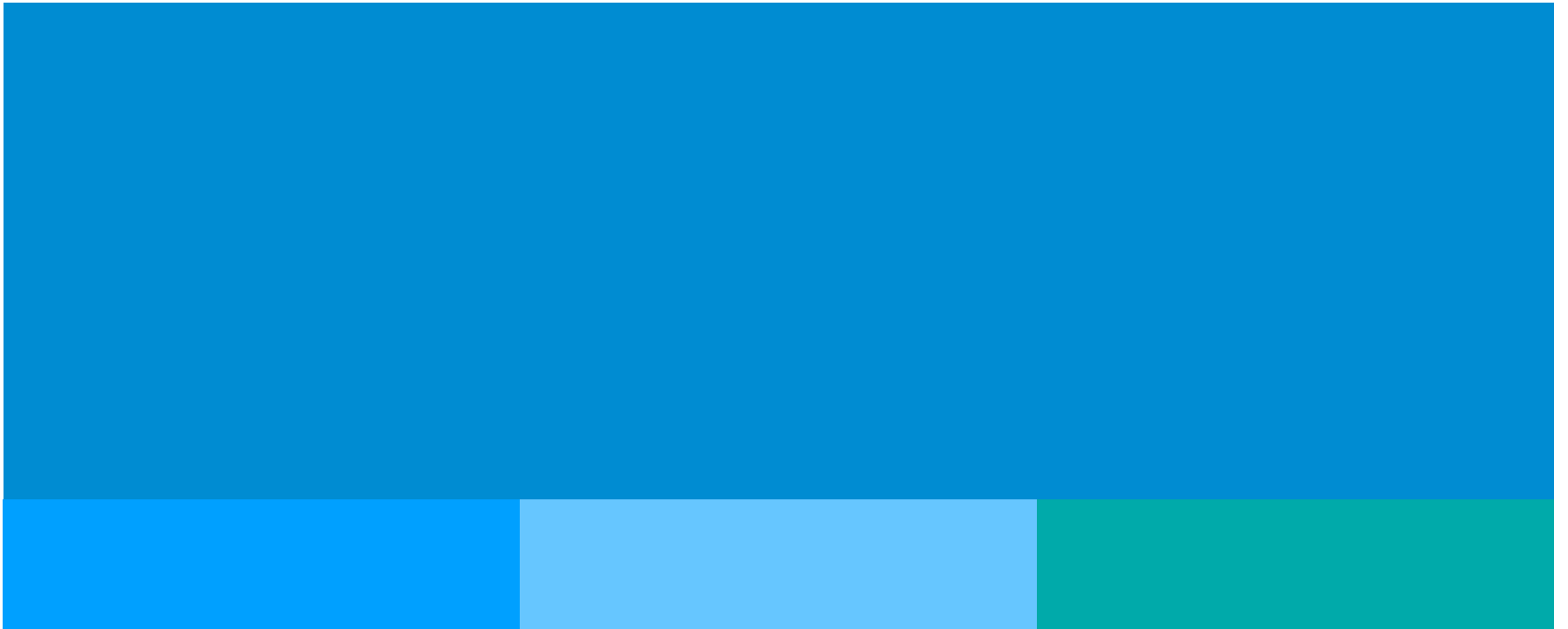


Implementation costs of RDPs

Insights from several evaluation studies

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What is implementation?

Implementation refers to all activities carried out by the administration or third parties with the aim of executing the RDP and realizing measures and projects.

- Goes beyond control-related activities
- Includes administrative activities of other stakeholders, such as regional managements, IT services, monitoring, evaluation
- Recognises activities related to national „top-ups“
- Does not include administrative burden of beneficiaries

Research design

Staff numbers (in full-time-equivalents) gathered through a survey of all administrative units

multiplied with flat-rate personnel costs (+ other costs)



Absolute implementation costs in euro (for overhead and single measures)



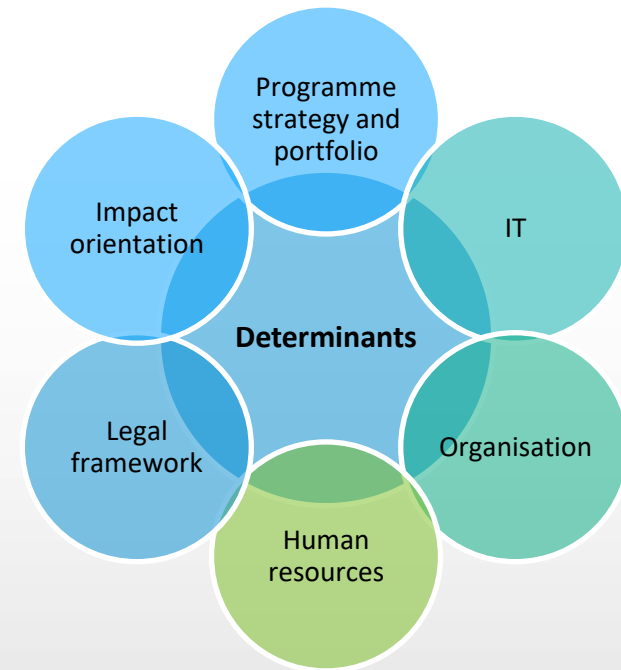
Example:
The RDP overall has relative implementation costs of 10 % = The administration ,invests' 10 cents to spend 1 euro in RDP funding



Relative implementation costs in % of payments

Research design

- Triangulation of survey-based results with other sources:
 - Expert interviews
 - Studies on funding/implementation
- Examination of possible cost determinants
 - Qualitative approach
 - Survey of all administrative units
 - In-depth expert interviews
 - Based on analytical framework derived from literature and previous studies



Key results: Costs

- Increase over the last three funding periods
- Higher costs, on average, for non-IACS than for IACS measures
- Sizeable variance between measures (among both groups)
- On-the-spot and ex-post controls account for app. 5 % (non-IACS) and 30 % (IACS) of total FTE, lead to marginal financial corrections
- Overhead costs range from 15 % to 32 % of total ICs

Key results: Determinants

- New measures produce learning and adaptation costs
- EU funding entails high administrative fixed costs → measures with small budgets more costly to implement
- The less standardised the measures, the less appropriate the legal framework
- Organisation highly significant (yet mostly exogeneous)
- Impact orientation is relevant, but needs careful scrutiny

Implementation costs as an investment in effectiveness?

