RDP & Performance contract based rural policy delivery in the Netherlands

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

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Summary

This case-study on the interaction between Dutch RDP and ongoing national experiments with rural policy delivery through performance contracts between national and provincial administrations, with a focus on rural policy dynamics in the province of Gelderland, deepens in different ways insights in RDP impacts. Firstly, the case-study illustrates that these impacts are impossible to isolate from context specific factors such as the Dutch tradition and preference to incorporate RDP measures in existing national and provincial policy instruments. This also explains why most Dutch stakeholders see national RDP primarily as an additional financial resource to facilitate ongoing rural policy transition processes. In these transition processes, recent introduction of performance contracts reflects above all the growing policy awareness of the need for and complexity of more integrated rural policy delivery through more flexible and tailor made rural policy design that responds more adequately and efficiently to diversity and specificity of rural needs and qualities in the Netherlands. Performance contract transfer responsibility of rural policy design and implementation from national administration to provincial administrations after mutual agreement on a set of performance indicators for monitoring and evaluation of the outcomes of this transfer of policy budgets and responsibilities. The choice for 7 years performance contracts that coincide with the RDP2 2007-2013 time period reflects a rather pragmatic approach to synchronize multi-level rural policy delivery. In addition stakeholders might point at positive contributions of national RDP to a gradual improvement of relationships between national and provincial policy makers due to the need for more intensive cooperation during design and implementation of RDP1. As argued, in that sense national RDP did function as a kind of catalyst that contributed positively to ongoing experiments with new coordination mechanism for rural policy design and delivery through performance contracts.

Institutional learning issues

Recent introduction of performance contracts does not yet allow far reaching conclusions with respect to their potential and limitations, although case-study findings clearly point at relevant differences between stakeholders in terms of claims, expectations and concerns. In ongoing learning and negotiation processes the role of RDP is primarily understood as a co-financing instrument of ongoing rural policy transition towards more integrated, territory specific and tailor made rural policy delivery. In other words, national RDP is not perceived as a prominent driving force of rural policy innovation, with the LEADER programme probably as major exception. Within this dominant perception, simplification and transparency of RDP procedures and regulations are perceived as most crucial multi-level institutional learning challenge, without doubt partly also due to national choice to incorporate most RDP measures in existing rural policy instruments, with all the complexities of matching multiple framework requirements, procedures and regulations. Since the introduction of performance contracts, which brought less complex multi-level governance procedures, provincial administrations do consider the implementation cost of RDP measures as relatively high, as e.g. expressed by priority setting in rural policy budget allocation in the province of Gelderland. Criticism on relatively high RDP transaction costs also include EU requirements with respect to evaluation. Stakeholders emphasize in particular that the CMEF shows little sensitivity for differentiating roles of RDPs in terms of overall public and private investments in
rural areas. Its relevance for institutional learning in the Netherlands, therefore, would be limited, whereas it is further argued that EU auditing needs could be more efficient organized in alternative ways.

Policy recommendations
National discussion in the Netherlands about the CAP does focus much more on the future of pillar 1 then on reforming of pillar 2. Current debates are in particular oriented at the need for further ‘Greening’ of the Single Payment Scheme after 2013, that is to say creating more direct links between support to farmers and their (differentiating) capacity to contribute to broader societal demands with respect to rural amenities and sustainability concerns. This focus on the future of pillar 1 reflects the differences in strategic importance of both CAP pillars in the Netherlands as well as a growing diversity in agricultural development trajectories, with on the one hand a growth of multifunctional farm enterprises that operate in multiple rural markets (public as well as private) and farm enterprises that continue to opt for further scale enlargement to compete on globalizing food markets. The co-existence of these contrasting agricultural development patterns is one of the reasons of ongoing policy searches for new multi-level and multi-framework rural policy coordination mechanism between national and lower level administrations. Even in a small country as the Netherlands, in particular local and regional administrations are challenged to develop more coherent rural policies. As illustrated by this case-study, ongoing experimentations with a conditional decentralization of rural policy design and delivery through the introduction of performance contracts are expected to contribute positively to better rural policies.
1. Introduction

As elaborated in previous RUDI work packages, RDP design and delivery in the Netherlands is part of a broader rural policy context that can by summarized by keywords as scarce land resources, manifold claims on rural areas, policy devolution tendencies and complex multi-stakeholder negotiation and learning processes. In this broader context coordination of multiple policy frameworks is increasingly perceived as a major challenge for rural policy design and delivery.

The introduction of performance contracts between national and provincial administrations goes back to 2006. Since then multiple policy frameworks of different national ministries have been joined in the so-called Investment Budget Rural Areas (IBRA). The Agenda for a Living Countryside (AVP), a national policy document published in April 2004, presented the joint policy views of the Ministries of Agriculture, Nature and Food Quality (LNV), Housing, Spatial Planning and the Environment (VROM) and Transport, Public Works and Water Management (V&W) on preparing the Dutch rural areas for future changes (Ministerie LNV, 2007). These national ministries agreed to merge parts of their policy budgets and to introduce a new system for rural policy delivery, characterized by the devolution of rural policy delivery to provincial administrations through the introduction of performance contracts (references to be included). Policy objectives as formulated within national and provincial multiannual implementation programs are the starting point for negotiation with provincial administration on rural policy priority setting, rural policy budget allocation and co-financing responsibilities (www.vitaalplatteland.nu; www.ilg.nu). Figure 1 visualizes national implementation of IBRA and its interrelations with multi-level policy frameworks (European, National, Provincial).

