

International Conference on
Designing and Implementing Rural Development Policies

7-8 April 2005, Oaxaca, Mexico¹

CONFERENCE CONCLUSIONS

Participants agreed that a more effective place-based approach to rural policy requires a major revision in the governance arrangements surrounding policy design and delivery. The guiding principle of the new pattern is a move away from hierarchical, sectoral approaches towards more co-operative and inclusive relations between public and private actors and within government. This is the way to enable local opportunities in rural areas, both for agricultural products and for any other product or service, to assert themselves and to be turned into marketable successful options.

The conference underlined that one-size-fits-all solutions don't exist. However, evidence from several country experiences has allowed us to identify some key points:-

- *Horizontal co-ordination.* A new approach to rural policy requires more **and better horizontal co-ordination at both the local and central levels.**
- *Upper horizontal co-ordination.* **Efforts to 'join up' at local levels need to be mirrored by a cross-sectoral approach at central level,** which is stressed in rhetoric, but often lacking in practice. Trade-offs between a clear-cut attribution of responsibilities for rural development and more flexible forms of inter-ministerial co-ordination should be appraised according to the different political and administrative characteristics of each country. In all cases, cross-sectoral co-ordination needs senior political backing to work and can be enhanced by the concentration of fragmented financial flows into a single pot, to be governed by co-ordinated effort.
- *Vertical co-ordination.* Place-based rural policies require **renewed vertical relations between levels of government.** 'Participation' and 'co-ordination'

¹ This conference was co-organised by the OECD and the Mexican Ministry of Social Development (SEDESOL). It follows up the international conferences held in Siena (Italy) in 2002 and in Warrenton, Virginia (US) in 2004.

are the watchwords for the effective design, implementation and evaluation of rural policies. These types of relations demand capacity building at all levels of government. Yet, hierarchical traditions in public administrations need to be overcome in order to pool knowledge and resources that are detained by different actors at different government levels. Multi-annual contractual relations based on negotiation and mutual learning can replace the top-down, hierarchical relations that characterise traditional government practice.

- *Human and social capital.* Evidence from several case studies presented and discussed during the conference shows that **key for the effectiveness of partnerships is the quality of human and social capital.** Participants agreed on the necessity to incorporate the valuable contributions from the private-for-profit sector and other non-governmental actors into an integrated approach to rural development. These contributions can be both strategic and practical and include knowledge of needs and opportunities, technical skills, leadership and financial resources.
- *Incentives for capacity building.* The use of **incentives (both reward and sanctions)** plays an important role in providing capacity building at all levels of government and in supporting the process of formation and development of successful local partnerships. For incentives to work, clear rules and objectives, as well as quantifiable performance indicators, must be established.
- *Local knowledge.* The local level is where knowledge on opportunities is mostly held. By empowering local leaders and complementing it with global knowledge that allows the marketability of local opportunities to be assessed, the base for local projects can be established more firmly.
- *Evaluation* is critical to ensure effectiveness and accountability. **Indicators should focus on outcomes as well as process.** They should look at both quantitative and qualitative impacts and should be meaningful, not only to government but also to the people targeted by policy. Contracts are not always easily verifiable. While basic objectives responding to citizens' primary needs and 'rights' are relatively straightforward to measure and to target, on-going evaluation and self-evaluation by local actors are needed for the objectives of development policies to be defined and truly implemented.
- *Target areas.* A place-based rural policy needs a carefully defined *target area*. Conference participants agreed on **the advantages of going beyond traditional jurisdictional borders and targeting policies to functional areas** that can capture better the dynamics and the sense of identity of a rural region and can tackle the unique challenges posed by dispersed settlements in remote rural areas. Flexibility should always be left for functional areas to be redefined according to the local capability to design and submit projects.

- *Latin America.* Policy makers from Latin American countries presented innovative experiences of place-based rural policy and highlighted **the special value that an integrated approach has in rural areas characterised by strong structural disadvantages and acute poverty.**

Conference participants agreed on the mutual benefits of a continuous exchange of lessons learned and that there was a need for more effective communication and dissemination of the lessons. Persuasive communication of the conclusions of the conference and the related case studies is essential if ministers and governments of all kinds are to be more effective in delivering successful rural development in countries around the world. In this context, **conference participants welcomed the offers from the United States, Spain and Scotland (UK) to host international rural conferences in the course of 2006 and 2007.**