Measure	Eligibility criteria and requirements	Individual site inspections	Individual contracts	“Canvassing”	Impact (on biodiversity)	Relative ICs in %	ICs per hectare in euro
Crop diversification	Low				+	2.0	2
Flowering strips	High				++	9.3	68
Contractual nature conservation	High	●	●	●	+++	35.9	160

- There is a positive correlation between implementation costs and effectiveness.
- However, high costs of contractual nature conservation are also due to dysfunctional IT, highly decentralised implementation, and an inadequate legal framework.

Challenges and limitations

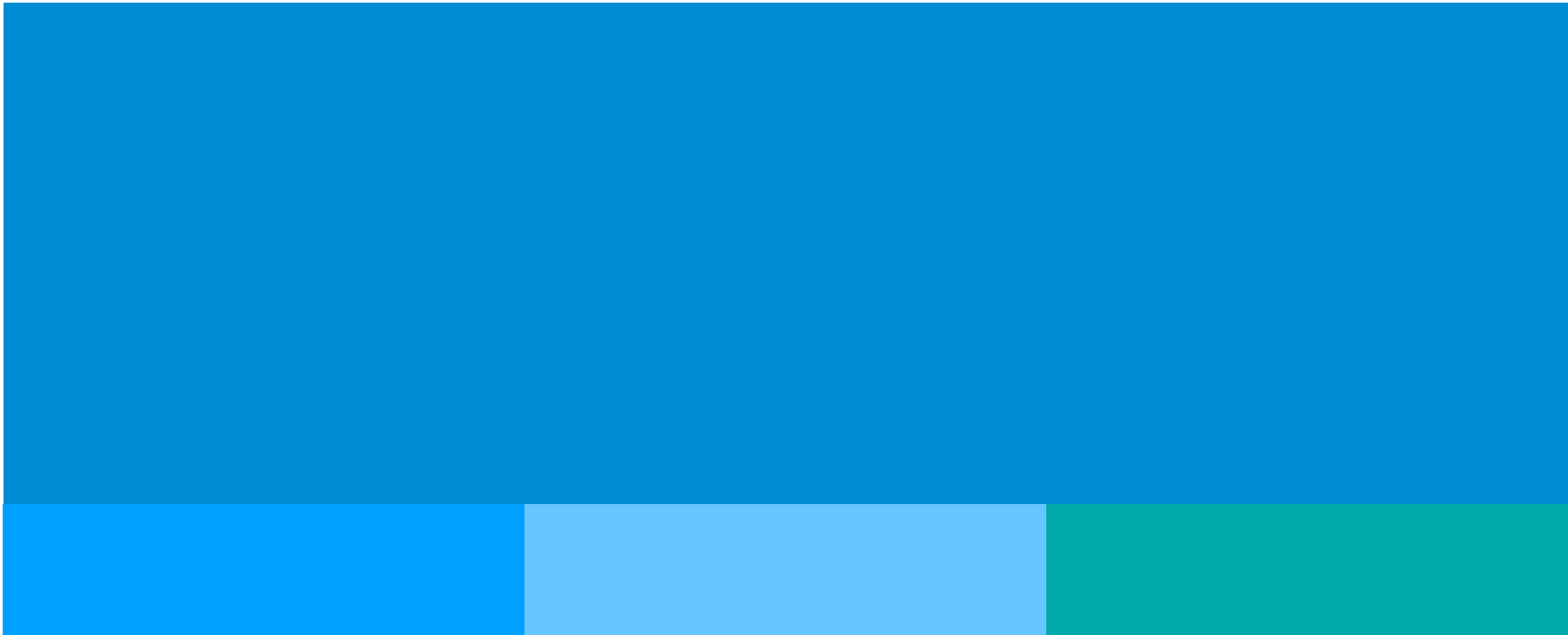
- Costs estimated for one funding year – how typical?
- Administrative costs for designing programmes not considered
- RDP-related activities/aspects are sometimes hard to demarcate
- Difficult to disentangle cost determinants in shared management
- Comparisons (across time, measures and programmes) should be made with caution

Lessons learned

- Implementation cost analysis a demanding exercise that offers:
 - important additional information for cost-impact-analysis
 - pointers for authorities developing their programmes or plans
 - a basis for discussion on administrative simplification
- High degree of trust between evaluator and client necessary
- Results tend to be used for benchmarking (“measure is too costly”), while a balanced view on costs and benefits is needed

Thank you for your attention

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Implementation activities

- Design and management of program and measures (after initial programming)
- Information, coordination, negotiation (monitoring committee, economic and social partners, federal government, EU Commission)
- Financial management
- IT management
- Information of potential beneficiaries and the public
- Selection of projects
- Approval of projects
- Controls (administrative control, on-site control, ex-post controls, controls by higher authorities) including reporting
- Recovery of funds, sanctions
- Monitoring and evaluation, including reporting