Figure 1.1: Multi-level rural governance in the Netherlands

IBRA highlights the need for a better coordination between co-existing and partly overlapping policy frameworks from different administrative levels and multiple national ministries and redefines the role of national government in rural policy delivery as ‘priority setter’, ‘coordinator of policy objectives and policy resources’ and ‘facilitator of
lower level rural policy implementation (Kuinder and Selnes, 2008). Recent introduction of performance contracts in the Netherlands makes it premature to draw conclusions about outcomes and potentials. Nevertheless, ongoing policy experiments to improve and facilitate rural policy coordination are omnipresent in relation to national design and delivery of RDP and explain following central case-study research questions:

- How is RDP being integrated in ongoing transition towards performance based contracts between national and provincial administration?

- In what ways does RDP strengthens / facilitates / hampers this ongoing transition?

- What are major critical factors that explain the role of RDP in relation to ongoing transition process?
2. Case-study methodology

To answer previous case-study research questions it was decided to concentrate case-study analysis at the level of provincial administrations, since it is in particular the role of provincial administrations that is expected to change significantly with the introduction of performance contracts. The province of Gelderland has been for multiple reasons selected as major case-study area. This largest Dutch province is characterized by rather different rural areas in terms of agricultural activities, intensity of agricultural production systems, nature and landscape characteristics, urban pressure, etc. and therefore in multiple ways representative for major rural policy concerns in the Netherlands (see also www.gelderland.nl). Gelderland receives about 15% of national RDP funding, which corresponds more or less with its share in national rural areas. Data-collection on ongoing provincial rural policy dynamics, with specific attention for the role of RDP, started with the analysis of available qualitative and quantitative material from available secondary data resources, covering national and provincial policy documents, stakeholder position papers, websites, information leaflets, newsletters, evaluation documents, etc. Analysis of this wide variety of available secondary data material focused in particular on stakeholder claims and concerns in relation to the introduction of national IBRA framework at national and regional level and its interrelations with RDP design and delivery. Additionally a selected number of open interviews was conducted with policy representatives and other stakeholders with the objective to 1) check preliminary conclusions and 2) to fill information gaps around central research questions. Selection of interviewees has been based on the ‘snowball approach’ and ‘follow the actor’ principle, that is to say, first contacts we used as information sources for other actors that could provide additional information. In this way it was possible to get more detailed insights in stakeholders views on the interrelations between IBRA and RDP. Section 7 gives an overview of the multiple sources that have been consulted for the case-study analysis, including a list of interviewees and their professional backgrounds. Incidentally case-study methodology follows a comparative approach by referring to differences in ongoing rural policy dynamics in Gelderland and other Dutch provinces, primarily based on the analysis of available secondary material on ongoing experiences with performance contracts, supplemented with data-material collected during previous RUDI work packages. As a whole case study methodology allowed to deepen insights in ongoing rural policy dynamics in the Netherlands and the specific role of RDP in these processes.
3. Rural policy dynamics in Gelderland

3.1 Introduction
As other provinces in the Netherlands, also the Province of Gelderland had to develop a multiannual policy document to meet requirements as agreed on in national IBRA framework. ‘Vital Gelderland’ sets provincial rural policy priorities for the period 2006-2013 (Provincie Gelderland, 2007). This provincial policy document distinguishes following themes of interests: nature, agriculture, landscape, soil, recreation and social-economic vitality. Rural policy performance targets as agreed upon with national governance are being integrated in this document and include issues as purchase of land resources for nature purposes (ha indicator), preparation of these land resources for nature purposes (ibid); purchase of land resources that allow the creation of so-called robust interconnections between still fragmented nature areas (ibid); purchase of land resources to be used for exchange with farmers in nature areas, construction of so-called eco-ducts as another contribution to nature objectives; creation of leisure areas in direct vicinity of urban centers; land purchases to facilitate the creation of these leisure areas; elimination of barriers for hiking and cycling routes and water leisure related activities, etc. Table 1 gives an impression of the performance targets as agreed between national and provincial administration in Gelderland. Firstly it shows that performance targets are being subdivided in themes as nature, agriculture, recreation, landscape, soil and water. Secondly it is shown that some performance indicators are still under discussion. A detailed description of agreed performance targets requires a rather lengthy introduction on different rural policy fields, something which falls outside the scope of this case-study.

Table 3.1: IBRA performance indicators for the Province of Gelderland
(Source: Vital Gelderland, 2007)

