



**Assessing the second wave of CAP pillar
2 programmes -
*insights from policy design, delivery and
context***

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Outline

- Introducing RuDI - understanding RD Impacts
- Conceptual approach - policy design, delivery, context, and their implications
- Using England RDPE and Ireland RDP as examples for analysis
- Implications for impacts, scope for policy learning and enhanced evaluation

RuDI Project aims

- **to improve understanding** of the processes and structures underlying the formulation, implementation and impacts of European rural development policies.
- Year 1: examine programme context, priority setting, design, targeting and delivery processes in the 2007-13 period, for EU-27.
- Year 2: 20 case studies, to seek to understand the broad range of past and future anticipated RD policy impacts
 - going beyond the 7 types identified in the CMEF
 - hard and soft impacts (Economic / Environmental / Socio-cultural, learning, changes to actors, institutions and governance)
 - capturing their **systemic** nature (inter-related, inter-dependent).
- to see **how better to assess the impact** of rural development policies, at all relevant levels and across the diversity of rural Europe.



Timing: **February 2008 - August 2010**
10 partners, covers EU-27



What is Pillar 2 RD policy?

3 strategic objectives:

1. *primary sector competitiveness (farm & forestry)*
2. *environmental land management*
3. *rural diversification and quality of life*

4 'axes' containing menus of measures

(1 axis per objective, plus LEADER)

7-year programmes, part-funded by EU

(higher % EU funding in poorer 'convergence' regions)

Minor, but growing, share of CAP funds (25%)



Rural development in pillar 2 RDPs

- A range of different interpretations at EU, national and local levels, influencing design and delivery
- This variety may influence the development of RD policies, their focus and their outcomes
- It may be an important factor in achieving appropriate evaluation of impacts
- It may also have implications for the future evolution of pillar 2 and the CAP as a whole

The Irish and English cases

| Axis /measures | England total public spend [†] , MEur* | % of RDP total | Ireland total public spend [†] | % of RDP total |
|--|---|----------------------|---|----------------------|
| 1. F & F Competitiveness | 447 | 8 | 648 | 11 |
| - modernisation, training, adding value | 338 | 6 | 177 | 3 |
| - young farmers, early retirement | 0 | 0 | 471 | 8 |
| 2. Environmental management | 4,513 | 84 | 4,767 | 80 |
| - agri-environment | 3,673 | 68 | 2,503 | 42 |
| 3. Diversification, Quality of Life | 353 | 7 | 473 | 8 |
| - LEADER projects (not running costs) | 153 | 3 | 473 | 8 |
| 4. Running LEADER groups + co-operation (not project spend) | 53 | 1 | 92 | 2 |

[†]Totals include EU funding, cofinancing and additional national top-ups

*Includes voluntary modulation receipts

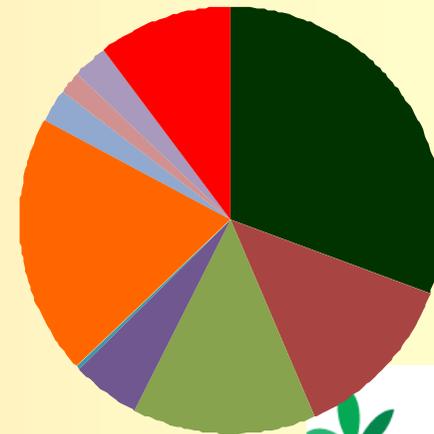
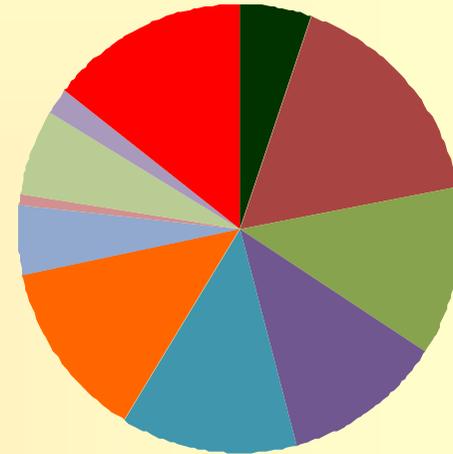
RDPs compared (cont.)

