

DEVELOPMENT POLICY MONITORING ISSUES – REGIONAL AND LOCAL EXPERIENCES IN RIGA REGION

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Abstract

Elaboration and use of development policy monitoring instruments promotes applicable and effective policy implementation and decision making, which is based on regular and systematic verification of resources, actions and results. On different policy development levels exists varied approach of defining specific aims and use of policy monitoring measures. Since activation of development monitoring issues in Latvia, some institutions have gained experience in elaboration of monitoring systems among them Riga region and its local municipalities practise various approaches using policy monitoring instruments.

Specific study analyzes theoretical aspects of different development monitoring approaches and factors that impact its quality. Monitoring performance evaluation is based mostly on territory development comparative analysis using the methods of statistical analysis by assessing territory development indicators. Practical examples explain experiences of development tendencies and policy evaluation as well as impact on further decision making and policy implementation. Analyze of development planning system laws and regulations explain legal basis impact on processes in the field of development policy elaboration, implementation and monitoring.

Development monitoring and its role and effectiveness evaluation, and further monitoring system optimization analysis is an objective of this article. On different policy development levels exists varied approach on elaboration, implementation and monitoring of specific policy. This study analyzes the matter contextually on state, regional and local levels.

Observations indicate link between development priorities and budget planning is a principally essential precondition for implementation of development policies. Different development monitoring approaches are determined by aim of the specific policy. Development evaluation mostly express as monitoring of general development processes, connected to specific aims or policies. Overall approach of development policy monitoring mostly is oriented on evaluation of planning documents. Riga region development monitoring practice is considered as successful, till now and within nearest future region's development monitoring realization based on statistics, thematic studies, efficiency analysis and functional monitoring is expected.

Further research would be focused on new approaches on elaborating development monitoring instruments for suitability of use for specific aims on different policy development levels. Regional development monitoring system improvements would be connected with elaboration of operational indicators structure and the creation of flexible thematic indicators system. Permanently on the agenda of Riga region are monitoring themes such as public sector efficiency, the society's economic activity, social activity, population needs and movement. Specific thematic research is needed for solving challenges of environmental quality, human settlements and infrastructure planning, public transport, school network planning and other issues.

Keywords: Development policy, administrative levels, implementation, evaluation, monitoring.

Introduction

In Latvia for more than 15 years exists defined regional development policy as a national responsibility. It marks primary development goals and objectives of the country and part of its territory. Regional policy until 2004 was closely linked to accession process to the European Union (EU) and dealt with cohesion issues. After joining the EU regional policy remained tasks of the internal areas development difference equalization, but in practice mainly focuses on the EU's financial support of regional development funds.

Throughout the period, regional policy was dual - the existence of the stated objectives, while its implementation means were weak and funding support has been directed towards the medium term or even operational priorities, without contributing of realistic regional policy objectives.

In relation to EU accession in Latvia planning regions were established. It was intended that the regions as territorial organisation structures will play an essential role in implementation of regional policy. However, its administrative and functional capacity was not strengthened. Regions tasks mostly connected to a coordinating role in the planning process (between national and local levels). Since 2008 clearly marks a new addition to the region responsibility for spatial planning process, to a large extent taking over the monitoring of local municipalities development planning. Consequently, it naturally became necessary to monitor the development process; the regions become the major agents of national territories development monitoring. Wherewith, the need arose to build a development monitoring system.

In Latvian case, this meant establishing of planning regions development monitoring to assess changes in processes,

at the same time - without the administrative and financial instruments to allow changes affect directly.

During monitoring elaboration process communicative, consultation procedure based monitoring practice was established.

The aim of this research is to study development monitoring and its role and effectiveness evaluation in Riga region and propose further monitoring system optimization options.

Main objectives:

- analyze legal basis in the field of development planning in the context of theoretical aspects of policy monitoring and evaluation;
- study development monitoring approaches and aims in different administrative levels, as well as factors that impact its quality;
- define monitoring themes and options for further research and recommend possible regional development monitoring system improvements.

In general in Latvia monitoring activities are in initiatory stage and this study includes novelty in terms of analyzing policy monitoring experiences on all administrative levels.

Methods

Latvian and Riga Region Development Monitoring is analyzed contextually, as a policy and its implementation practices from the management point of view when evaluating the decision making and consultation process results. Monitoring performance evaluation is based mostly on territory development comparative analysis using the methods of statistical analysis by assessing territory development indicators change dynamics during 5-10 years period.

Development policy monitoring and evaluation

Regional development monitoring exists on very different forms, depending on each country's legal and functional organization and policy implementation mechanism (Cziraky, Sambt, Rován, Puljiz 2006, Nared, Ravbar 2003, Khan 2001, Spencer, Gomez C. 2004, Toward country-led development: a multi-partner evaluation of the CDF, 2003). Monitoring on its complete procedure includes fixing of changes, evaluation, decision making and its implementation control.

