Mid term evaluation of the Rural development programme for Flanders 2000-2006

Brief Summary

On behalf of:

Ministry of the Flemish Community, Agriculture and Horticulture Administration, Research Unit Agricultural and Horticultural economics

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The Rural development programme for Flanders 2000-2006 (RDP) is the Flemish implementation of the Council Regulation (EC) No 1257/99 of 17 May 1999. The programme aims to increase the viability of the countryside as a whole and, in particular, to improve the economic viability of the agricultural sector. The programme pays attention to enlargement of activities in the agricultural sector and to increased care for the environment. This document contains the brief summary of the mid term evaluation of the Flemish RDP. This mid term evaluation has been carried out by a consortium of five specialised organisations, namely the Department Agricultural Economics, the Laboratory for Forestry (both are divisions of the University of Gent), Belconsulting, the Centre for Agricultural Economics and IDEA Consult.

First of all, the mid term evaluation of the RDP focuses on the progress and the management of the programme and on answering the technical evaluation questions for the mid term evaluation according to the guidelines of the EC and the Flemish Agricultural and Horticultural Research Unit (Ministry of the Flemish Community). Second, this evaluation assesses the relevance, coherence, efficiency, effectiveness and impact of the programme in the light of the recent social-economic and agro-technical developments. Third, the evaluators formulate recommendations on necessary or advisable adjustments within the programme. In addition, this evaluation would like to realise transfer of knowledge to the programme managers based on the applied evaluation techniques.

The first evaluation topic deals with the **programme management**. One of the great merits of the RDP is that all the actors involved in the rural policy in Flanders, are gathered in a unique Monitoring Committee. Historically, the various actors are embedded in different and separated management structures. Consequently, the common management of the RDP does not always take place in an integrated manner, and is not always executed in the (financially) most efficient way. This induces the executive structure of the RDP to be complex and to have limited transparency. It is advised to limit the number of adjustments to the programme to the necessary ones and to aim for a better streamlining and coherence between the measures. During the first years of the programme there has been a search for a feasible organisation for the financial management, which guarantees a correct and transparent processing of payment transactions. Another positive point is the fact that all applications for support are treated by the different management divisions in a swift and relatively quick manner.

Among the management activities, we paid special attention to the monitoring of the programme. The **monitoring** is very difficult to control in the RDP. The following elements explain why. The European Commission itself demands, for the evaluation, an extensive set of data which is not sufficiently related to the data required for the EC’s annual common indicator tables. Furthermore, each administrative division keeps its own registration system. These registration systems are mainly designed for the financial follow-up of the measures. The Paying Agency is the only body with actual data integrated on programme level. We suggest that these data are utilized in a much better way. This can be achieved through the following steps:

- The elaboration of a permanent central database, starting from the data of the Paying Agency and accessible by the different management divisions. If such a system would not be feasible, the establishment of one and the same identity code per beneficiary could definitely simplify the exchange of information between the management divisions themselves or between the management divisions and the evaluator. Also establishing one
contact point per province (see proposal for integrated approach at business level) can simplify the centralisation of the data;

- A screening by the EC of its requirements with respect to monitoring and evaluation;
- Next to the financial data per management division and per (sub)measure, ensuring a better registration of relevant content driven data, not only in physical files but also in digital databases. The evaluator has designed a data template for certain measures. This template takes into account the evaluation questions and the monitoring requirements, but can still be extended for an enlarged monitoring of the projects and the individual beneficiaries. A connection with the financial file should also be possible in the future;
- Drawing up and communicating an integrated and reliable overview of the financial implementation of the programme from the beginning until nowadays.

A second evaluation topic is the relevance of the programme. The existing socio-economic analysis of the rural area, as described in the programming document, has been actualised by the evaluator. In four years time, the socio-economic situation has not been subject to fundamental modifications that could change the basic structure and characteristics of the rural area and the agricultural sector. Yet, during this time we noticed some evolution in certain areas. This is reflected in a number of weaknesses and threats for the Flemish agriculture and the Flemish rural areas. The agricultural sector is faced with a further decrease of the number of farms, with a continued economic uncertainty, and finally, with increased social and environmental requirements and demands for care for landscape and for broadening of activities. In general, the Flemish countryside has no problems in terms of depopulation, ageing or lack of employment creation. However, there is an increasing urbanisation pressure stemming from housing needs, the expansion of economic and recreational activities. This pressure is also felt by the Flemish farmer. Furthermore, there are a number of less populated areas (mostly in the frontier regions) with needs in the field of mobility and social cohesion.

The RDP mostly addresses the economical situation of the Flemish agricultural and horticultural sector. The programme provides subsidies for education and contributes as such to a higher degree of professionalism in the sector. The RDP responds to the need for a more diversified agricultural sector gaining revenues from sources like organic farming, nature conservation, recreation and education at the farm, etc. The RDP also addresses the environmental difficulties within the agricultural sector through support for more sustainable production processes and through support for silviculture. In this way, the RDP is an answer to a part of the societal demands to the agricultural sector and the countryside. The support is also directed towards local needs in the countryside districts. Within the context of the urbanization, there is nevertheless more demand for combining different functions at the countryside, and there are new functions that could be accomplished by a multifunctional agricultural sector and rural area. According to us, the RDP does not deal sufficiently with this last issue.