- Axis 3-4 priorities and delivery

Ireland: focus on broad social needs,
non-farm business, tourism, services,
villages & heritage
cohesion goals

Established LEADER groups deliver all

England: focus on
farm diversification, tourism, heritage
Still funding start-up
LAGs, small scale action



RDP delivery

Both countries adopt a split approach:

- **England** – *axis 2 delivered by national agencies for the environment (NE, FC); axes 1,3,4 delivered via regional [economic] development agencies, using sub-regional partners including LAGs*
- **Ireland** – *axes 1 and 2 delivered by DAFF; axes 3 and 4 delivered by LEADER groups [Integrated Local Development Companies] working under Department for Community, Rural & Gaeltacht Affairs*

RDP perspectives

Ireland – strong *neo-mercantilist* perspective evident among key actors: **the RDP is about supporting the farm (and agri-food) sector, and the rural world:**

- Agri-environment seen as critical for incomes, broad and shallow scheme
- Axis 1 aids supporting continued occupation / viability of holdings
- Axis 3-4 broad mix, all delivered through LAGs, QoL emphasis

England – clear *neo-liberal* view: **the RDP is about paying for public goods** (and helping adjustment)

- Agri-environment seen as buying non-market goods, *only recently developed broad and shallow schemes for most farmers, historically narrow and deep*
- Axis 1 +3-4 aids largely business skills and start-ups, heritage and tourism income, diversification emphasis

Contrasting officials' perspectives...

England:

'The RDPE focus was always clearly agri-environmental, undoubtedly dominated by Environmental Stewardship within it, which developed from the legacy of agri-environment schemes in England ... The development of a new Broad and Shallow agri-environment scheme was key to Defra's whole approach to achieving sustainable farming. In addition, the higher level scheme is very important for the delivery of key environmental outcomes on biodiversity... It would be fair to say that the need to ensure a properly-funded agri-environment scheme was the overall driver for the RDPE. This influenced the UK position on voluntary modulation, which in turn influenced the shape of the programme.'

Contrasting officials' perspectives...

Ireland:

“We’ve always been interested in helping farmers with investment and helping farmers with structural change. We have for a long time been running the REPS scheme and the LFAs, so it was a natural progression really to take up the measures which fitted in, or at least to fit our measures in to what was available. In other words, we weren’t thinking radically that we must alter what we are doing here in agriculture [DAFF]. We were more seeing our future within the programme as trying to continue the efforts that we had been making”

“...at the end of the day it came down to choices, you know. We had two big very successful schemes running and there was the potential to keep those running and I think that was probably the priority both of the department and the farming bodies”

Other perspectives...

Ireland:

“Farm lobby, farm lobby, farm lobby...the strength of the farm lobby and not just the farm lobby, I would say the agri-industry lobby, the milk co-operatives. I would much preferred to have seen more going to Axis 3 and 4, you know, where we need to pick up the slack, if you like, from those farmers that are not going to be making an income from farming”

“REPS works as a direct payment that involves less expenditure on the farmer’s part (requiring labour input but no major capital expense) than other developmental type grants. Because of this it makes the scheme popular to both farmers and the government”

“I think farmers will see it as designed to transfer money to them, so the thing is to make it as easy as possible, as straightforward, as certain, as possible.”

Other perspectives...

England:

“...in the case of RDPE these priorities were pre-determined by the political process, before the planning even began..... their sphere of concern was almost entirely agri-environment.... The ex-ante analysis highlighted some issues in respect of rural economic development needs in lagging or remote areas, but Defra was unwilling to give these credence. They focused their view too much on the ‘average’ picture for rural England, from which it seems as though economic issues are negligible.”

“... effectively the people who are being funded are a small proportion of the rural population. And if you are concerned about rural housing, or rural bus services, or rural post offices, or rural health, or anything that presumably concerns most people who live in the countryside the RDP, to be blunt, doesn't do a lot for any of those things. The RDP is about funding agricultural land management in a way that will sustain the industry and also help to sustain the environment.... Yet there are a lot of other policies around the RDP, which are important in terms of influencing the quality of life in rural areas but they actually have virtually nothing to do with RDP.... I think the difficulty is that the RDP is a sectoral policy. It is conveniently called rural development, but it isn't really about rural development in any serious sense. I think it's largely about the management of agricultural land.”