<table>
<thead>
<tr>
<th>Theme</th>
<th>Performance</th>
<th>Unit</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature</td>
<td>Purchase of new nature</td>
<td>hectare</td>
<td>182</td>
</tr>
<tr>
<td></td>
<td>Design of new nature</td>
<td>hectare</td>
<td>2264</td>
</tr>
<tr>
<td></td>
<td>Construction of robust linkages</td>
<td>hectare</td>
<td>870</td>
</tr>
<tr>
<td></td>
<td>Design and implementation of robust linkages</td>
<td>hectare</td>
<td>1267</td>
</tr>
<tr>
<td></td>
<td>Facilitation of new nature through exchange of land resources</td>
<td>hectare</td>
<td>4026</td>
</tr>
<tr>
<td></td>
<td>Reduction of bottlenecks</td>
<td>number</td>
<td>6</td>
</tr>
<tr>
<td>Agriculture</td>
<td>Agri-environmental measures</td>
<td>hectare</td>
<td>p.m.</td>
</tr>
<tr>
<td></td>
<td>Improvement of spatial structure</td>
<td>hectare</td>
<td>15351</td>
</tr>
<tr>
<td></td>
<td>Improvement of soil structure</td>
<td>hectare</td>
<td>553</td>
</tr>
<tr>
<td>Leisure</td>
<td>Purchase of land resources for “leisure in urban vicinity”</td>
<td>hectare</td>
<td>206</td>
</tr>
<tr>
<td></td>
<td>Facilitation through exchange of land resources</td>
<td>hectare</td>
<td>119</td>
</tr>
<tr>
<td></td>
<td>Design and implementation of “leisure in urban vicinity”</td>
<td>hectare</td>
<td>373</td>
</tr>
<tr>
<td></td>
<td>Reduction of bottlenecks for long distance hiking tracks</td>
<td>kilometer</td>
<td>844</td>
</tr>
<tr>
<td></td>
<td>Reduction of bottlenecks for long distance cycling tracks</td>
<td>kilometer</td>
<td>431</td>
</tr>
<tr>
<td></td>
<td>Reduction of bottlenecks for water sport facilities</td>
<td>kilometer</td>
<td>131</td>
</tr>
<tr>
<td>Landscape</td>
<td>Implementation of Programmabeheer</td>
<td>hectare</td>
<td>PM</td>
</tr>
<tr>
<td>Soil</td>
<td>Developing a provincial vision on sustainable soil use</td>
<td>Number</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Developing a policy programme for soil decontamination</td>
<td>Number</td>
<td>1</td>
</tr>
<tr>
<td>Water</td>
<td>Provincial translation of Water Directive in active policy</td>
<td>PM</td>
<td>PM</td>
</tr>
</tbody>
</table>
Additionally to these policy fields with performance indicators, provincial ‘Vital Countryside’ document mentions other policy objectives as diversification of rural economies and socio-economic vitality of rural areas. All together provincial rural policy objectives are being specified for 38 so-called prioritized areas, rural areas with most complex policy challenges due to objectives that are rather difficult to integrate as e.g. an expansion of nature areas in combination with safeguarding development opportunities for intensive agricultural production systems, water depletion challenges, socio-economic vitality issues, etc. Map 1 further shows that the Province of Gelderland has been subdivided in three regions: Achterhoek-Liemers (yellow areas), Veluwe-Valleie (green) and Rivierengebied (blue). In each of these regions, provincial administration started in 2008 Regional Committees, multiple stakeholder platforms to facilitate rural policy implementation. These Regional Committees build to different degrees on regional identities and already existing territory based cooperation of rural stakeholders. Some prioritized areas created similar multi-stakeholder platforms to stimulate territory based cooperation, which goes in particular for so-called ‘reconstruction areas’, characterized by a concentration of intensive husbandry, interrelated agri-environmental problems and often little progress in the realization of policy targets due to manifold and contrasting rural stakeholder claims and concerns.

Map 3.1: Rural priority areas in the province of Gelderland
(Source; Vital Gelderland, 2007).

3.2 Project based rural policy delivery
Regional Committees as well as lower level multi-stakeholder platforms are being facilitated by Regional Program Offices in rural project development. Staff of these Program Offices consists of provincial theme-experts, process facilitators and territorial coordinators that concentrate on project development in line with provincial rural priority setting through an active mobilization, facilitation and support of rural stakeholders. In the Achterhoek and Gelderse Vallei these Regional Comittees and Regional Program Offices have been created alongside already existing territory based stakeholder platforms.
to facilitate integrated rural policy delivery (Boonstra et al, 2007; Kuindersma et al, 2008, www.plattelandshuis.nl). Within these territory based multi-stakeholder platforms different public partners (Municipalities, Water Boards, Knowledge institutions, etc.) and private partners (Environmental-, Nature and Landscape-; Farmers organizations) explored the opportunities for more integrated rural policy delivery. According to provincial administration, however, these platforms would lack democratic legitimacy to claim a similar role with respect to the implementation of IBRA. As argued, these platforms have certainly an important roles as activators and facilitators of rural policy delivery and partners of Regional Program Offices, but rural budget allocation would require more direct control of provincial administration. This decision certainly did create some tensions between provincial administration and these socio-culturally strongly embedded platforms for rural policy delivery. Some interviewees believe that this would be symptomatic for provincial attempts to increase control on rural policy design and delivery after the introduction of performance contracts. Also available IBRA evaluation material at national level concludes that the introduction of performance contracts might go along with less room for maneuver for more informal rural policy delivery, as e.g. exemplified by LEADER, although this material also clearly points at important differences between provinces in this respect (Boonstra et al, 2008.). In section 5 we will go more into detail in the specificities of LEADER mainstreaming in Gelderland. At this stage it is important to realize that Regional Committees and Regional Program Offices are important actors in territory based rural policy delivery in the province of Gelderland and that the position of already existing rural stakeholder platforms for integrated rural policy delivery might have been negatively affected by the introduction of performance contracts (Plattelandshuis Achterhoek en Liemers, 2008)

3.3 Long term rural policy delivery

National body DLG continuous to play a prominent role in provincial rural policy delivery, albeit since 2007 officially and formally under political responsibility and guidance of provincial administration (see also www.DLG.nl). Historically this includes also more long term rural polices as land consolidation schemes, which combine multiple objectives as improvement of agricultural production conditions, strengthening of nature and landscape values, reduction of water depletion problems, etc. DLG has a long tradition and broad expertise in the implementation of these complex and time consuming (15-20 years) land consolidation projects, and continuous to be a key actor in rural policy projects with longer time horizons. According to some interviewees, provincial administrative dependency on DLG expertise would function as a kind of ‘by-pass’ through which national governance succeeds to maintain a prominent role in provincial rural policy delivery. Others emphasize –again- that there are major differences in the way how provincial administrations succeed to establish new relationships with DLG and indeed become the guiding actors as formally expected. Gelderland would be one of the provinces that seriously tries to act conform the IBRA philosophy, that is to say, to use DLG as an implementation body under its provincial political responsibility. In this respect it is important to mention also that the Province of Gelderland is financially rather well off since the privatization of a public energy company with the province as one of its major shareholders. Provincial administration received 4.2. billion euro in this privatization process, a financial bonus that enlarges its financial opportunities but simultaneously puts extra pressure on its institutional capacity regarding policy design, delivery and implementation.

