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Assessing the fit of environmental policy to institutional context

A new tool has been developed to predict the effectiveness of a policy on the basis of its compatibility with the institutional context in place. It is the first of its kind and a recent study has evaluated its ability to identify factors that might affect the successful implementation of policies.

Evaluating a policy before implementation (*ex-ante* assessment) helps to ensure effectiveness and to understand any social, ecological and economic impacts of the policy. However, until recently, ex-ante assessments have not paid much attention to evaluating the institutional suitability of a policy. Institutions include the formal and informal rules of a given context, as well as the ways in which these rules are enforced. As such, they are intrinsically important to the implementation of EU environmental legislation at a national or regional level.

The Procedure for Institutional Compatibility Assessment (PICA) was developed in the framework of the EU SEAMLESS project[1] to be applied to agri-environmental policies. It is the first formalised tool to analyse the compatibility between policy options and institutional contexts to assess the effectiveness of policy making. The researchers applied PICA to the implementation of the EU Nitrates Directive[2] in the Auvergne area of France.

The working steps outlined in PICA involve classifying the policy, identifying the Crucial Institutional Aspects (CIAs) that affect its implementation and using this to assess the compatibility between the policy and the institutional context in place. The EU Nitrates Directive was classified as a 'regulatory type of policy that has effects on markets' and 11 CIAs were identified that could influence its implementation. These were ranked by stakeholders (e.g. farmer organisations, local councils and environmental associations) and, after several rounds of interviews and focus groups, the most important CIAs were identified. For the Allier region of Auvergne, they were: the bargaining power of farmers, the attitude of farmers towards ecological considerations, the bargaining power of environmental associations and differences in information known by the state vs. the farmers.

To assess the predictive power of PICA, the CIAs identified *ex-ante* for the Allier region of Auvergne were compared to the CIAs identified by an ex-post assessment. The four CIAs identified *ex ante* were also found *ex post* to play a crucial role, which indicates that PICA has a good predictive power. It was also able to account for distinct institutional differences around these CIAs. For example, in the Puy-de-Dome region, two large agro-industrial co-operatives dominate and most farmers are under contract to produce seed corn and high quality wheat for them. As such, the agro-industrial lobby was considered a very important CIA in the Puy-de-Dome region.

The tool appears to be effective in categorising the type of policy, predicting the institutional factors affecting the implementation of policy and accounting for differences between institutional contexts. Some methodological issues could be improved, such as the use of expert reviews to complement the results of focus groups with stakeholders. The researchers also highlighted the issue of feasibility and applicability of the method in terms of financial resources and time: the assessment involved two full-time employed researchers for approximately 16 weeks. Nevertheless, the PICA system could serve as an effective early warning system to help policymakers avoid clashes of policy with local institutional contexts and therefore produce more efficient policy implementation.

1. SEAMLESS (System for Environmental and Agricultural Modelling: Linking European Science and Society) was supported by the European Commission under the Sixth Framework Programme. See: www.seamless-ip.org

2. See: http://ec.europa.eu/environment/water/water-nitrates/index_en.html

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