Origins of contrasting views

| Contextual features | England | Ireland |
|---|--|---|
| State-sector relationship | Weakened since '80s | Still strong |
| Influential lobbies in rural land use debates | Environment (NGOs, agencies), also leisure and amenity organisations | Agriculture |
| Nature of rural-urban divide | Strong counter-urbanisation, rural economy not strongly agricultural | Growth very Dublin-centred, weak counter-urbanisation |
| Cohesion policy experience | Low-level, fragmented, little continuity of qualifying areas | Strong and influential in shaping wider Irish development plans |

Origins of contrasting views

| Broader policy arena | England | Ireland |
|---------------------------------|---|--|
| Recognition of 'Rural' | <p>Almost disappeared from current policy – <i>'mainstreaming'</i>, Undifferentiated delivery bodies rural proofing weak</p> | <p>Still strong element in USP / character, allied to agricultural heritage but also linked to cohesion issues & history Lots of policies still target 'rural', as expressed in the NDP / NSS</p> |
| Vision or role for Pillar 2 CAP | <ul style="list-style-type: none"> •Underpinning 'market failure' in provision of ecosystem services through land – <i>incidental</i> socio-economic effect •Strong link to government targets on biodiversity, climate, water | <ul style="list-style-type: none"> •The 'farming part' of a cohesion-oriented and influenced policy: helping to keep rural areas / farms viable, attractive, populated •<i>Instrumental</i> – primarily a plan to address <i>environmental priorities</i> / complement pillar 1 |

Implications for P2 outcomes

Which will be more important – money and stated priorities, or underlying histories and motivations?

Clearly both will have some impact, but the balance of each will vary according to which ‘spheres of action’ we examine

1. Farming and the rural environment

- Both policies will help to keep farmers in place, to some extent
- Both should help to enhance the rural environment
- Broader, systemic impacts could differ:

Nature of institutional relationships: England ‘survival of the fittest’ message, Ireland ‘help for all’, but with more strings attached =

- implies differing rates of structural adjustment in sector;

- could also affect agri-environment performance (*negative perceptions and mistrust in England, low environmental ambition / admin issues, in Ireland*)

Agri-environment implications

REPS 4 – Ireland:

- The development of computerised systems to assess farm plans electronically will improve audit systems, but DAFF interviewees were concerned that it will be difficult to assess environmental objectives effectively by this means... some elements of REPS and some of its benefits cannot be assessed by a formalised audit. There is thus a risk that the scheme will become based on meeting audit standards rather than desired environmental outcomes.*
- Small farms may be deterred from applying to the REPS scheme because of the costs of the whole farm plan, relative to farmers' potential financial gains.*

Agri-environment implications

Environmental Stewardship, England:

- *The new 'broad and shallow' ELS had ambitious uptake targets – these have not been met. The targeted, higher-level scheme has suffered from early budget restrictions and bad press; the plan to move LFA support into the scheme in 2010 has raised many concerns, still to be resolved*
- *Goals, targets and instruments are clearer and more honed, but has the policy forgotten the value of partnership with the beneficiary, in the process?*
- *Without underpinning, broader policy support, does joining these schemes still make sense?*

Implications for P2 outcomes

2. Wider socio-economic impact

England:

- benefits unrecognised / discounted, lack of continuity and thus limited scope for policy learning
- some positive indications – RDA and subregional design and delivery stimulating diverse approaches, more embedded in regional context
- Vulnerable: likely to be ‘thrown up in the air’ by further institutional change.....

Ireland

- RDP remains agri-centric, thus does not reflect key socio-econ. priorities - uncertainties and challenges from the failure of decentralisation and new recession?
- positive change in P2 discourse towards “quality of life” & wider rural economy
 - much depends on success of the LEADER experiment/cohesion process:
complex implications – still a contested arena

LEADER / local action implications

Ireland:

- *Considerable institutional change – LAGs feel compelled to conform to a uniform structure and must deliver Axis 3 goals alongside other mainstream NDP programmes for social exclusion.*
- *Are they now simply performing a local government administrative role?*

England:

- *The approach to axis 3&4 is experimental and highly varied at local level. This may stimulate innovation, but could be highly complex to understand and evaluate*
- *Administrative complexity due to multiple layer relationships is slowing all processes, which could stifle achievements*
- *The money is very small – will anyone actually care what it achieves, nationally?*

Some interim conclusions

- **Narrow focus on the RDP itself – measures, money, targets, only shows half the picture**
- **By considering design, history, context, delivery and qualitative priorities, we add depth to understanding ‘the creature’ that is pillar 2, and its potential....**
- **We will investigate the implications further, in 2009, but**

This will be important for assessing impacts now, AND for scoping the possible future directions of the policy