3.4 Experiences with performance based rural policy delivery

Additionally to previous project based and more long term rural policy delivery trajectories, there exists a third rural policy delivery trajectory characterized by provincial
attempts to create commitment among stakeholders through covenants or performance contracts. This ‘subcontracting’ tendency in rural policy delivery in line with IBRA performance targets, is so far in particular related to nature and landscape objectives (Gedeputeerde Staten Gelderland and Gelders Landschap, 2008, Gedeputeerde Staten Gelderland en Staatsbosbeheer, 2008). Provincial administration expects that these covenants will facilitate integrated rural policy delivery through the mobilization of territory specific social capital, networks and expertise. The covenant with the Provincial Landscape Organization, e.g., refers explicitly to the potential of 43,000 contributors, 650 volunteers and 150 business relations that can contribute to meet performance targets. That provincial administration is actively searching for contracts / covenants with rural partners is further illustrated by following figures: at this moment it foresees that about 520 million of total 700 million provincial budget for the 2007-2013 period will be part of performance contracts with rural partners as Water Boards, Nature and Landscape Organizations, Municipalities that commit themselves to contribute actively to the realization of rural policy targets as co-investors and project developers (Provincie Gelderland, 2009).

Provincial sub-contracting activities are certainly not undisputed among rural stakeholders. Representatives of contract partners are hopeful that more long term agreements with provincial administration will allow for the reduction of often high transaction- and implementation costs of project based rural policy delivery. At the same time they admit there is still little transparency on what will happen in the case of non-compliance due to unforeseeable and uncontrollable factors as e.g. current financial and economic crisis. Available IBRA evaluation and monitoring literature relates such non-compliance concerns to differences in steering philosophies in national rural policy discourses. From a ‘governance’ perspective performance contracts would be primarily perceived as an instrument to facilitate collective learning, negotiation and the creation of shared views, ideas, opinions and beliefs among stakeholders. This implies that also the issue of non-compliance of performance targets would be subject of debate, learning and negotiation. This in contrast with the more traditional ‘governing’ perspective, which approaches performance targets much more as ‘rock hard’ agreements that bring serious penalties in case of non-compliance. As argued, both steering approaches are currently present in ongoing rural policy discourses, which would explain differences in views, claims and concerns among stakeholders with regard to the pros and cons of performance contract based relationships in rural policy delivery (Kuinder and Selnes, 20087; Boonstra et al, 2007; Kamphorst, 2008; Kuindersma et al, 2008).

Additional to non-compliance concerns, some interviewees point also at new types of exclusion mechanisms. This goes in particular for the representatives of smaller rural organizations such as agri-environmental cooperatives and rural estate owners. They emphasize that they would like to have also a status as provincial performance contract partner. However, their co-financing capacity would be too limited to get such a status, which implies that they continue to depend on the project based support system, a trajectory that would bring higher transaction costs, more bureaucracy, more uncertainties and --in short-- less mutual commitment between the public and private sector.

Provincial administrators admit that co-financing opportunities play a dominant role in the selection of contract partners, which would be primarily driven by concerns with respect to overall rural policy delivery capacity. This is also illustrated by figure 2. It shows total IBRA policy budget for the period 2007-2013 (line 1) as well as planned budget allocation through (multiannual) agreements with rural partners (line 2 and 3). In addition the figure includes a number of other lines (grey) that represent dependency of
factual on success factors for factual realization such as 1) rural partners implementation capacity; 2) time spans for required procedures; 3) stakeholder acceptance and 4) land purchases in relation to nature objectives. As a whole the figure illustrates provincial tendency to define its own role in rural policy delivery in particular in terms of co-financer, facilitator of territory based cooperation, procedural supporter, controller, etc (Concept document reorientation provincial multi-annual programming Vital Gelderland, 2009).

Figure 3.2: IBRA budget allocation progress in the Province of Gelderland

Previous introduction of rural policy dynamics in the province of Gelderland points, firstly, at different rural policy delivery trajectories with different and more or less prominent roles for provincial administration. Secondly it learns that provincial administrations are becoming more and more a crucial interface between National and European rural policy frameworks with respect to ongoing searches for more integrated rural policy delivery as symbolized by performance contracts for multi-level governance and new forms of public-private cooperation. Thirdly, the fact that performance targets are in particular related to nature, landscape and water management objectives does reflect national rural policy priority setting as well as the absence of agreement on appropriate and meaningful socio-economic performance indicators. Thus, even in a small country as the Netherlands it turns out to be rather difficult to develop socio-economic performance indicators that meet diversity in rural qualities, needs and concerns!