Subsequently, the coherence of the RDP is assessed. The external coherence refers to the cohesion with policy programmes outside the RDP at European, federal, Flemish or regional level. There is an overlap with European programmes such as Objective 2 and Interreg in the field of rural development and with Leader+ in the field of innovation and broadening in agriculture. The RDP offers the advantage that the whole Flemish territory qualifies for support, while the other programmes are more oriented towards specific areas. At Flemish level, the coherence with (regional) economic policy (RESOC’s), spatial planning and environmental policy needs to be adjusted.
The internal coherence refers to the correlation between the measures in the programme. The RDP is a complex and fragmented programme. We think that the different measures of the RDP should be better geared to one another. Whereas now each measure functions in an isolated manner, one could obtain a surplus value thanks to the different measures striving for a single vision aimed at certain areas, agricultural sectors or target groups. In this way we could recognise an integrated approach to the support provided in the programme. In the transversal evaluation, we referred to the lack of synergy in terms of a chain approach (chain from agricultural products to end-consumers), of an environmental approach, and of stimulating diversification. The strategic objectives of the RDP do refer to these thematic pillars. Although the measures generally contribute to the different strategic themes, they are not part of an integrated approach. For the support measures directly aimed at the farmers, an integrated approach could be realised by, for instance, the creation of a unique contact point in every province. On the basis of a “menu”, an integrated package of measures, the farmers could choose from all the different support measures available to them. Through this single counter principle, advice and guidance will then be available for all the applicants for support.

The next evaluation topic is effectiveness. For measuring the effectiveness, the evaluators started from the separate measures and answered the evaluation questions according to the guidelines. The RDP has a positive effect on the stabilisation, the employment and the income of the agricultural population. The effect of the programme on the non-agricultural population is very small.

We conclude that the Flemish RDP is a programme assembling several measures, partly new ones and partly existing ones. When drafting the programme, there was little co-ordination in order to maximise effects across the measures. Certain measures do have a positive effect on productivity, on quality improvement or on the market position of products. However they only affect one link in the production chain. In this way, opportunities for important leverage effects are lost. A more integrated approach departing from a “strengths-weaknesses-opportunities-threats” analysis of sectors is an answer to this fragmented approach.

A more integrated approach should be realised on a vertical (chain) level as well as on horizontal (spatial) level. We are thinking of a strong territory-oriented approach in order to reach coherent plans for sustainable development. This approach identifies for specific areas within Flanders - and not for the whole of Flanders like it has been done until now - the core activities or sectors, the weak elements and the problems for the development of these sectors. The strong urbanisation in Flanders requires a special approach different from the rural policy in more remote areas within Europe.

Considering the results from the first half of the programming period, we conclude that the programme objectives are formulated in a very ambitious way, even almost too ambitious. This is especially true for the strategic objectives formulated at programme level. The strategic objectives in the programming document could be reformulated in order to be more realistic. However, we think that the objectives are in line with the policy vision of the Flemish government. Furthermore, it is necessary to maintain a strategy long enough. Therefore we suggest to maintain the strategic objectives of the programme, but to adjust the objectives at measure level if necessary. For instance, modifications could lead to a stronger internal coherence. Modifications could also be a reaction to the current implementation of the measure if the current implementation is different from what was foreseen in the
programming document. There can be differences with respect to the content, the target or the implementation process of the measure.

Furthermore, the Flemish RDP realises effects that are not explicitly mentioned in the objectives. The RDP introduces diversification of activities and production techniques with a high-quality, environmental and animal friendly profile in the Flemish agricultural policy.

Finally, there is also an important conclusion for the financial implementation of the RDP. The financial absorption in Flanders is too low and part of the allocated support from the EC is therefore lost. Two factors could contribute to a higher efficiency of the RDP: first of all a realistic assessment of the annual budget and secondly a more flexible attitude towards the transfer of funds between measures. Within the budgetary year, funds could be transferred from measures not able to absorb their budget to measures that will be able to use an additional budgetary allocation in an efficient way. Of course, there should be an agreement about later compensation. The problem however is the regulation related to the Flemish government budget that does not allow for much flexibility. Nevertheless, we advise to explore solutions in this direction.

**The overall conclusion is the following:** the analysis of the Flemish countryside shows that most of the problems are related to the economic position of the agricultural sector and to the environmental position of the countryside. In this respect, the current strategy of the programme emphasising the economic support to the agricultural sector and the support for environmental measures within agriculture, is justified. The key problem of the Flemish countryside, namely the pressure resulting from the urbanisation process, is not addressed in this programme. The final assessment of the Flemish programme for rural development is ambiguous:

- on one hand, the measures are relatively successful with respect to their own objectives,

- on the other hand, the Flemish RDP is relatively weak with respect to a coherent policy and a clear vision on the development of the Flemish agriculture and the Flemish countryside. The aspect of dynamic development is lacking to a great extent. The measures are rather static, responding to symptomatic problems rather than pursuing the cause of the problems and the challenges at stake to achieve a sustainable development – economically and broader - of the Flemish countryside.

The most important challenge is to turn this ambiguity into an integrated rural policy involving the different policy domains and programmes.