the primary role of agriculture in these areas should be more explicitly directed towards environmental and social goals (eg IEEP et al, 2004).

## **5. The New Regulation for EU Rural Development: Does it Deliver on this Agenda?**

The new regulation that is to govern rural development programmes for the period 2007-13 was agreed by the Council meeting at the end of the Luxembourg presidency, in June 2005. Whilst the overall financial perspective for the next programming period remains unresolved (and thus no Member States know how much EU money they will have for this purpose), the structure and the detail of the agreed regulation give important insights into the extent to which the agenda as set out in Salzburg, and reinforced by the available research evidence, has been or is now likely to be achieved.

Against the simplification agenda the positive signs would be as follows. There will in future be only *one fund and one programme for rural development as defined by this regulation*. However, it must be recognised that many Member States will still have other programmes funded under ERDF and ESF that apply to rural areas and that are promoting similar aims to the new rural development regulation. In addition, some MS will have their own nationally and regionally funded rural development activities which, so long as they do not target farmers explicitly, need not be approved under the framework of this new EU regulation. Thus the simplification in this respect may provide a benefit for the overworked bureaucrats in DG Agriculture but it may not make implementation coherence stronger or the interactions between different public programmes any simpler 'on the ground'.

The new Regulation requires the Commission, Member States and those devising individual programmes to set clearer priorities for their spending, through a hierarchical set of strategies and a strengthened monitoring framework. The agreement of 'minimum spends' for the so-called 'axes' of rural development measures in the Regulation is clearly an attempt to encourage 'balance' in programmes, but it will arguably be too crude to reflect diverse needs and contexts across rural Europe. For example, the Swedish approach to rural development is very firmly anchored in the perception of a high quality rural environment, such that only a small proportion of funds are spent currently upon those measures that will qualify as 'axis 1' under the new regulation. Indeed the highest spending 'axis 1'-type measure in the Swedish RDP currently is training, but this training is heavily focused upon environmental management and it might therefore be argued that it is inappropriate to describe this funding as being for the promotion of competitiveness in farming and forestry. By contrast, in the eastern Länder of Germany, a high proportion of funding is allocated to village renewal

programmes, reflecting the significant economic and social needs of village communities in these areas and the long history of successful renewal initiatives in other parts of the country (Dwyer et al, 2003). In the UK by contrast, a very high proportion of current RDP spending is allocated to LFA aids and agri-environment schemes, but there is also a significant amount of economic rural development activity which is funded from sources entirely separate from agriculture and the CAP (UK HMP, 2005). Thus it is debatable whether a standard set of minimum spending allocations across the new Regulation will really be either necessary or sufficient to encourage ‘balance’ in programme spending.

The Regulation offers explicit support for technical assistance, networking and exchange of experience between rural development programmes in different regions and Member States. This is a positive development and should help to spread knowledge about ‘best practice’ in rural development, to the benefit of public authorities and local beneficiaries alike.

Nevertheless, there are also a number of important missed opportunities in relation to the new Regulation and the agenda for simplification, transparency and accessibility, as well as a number of issues which can only be resolved in the process of agreeing the new implementing regulation, which is likely to be later this year.

Firstly, from the perspective of local administrations and beneficiaries, it seems clear that there are still too many detailed measures and rules applied to each measure at the European level, which restricts the operational adaptability of the menu or toolkit at the local level. An example from England can be used to illustrate this issue, where ‘There is evidence that potentially good project ideas may not readily get support because they ‘fall between’ the different criteria sought for individual elements within the Rural Development Programme (Dwyer et al, 2004). A project to set up a mobile dairy unit to promote on-farm cheese making within a local area, which would be operated as a non-profit making training facility, was initially appraised as too capital-intensive an item to be eligible for support under Article 9 of the RDR, but not sufficiently profitable to any individual farm business to enable it to secure support under either Article 4 (farm investment) or the farm diversification measure under Article 33. And yet this kind of project is clearly a potentially very valuable approach to encourage on-farm processing and value-added product development, both of which are in line with EU rural development strategy. It is also pertinent to note that a similar project does exist in Sweden’s northern region, in the ‘Eldrimner’ project (Bruckmeier, 2002) where it was successful in securing funding from an Objective 1 programme in which the EU-level constraints upon individual measures are significantly less onerous.

At the Salzburg conference the two speakers in the simplification panel made specific recommendations for a smaller number of overall measures which would then be rather broader than the current suite of measures, to overcome issues such as this. Yet the Council has just agreed a regulation which has even more individual measures than its RDR predecessor, because the splitting of the regulation into brigades of measures under three new ‘axes’ meant that some measures then had to be duplicated/tailored so as to be available under more than one axis.