Provincial rural policy in Gelderland does relate socio-economic vitality of rural areas in particular to further diversification of rural economies, valorization of rural cultural heritage and maintenance of public services in small rural villages (Provincie Gelderland, 2007). These and other policy priorities are guiding for provincial subsidy framework for multiple financial sources as IBRA and RDP funds. Provincial Subsidy Office is responsible for the matching of multiple subsidy sources, regulations and requirements from different levels (Provincial, National and European). This Subsidy Office decides on co-financing opportunities for rural development projects and how to meet framework
specific requirements, with an RDP eligibility check under responsibility of national payment agency DLG. RDP co-financing is of most importance in relation to the policy delivery trajectory with leading roles for the Regional Committees and Provincial Program Offices (see before) Its contribution to the trajectory characterized by longer term projects as e.g. land consolidation schemes, with a more prominent role for national implementation body DLG, is clearly more limited, although co-financing of smaller sub projects might sometimes function as a catalyst of complex decision making processes among rural stakeholders that don’t want to loose European co-financing opportunities, as argued by one of the interviewees within provincial administration. There is no role for RDP co-financing in the rural policy trajectory characterized by performance contracts between provincial administration and public or private rural partners. Firstly due to RDPs N+2 budget spending regime which does not allow for 7 years contract period. Most important reason, however, is provincial administrative conviction that its own financial contribution would not justify additional European funding. Currently Provincial RDP budget is mainly used to co-finance: 1) multi-purpose land consolidation schemes; 2) agricultural investments that counterbalance negative agri-environmental impacts; 3) rural diversification and tourism infrastructure and 4) LEADER. These priorities in RDP budget allocation involve following measures: 111, 121, 124, 125, 133, 311, 313, 41, 411, 412, 413, 421 and 431 (Provincie Gelderland, 2007). Provincial administrators only point at minor changes in (preliminary) RDP budget allocation in comparison to RDP1 budget period. During RDP1 also village renewal- and water depletion projects were co-financed with RDP money. The introduction of IBRA is mentioned as one of the reasons for current more selective allocation of RDP money. As argued by one of interviewed provincial employees, RDP money would be in particular allocated to policy priorities that are relatively easily to match with EU subsidy requirements. In general RDP requirements would be rather demanding, certainly in comparison to those of the IBRA framework. For that reason provincial subsidy framework, as guiding framework for all subsidy opportunities, still would refer to RDP co-financing opportunities without complete transparency on its subsidy requirements, as several times emphasized by DLG, national payment agency formally responsible for RDP eligibility control. The latter would illustrate current provincial administrative focus on implementing IBRA, a policy framework with much more significant financial budget and less bureaucratic obligations compared to RDP requirements. Provincial administrative interviewees, however, have to admit that they are not precisely aware of the origin of RDPs bureaucratic requirements and that these might be at least partly also related to national choice to integrate RDP measures in existing national and/or provincial policy frameworks and the complexity of matching multiple policy framework requirements. For whatever reason, they certainly have the feeling that it is more complicated to allocate RDP money then IBRA funds to rural policy projects. As argued by one of the respondents, this is partly to be explained by an increase of provincial decision making power since the introduction of performance contracts, but certainly also by better opportunities to communicate directly with national policy representatives in the case of doubts about interpretations of e.g. accountability requirements. Such a direct communication with policy representatives would be as good as impossible at EU level, whereas also information meetings organized by national management authority would be little helpful: ‘these meetings tend to degenerate into the technicalities of procedures without opportunities for more fundamental discussions about the pros and cons of specific measures’.
4. Conclusions

We presented ongoing rural policy dynamics in Gelderland with specific attention for the introduction of performance contracts between national and provincial administrations in the Netherlands, a new rural policy coordination mechanism that to contribute positively to more integrated rural policy design and delivery. In this final paragraph we will draw some conclusions with respect to the principle research questions as formulated in the case-study introduction.

4.1. First experiences with performance contracts

Case-study analysis shows that the introduction of performance contract changes the relationships between national and provincial administrations into what could be described as a ‘conditional devolution’ of responsibilities for rural policy delivery. It is still too early to draw conclusions in terms of outcomes of this new way of coordination in multi-level rural policy delivery. Policy stakeholders express different claims and concerns, which do vary according to organizational backgrounds, differences in steering perceptions, ideologies, etc. A similar variety in expectations and concerns can be witnessed among private stakeholders. Ongoing dynamics in Gelderland do suggest that performance contracts will be most beneficial for rural stakeholders with sufficient co-financing opportunities to become a privileged partner in rural policy delivery. Those with less financial resources will continue to depend much more on project subsidies against relatively high transaction costs. Also the position of already strongly embedded multi-stakeholder platforms at regional level, as the outcome of previous provincial experiences with territory based rural policy schemes, might be under pressure. According to some interviewees this would be a logical consequence of the new role that performance contracts bring for provincial administrations. Most would be still in search for how to transform into the pro-active actors in rural policy design and delivery as assumed by their performance based relationships with natural administration. Perhaps to different degrees, but this would still too often go along with more risk avoiding attitudes among provincial administrations regarding the strengthening of bottom up rural policy delivery. For the same reasons provincial administrations would tend to exclude interesting innovative but perhaps still less robust rural stakeholder organizations from similar privileged statuses as current contract partners.

The second central research question of this case-study concerns the role of RDP in relation to ongoing rural policy dynamics in the Netherlands. This question has been approached from multiple perspectives. As shown, RDP impact in terms of rural policy budgets and their allocation as well new policy instruments is rather modest. In particular policy representatives see RDP at the best an interesting additional co-financing source, a catalyst of ongoing devolution tendencies in rural policy design and delivery and a important point of reference for the choice for 7 year performance contract periods. For different reasons, however, national as well as provincial administrations express relatively little strategic interest in RDP. Whereas national government is in particular interested in the future of pillar1, it is recent introduction of the IBRA framework, with its much more significant rural policy budget, that dominates rural policy discourses. All together case-study findings learns that it makes little sense to assess RDP impacts in the Netherlands in isolation from ongoing rural policy dynamics and that different, more or less significant roles of RDP in ongoing rural policy dynamics, can be distinguished. Secondly, case-study findings suggest that the role of RDP might differentiate between rural stakeholder in line with their time and again specific rural policy claims, expectations and concerns. Table 4.1 summarizes some of these differences in claims, concerns and roles of RDPs.
<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Claims</th>
<th>Concerns</th>
<th>Role of RDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>National government</td>
<td>Performance contracts will contribute positively to more integrated rural policy delivery and efficiency of rural policies</td>
<td>Are provincial administration prepared for their new role in rural policy design and delivery? Will provinces be able to deliver performance targets in 2013?</td>
<td>Catalyst of ongoing devolution process, relatively small additional financial flow for rural policy implementation, point of reference for 7 year performance contract periods</td>
</tr>
<tr>
<td>Provincial Administration</td>
<td>Performance contracts allow for more territorial specific and tailor made approaches in rural policy design and delivery</td>
<td>Does national government indeed transfers policy responsibility to provincial administration? How to realize performance indicators in time? How to enlarge rural policy implementation capacities? How to mobilize additional expertise?</td>
<td>Co-financing source for different types of rural policy delivery trajectories (project based versus longer term rural policy delivery trajectories)</td>
</tr>
<tr>
<td>Regional Program Offices</td>
<td>Facilitator of integrated and bottom up rural policy delivery</td>
<td>Loss of regional autonomy due to the introduction of Provincial front-offices for rural policy design and delivery in line with priorities as defined within its multiannual program.</td>
<td>Co-financing source for rural development projects, in particular in relation to Axis 3 objectives</td>
</tr>
<tr>
<td>Vested rural stakeholder organizations (Professional Nature Organizations, Water Boards, etc.)</td>
<td>Strong partners for provincial administrations in rural policy delivery through multiannual contracts / covenants</td>
<td>How realistic are performance targets as agreed with provincial administrations, in particular with respect to expansion of nature areas in line with national and European policy frameworks?</td>
<td>As good as excluded as co-financing source due to RDP requirements, provincial policy preferences and</td>
</tr>
<tr>
<td>Smaller rural stakeholder organizations (Agri-environmental cooperatives / Rural Estates, etc.)</td>
<td>Interesting partners for provincial administrations in rural policy delivery conform performance contracts with national governance</td>
<td>Provincial administration focuses primarily on partnerships with resource rich rural organizations and excludes relatively smaller rural actors from the benefits of multiannual program approaches.</td>
<td>In particular co-finance of agri-environmental measures within National Ecological Network areas, in addition potential co-finance of rural development projects</td>
</tr>
<tr>
<td>LEADER</td>
<td>Bottom up rural policy delivery based on the mobilization of local knowledge, available social capital, etc.</td>
<td>Loss of autonomy and increase of bureaucracy due to LEADER mainstreaming requirements</td>
<td>One of the multiple opportunities for the co-financing of rural development projects, as decided within provincial subsidy office.</td>
</tr>
</tbody>
</table>
4.2. Role of RDP in ongoing transition

If we look more closely on the multiple roles of RDP in ongoing rural policy dynamics in the Province of Gelderland and the Netherlands, major case-study findings can be summarized as follows:

4.2.1. Minor financial significance

Analysis of RDP impacts in the Netherlands should start with the recognition that RDP budgets are of minor importance within total rural budget spending. This has been already illustrated by available data at national level, as summarized in RUDI work packages 4 and 5. Here this can be further illustrated with the following data for the province of Gelderland. Total provincial rural policy budget amounts about 700 million euro for the period 2007-2013. 320 million from this budget originates from national governance, which additionally provides 80,000 working hours by means of its implementation body DLG (see www.dienstlandelijkgebied.nl) and 3000 ha land resources, which corresponds with about 105 million euro, as a consequence of transfer of policy responsibilities for the realization of national ecological main structure. About 120 million of total budget is provided by Provincial Administration itself and about 100 million by partners as Municipalities, Water Boards, Nature and Landscape Organizations, Farmers Organizations, etc. Provincial RDP budget is about 60 million for the period 2006-2013, thus less then 10 million a year and less then 10% of total budget for provincial rural policy. Certainly a welcome additional financial source, but at the same time of modest importance. In another way this can be illustrated by provincial rural policy budget expansion from 190 million euro in RDP1 period to more then 700 million in current RDP2 period. Finally, also the fact that provincial RDP budget has been reduced compared to the RDP1 period contributes to a broadly shared feeling that RDP is a player of minor financial importance in rural policy delivery in the Netherlands.

4.2.2. Little priority setting in RDP budget allocation.

A second factor concerns the absence of a clear focus in allocation of RDP budgets. As argued in RUDI work package 3, notwithstanding EU pressure to focus RDP budget allocation more in line Axis 2 objectives it was nationally decided to opt for a more pragmatic solution and divide RDP budget equally among the first three Axis, which left 10% for LEADER. This after personal intervention of the minister of Agriculture, Fishery and Food Quality and lack of progress in multi-stakeholder decision making processes on RDP budget allocation due to manifold and contrasting claims. This absence of priority setting in RDP budget allocation conform rural needs is also reflected in the budget distribution among provinces, which has been primarily based on quantitative terms as share of total rural areas without serious attempts to differentiate according to specific rural needs. Ongoing discussion on the allocation of modulation money might suggest some growing policy interest in priority setting regarding RDP budget allocation. Whereas national governance is proposing a fixed allocation among Axis, provincial administration of Gelderland, in cooperation with other provinces, struggles for a more flexible system that allows to shift RDP money from Axis 1 to Axis 3. However, insiders emphasize that this discussion is much more about financial issues as division of co-financing responsibilities between national and provincial administrations then about rural policy priority setting in itself.