There is one other unfortunate consequence of the ‘axis’ approach to funding, under the new Regulation. While it will give a welcome increase in the flexibility with which measures *within each axis* can be programmed and substituted as necessary (for example, if one measure is found to be less popular than another), there will be *poor cross-axis flexibility*. So, for example, if conventional farm investment measures are not using their planned funds but there is strong demand for training, Member States can switch funds between these measures easily, without recourse to the Commission. This is because they would have only been required to give indicative estimations of likely allocations within the single axis of ‘improving competitiveness’ to the EC at the start of the programme. However, if the most

popular measure is farmers deciding to invest in farm tourism or traditional crafts, which come under the 'broader rural development' axis, administrators would have to seek advance permission from Brussels to move funds between axes, which will be a strong disincentive for them to do so. Given broader perspectives on successful strategies for rural development in a modern, diversified economy (in light of the growing 'consumption economy' of rural areas as described by several authors – eg Slee, 2004), being able to respond flexibly to a wide variety of local economic opportunities would seem essential.

At present, it is unclear whether the N+2 rule will be adhered to, for the new fund governing rural development spending from 2007-13. And the programme implementation procedures are not yet fully addressed.

Evaluating the new Regulation against the points brought out from LEADER experience, in particular, the following successes and outstanding issues can be identified.

Firstly, the Regulation clearly recognises the value of networks and exchange, which should be a positive development. Furthermore, the requirement for the EU and the Member States to produce new strategies should improve the democratic transparency of programmes and the policy as a whole.

On the other hand, it is unclear whether the rules will support local mobilisation and public-private partnership steering for all measures. Member States apparently have the option to deliver as many measures as they wish through the specific methodology of the LEADER approach and using funds from this 'axis' to support this approach, if they desire. However the minimum spend on the LEADER axis is 5 per cent and thus it seems unlikely to be sufficient to achieve mainstreaming in most MS

Finally, it appears that the new Regulation offers nothing specific in respect of fostering greater administrative adaptation and developing administrative capacity to promote innovation in policies and practice. For example, there are very few multi-sector, multifunctionality requirements in the policy 'menu', and no overarching principle of sustainability that must be applied in deploying measures. Thus it appears that the new Regulation has not picked up some of the key concerns from this debate.

## **6. Conclusions and Way Ahead**

Reflecting upon all this, it is nevertheless important to look to the future and consider what can now be done to enhance the delivery of rural development goals across the EU-25 beyond 2007. Within the past year or so, the mid-term evaluations of current Rural Development Programmes have clearly stimulated new debate about the policies and how they should be improved in the future. Today, most Member States are consulting stakeholders and generating new ideas and proposals for the future. Likewise regions, localities and LEADER groups are developing their agendas and seeking to influence programme planning. At a more strategic level, the detailed implications of the new EU Regional policy are still being worked out, and EU Environmental policy is being strengthened through the implementation of the Water Framework Directive and the extension of cross compliance and the concept of 'good agricultural and environmental condition' to apply to the majority of CAP funded farmland. All these factors alter the likely climate within which future programmes will be developed and will thus probably influence their design and delivery.

In moving forward, Member States and regions need explicitly to recognise that they can do much to meet this 'Salzburg agenda' for greater simplicity, transparency and accessibility without recourse to Brussels. Policy officials must not be hamstrung by the lack of budget certainty for their RDPs. Early planning and close working with stakeholders is

essential for ensuring transparency, developing local ownership, developing simpler systems and achieving enhanced accessibility, in schemes. The Council of Ministers has led the way on this by agreeing the new regulation in the absence of a clear budget. Now, the Member States need to follow that example. There is a need to find a new consensus on simplification priorities, to press with the Commission, and a need to agree strong accountability arrangements to ensure probity in meeting programme priorities and targets, if more flexibility is to be given by the Commission on the exact form and function of measures. At the same time, these should ensure much greater transparency of the programmes to citizens.

The Commission must seek increasingly to enable Member States to deliver EU accountability through domestic control systems instead of generating more, and to keep the new implementing regulations simple, flexible and focused upon the justification of the use of funds by the evidence of outcomes generated. The Member States and regions must plan ahead and begin institutional adaptation, in preparation for the next round. It is important to review rural delivery, learning and publicising lessons from the current programme, 'thinking outside the box' of conventional and established ways of working and overcoming longstanding sectoral divisions – most notably between agriculture and other economic and social actors in rural areas. The administrations must establish an enhanced dialogue with partners, restructure themselves to reflect the changing nature of rural areas, and be more willing to pilot new ideas. Also, other stakeholders and successful local pioneers must be enabled to play a full part in programme planning and steering, representing interests and expertise in the rural economy, environment, community, and youth and women. They must also include individuals and groups who have shown that they know how to make rural development work in a sustainable and integrated way. Establishing a strong and effective dialogue through partnership in this way requires new effort at national and regional levels, by government, commerce and NGOs.

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