4.2.3. Strong incorporation tendencies in existing policy instruments.

A third factor concerns the strong administrative tendency in the Netherlands to incorporate RDP measures in already existing agricultural and rural policy frameworks at national and provincial level. Without exceptions interviewees emphasize that RDP did hardly go along with the introduction of new policy instruments in the Netherlands,
perhaps with the LEADER approach as major exception (see below). Thus, RDP budgets are being integrated in existing policy instruments, as e.g. also concluded in national RDP1 ex-post evaluation (Venema et al., 2008) which states that the 17 RDP1 measures have been implemented through 32 national and 13 provincial policy instruments. For that reason RDP1 would have been in the Netherlands much approached as an additional financial instrument then a policy framework that indeed actively contributed to its underlying idea of more program based rural policy delivery (ibid).

4.2.4. Catalyst of devolution processes in rural policy delivery systems

Despite the previous, there is a rather broadly belief among interviewees that RDP did certainly contribute positively to ongoing devolution tendencies in rural policy delivery. As emphasized, also RDP implementation required more intensive contacts and new relationships between national and provincial administrations within a national setting characterized by highly fragmented rural policy delivery systems as well as a growing policy awareness for the need for more integrated and territory specific policy frameworks. RDP1 ex-post evaluation point specifically at the positive role of national RDP1 coordination body with respect to the need for more constructive cooperation between national and provincial policy makers. Also several interviewees agree that RDP supported ongoing devolution tendencies in rural policy delivery, although national policy dynamics would have been of more importance such as ongoing experiments with more territory based and integrated policy approaches in rural as well urban areas. Thus, RDP as a catalyst of ongoing policy dynamics mainly driven by national policy concerns about the need for more integrated approaches. In a certain way this is also illustrated by the RDP1 ex-post conclusion that of total 1480 projects that received RDP1 co-financing 470 scored on two or more of following rural development dimensions: 1) sustainable agriculture; 2) nature and landscape values; 3) improvement of water management systems; 4) diversification of rural economies through leisure and tourism activities and 5) strengthening of rural life-ability (ibid).

4.2.5. Point of reference for choice of 7 year contract periods

That RDP did contribute positively to multiannual program based rural policy delivery in the Netherlands is e.g. reflected in final decision on the length of performance contracts between national and provincial administrations. At first a maximum period of 5 years was in discussion, but finally it was decided to synchronize program period with RDP2 to facilitate multi-level policy coordination and to minimize administrative implementation complexities. Some provincial interviewees do criticize this choice for 7 year contract periods by referring to the danger of unforeseeable macro developments as current financial and economic crisis that might require a need for renegotiation of performance contract agreements as well as tensions between 7 years performance contracts periods on the one hand and 4 year democratic accountability periods for policy makers, on the other. Moreover, the 7 years RDP period would offer provincial administrations relatively little benefits. As shown by rural policy dynamics in Gelderland, provincial administrations allocate their RDP budgets mostly to shorter term rural development projects. The role of RDP in their more longer term rural policy delivery trajectories is rather modest or completely absent, which goes in particular for provincial rural policy delivery based on multi-annual performance contracts with public and/or private partners willing and capable to contribute actively to its IBRA performance targets.

4.2.6. Differentiating responses to LEADER

It is widely acknowledged that the LEADER approach is most innovative RDP component in the Netherlands. A recent research report concludes that LEADER brought multiple benefits to the Netherlands but also that provincial administrations did respond
rather differently to LEADER (Van den Bert et al, 2008). This can be also illustrated by ongoing LEADER mainstreaming characteristics in the province of Gelderland. Formally provincial administration actively supports multi-stakeholder and participatory rural policy delivery systems as LEADER. Recently, however, it responded to national LEADER budget reduction with a concentration of provincial LEADER budget in Rivierengebied, a rural region without LEADER history. This as a kind of compensation for the absence of other territory based rural policy frameworks in this region and by arguing that other regions as Achterhoek, Gelderse Vallei and Winterswijk already got their share of LEADER in previous program periods and that it would be little efficient to allocate the small LEADER budget to multiple regions. Existing LAG’s in these other regions got the advise to concentrate on rural projects that might be eligible for support from provincial subsidy framework Vital Gelderland. That LEADER is not full hearted embraced by provincial administration in Gelderland can be further illustrated by the LAG composition in Rivierengebied, which is strongly dominated by representatives of professional rural stakeholder organizations as Municipalities, Nature Organizations, Water Boards, Farmers Organizations, Tourism Organizations, etc and –therefore- relatively weakly embedded in the rural area. A platform that might be of importance for regional multi-stakeholder learning and negotiations around rural policy design and delivery, but with little formal decision making power. In short, LEADER mainstreaming in Gelderland expresses little serious policy willingness to strengthening participatory rural policy delivery systems, although provincial representatives might argue that stakeholder involvement is sufficiently guaranteed within Regional Committees and Provincial Regional Program Offices. As emphasized by them, anybody committed to rural development is welcome at provincial front-offices and will get active support in the elaboration and realization of rural projects that contribute to provincial policy priorities. Representatives of national LEADER network clearly opinion differently, as e.g. expressed during a national network meeting in July 2009. Provincial administrations often would express still little trust in an active transfer of decision making power to bottom up movements, although it is acknowledged that LEADER mainstreaming tendencies do point at important differences between provinces in this respect.

4.2.7. Little enthusiasm for CMEF approach
At provincial level some interviewees emphasize that RDP requirements regarding project administration, reporting and monitoring and evaluation did certainly contribute positively to a growing administrative awareness for the relevance of monitoring and evaluation. Recently this would be also illustrated by an active involvement of the province of Gelderland in ongoing monitoring and evaluation activities regarding IBRA progress. At national level, however, it is concluded in the RDP1 ex-post evaluation that ‘the loss of a program approach due to specific national implementation characteristics, makes that RDP1 evaluation is expected to have little impact’ (Venema et al, 2008). In addition to the specific national implementation characteristics as summarized in the foregoing, it is in this respect important to realize that the Netherlands knows multiple monitoring and evaluation systems that deal with rural development issues and that a recent study on the monitoring of the IBRA framework distinguished no less then 47 relevant monitoring systems! Figure .. aims to give just an impression of the complexity of overall monitoring and evaluation system of relevance for rural policies in the Netherlands (Source: Natuurplan Bureau, 2005).
Within this setting, it has been agreed that provincial administrations will focus on assessing RDP outputs, whereas national governance carries responsibility for an assessment of RDP outcomes (impacts). Representatives of both administrative levels show little enthusiasm about the CMEF method, as e.g. expressed during a CMEF network meeting that has been attended in 2009. The framework is not only thought to be of minor relevance from a national institutional learning perspective but also as much too ambitious with respect to its expectations. As argued, to become relevant for Dutch rural policy context, current CMEF approach should increase its sensitivity for: 1) differences in financial significance of RDP in relation to other regional/rural policy frameworks as well as overall private rural investments; 2) different roles of agriculture in rural economies and 3) specific rural sustainability concerns. A differentiation of the CMEF approach along these dimensions should reduce little meaningful exercises as e.g. searches for cause-effect relationships at measure level and increase CMEF learning effects by acknowledging that RDP impacts will vary according to these (and perhaps other) relevant contextual differences. Other policy representatives stakeholders go even a step further by arguing that it makes no sense at all to try to assess RDP at program level and that it would be better to stick to simple accountability procedures with only a limited number of output and result indicators in those cases where RDP budgets are below a minimum threshold of overall public and private financial flows to rural areas.

4.2.8. Focus on future of pillar 1

Ongoing debate on the future of the CAP in the Netherlands is much more focusing on pillar 1 then pillar 2. This is clearly demonstrated by following quote from recently national policy document ‘Dutch Outlook on the future of the CAP’: ‘In the long term there will no longer be any question from the Dutch point of view of generic support for agriculture but solely of targeted payments for promoting competitiveness and sustainability and for socially desirable performance. This approach means that a drastic change will be necessary over the next few years. The disappearance of generic income support and market measures will, after all, mean that the instruments that account for
95% of Dutch CAP receipts (some EUR 1.2 billion a year) will disappear. In their place, there will be a new range of instruments that will reward agriculture-related activities – in a transparent and accountable manner – which represent added value for society but are not rewarded by the market, or are not rewarded sufficiently. Case-study findings in the Province of Gelderland suggest that also at lower administrative levels there is hardly any serious debate about the future of RDP, which goes certainly in comparison to the policy attention for the IBRA framework.

4.3. Some final remarks
The case-study on performance contracts learns that RDP impact assessments at program level might be sometimes little meaningful at sub EU levels. Overall rather modest role of RDP in relation to Dutch rural policy dynamics, shows that it might make little sense to isolate RDP impacts from the time and again context specific interaction patterns between institutional settings, rural policy concerns and stakeholder characteristics. For the Netherlands following specific factors are probably in particular of importance to understand these interaction patterns: 1) a long tradition of active rural policy; 2) multiple claims on scarce rural land resources; 3) predominantly competitive rural areas with a relatively high quality of life; 4) contrasting views on the future of agriculture in rural development; 5) policy steering approaches that build on governance perspectives as well as insights from new public management theories. Together these factors make that most stakeholders in the Netherlands approach RDP primarily as an additional financial instrument of modest significance that can be incorporated in existing national and provincial rural policies, -instruments and - steering approaches and much less as an innovative force that might contribute also in other ways to more effective and efficient rural policy systems.
5. Data resources

5.1. Scientific reports, policy documents, meeting minutes, etc.

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5.2. Websites:
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5.3 Additional interviews
M. Mensink, Provincial policy maker, RDP expert
R. Janmaat, Communication Manager National Rural Development Network,
F. van Lynden, Rural Estate Manager, Hemmen
T. de Jong, president of Agri-environmental cooperative Tielerwaard
A. Vriend, director Gelders Landschapsbeheer (Provincial Landscape Organisation)
G. Meeuwissen, process manager DLG (rural policy implementation body)
W. Verhey + M. Remmers, RDP experts Ministry of Agriculture, Nature and Food
T. van Hal, policymaker Province of Gelderland
K. ter Hofstee, provincial policy maker Noord-Brabant
T. Drost, Regional Water Board Rivierenland
F. Boonstra, Alterra, WUR, co-author RDP1 ex-post evaluation

5.4. Other information sources
Participation in Dutch/ Flemish meeting within the European CMEF network (Date: 3 April 2009, Location Dordrecht)

Participation in national Rural Parliament (Date: 10-10-2009, location Lunteren, see also www.netwerkplattleand.nl)

Discussion platform with course participants Rural Web 3.0 (Date: 7 and 8- October, 2009, see also www.WBS.nl)