At the same time, today exist the broadest spectrum of the various thematic or challenge analyses monitoring systems oriented towards sustainable development, population mobility, environmental impact, business, competitiveness etc. evaluation (Dowell 1987, Gudmunsson 2003, Leeuw 2003, Mott 2004, Boronenko 2006).

In monitoring design and implementation the key is monitoring aim. But its type (form) is determined by social context, political and economical practices determine development policy.

Today studies main attention concentrate on monitoring indicators, mostly within thematic monitoring.

Determination and choice of development indicators are important issues for development of already successfully existing monitoring systems. Many attempts exist to create operational and representative indicators, which help to identify causal of processes and applicable indicators for changing circumstances, as well as the indicators, which could be used for different aims, including quantitative

methods of calculation (Measuring outputs and outcomes in IDA countries, 2002, Locāne, Vanags 2002, Krastiņš, Vanags, Locāne 2008, Krastiņš, Locāne 2009).

The case of Latvia – legal basis, policy implementation and monitoring aims in different administrative levels

On different policy development levels exists varied approach on elaboration, implementation and monitoring of specific policy. In case of Latvia, policy monitoring activity with different success express on state, regional and local levels. Development planning system laws and regulations prescribe necessity of monitoring and evaluation of development policies on all administrative levels. Policy monitoring approach is determined by aim of specific policy on each administrative level.

On state level main national policies are elaborated by The State Chancellery and branch ministries. The State Chancellery is a central public administration institution directly subordinated to the Prime Minister with function to coordinate planning and implementation of the national policy. Institution in cooperation with branch ministries presents proposals on priorities for national development. In the field of policy monitoring The State Chancellery perform functional monitoring – ensure branch policy analysis, strategic planning and preparation of proposals for medium and long term state development; coordinate and control enforcement of the decisions adopted by the Cabinet of Ministers and the Prime Minister (Law on Structure of the Public Administration, 2002).

The Ministry of Environmental Protection and Regional Development (former Ministry of Regional Development and Local Government) is the leading institution for the development and implementation of state regional policy, as well as the coordination of implementation of the state support measures for regional development. Cabinet of Ministers provides operation of development planning system and its monitoring among them elaboration, implementation monitoring and coordination of state level development planning documents Sustainable Development Strategy of Latvia and National Development Plan (Law of Development Planning System, 2008).

Sustainable Development Strategy of Latvia until 2030 (Latvia 2030) is the first united long term development vision of the state. Strategy updates and expands the main idea of the conceptual document – „Model for long term Growth of Latvia: Human Being in the First Place” approved by the Saeima of the Republic of Latvia on October 2005. Latvia 2030 includes implementation monitoring mechanisms, based mostly on evaluation of specific indicators linked to Strategy priorities (Sustainable Development Strategy of Latvia, 2010). Recently elaborated project (15.03.2011.) of action plan for implementation and monitoring of Latvia 2030 prescribe mostly monitoring procedures, but not essential problem – implementation of the document.

Formally the main instrument for implementation of Strategy of the state is National Development Plan, which determines the priorities for the development of sectors and territories in medium term or in time period up to seven years (Latvian National Development Plan, 2006). In practice Latvian National Development Plan lack of its

own implementation instruments and document implements via different sectoral development policies and territorial development documents (regions and local municipalities), also by planning investment programmes of the state and local governments and financial instruments of EU policies.

The implementation of Latvia 2030 and National Development Plan within existing development planning system and indefinite support measures is a challenge in the immediate future. The present development planning system is poorly connected with the budget planning, as well as medium term and long term assessment of fiscal effect of action policy is not practiced. Sectoral planning and operational character of state administration, insufficient succession and determination in adoption of decisions are main obstacles in implementation of development documents.

Within existing development planning system regions role mostly express as coordination and transition from state to local level. Planning regions within the scope of their competence shall ensure the planning and coordination of regional development, and cooperation between local government and other State administrative institutions (Regional development Law, 2002).

Laws and regulations prescribe procedures and order how to perform territory development planning documents implementation monitoring in regional and local level. It mostly concern to development programmes – medium term policy planning document, which sets out the development priorities of the relevant territory and contains a set of specific measures. Order prescribes periodicity of monitoring measures and form. Regular monitoring report is defined as a monitoring form within understanding of laws and regulations.

The Ministry of Regional Development and Local Government (at present Ministry of Environmental Protection and Regional Development) has worked out unified methodology for elaboration of development programmes for regional and local level. Methodology has permissive status and it includes recommendations on process of elaboration and structure of development documents as well as implementation and monitoring order (Methodological recommendations on elaboration of development programmes on regional and local level, 2010). Methodology explains aims and tasks of the specific monitoring system – elaboration of framework, which provides possibility to evaluate progress of territory development and achieved goals during implementation of the development programme.

This approach ensures monitoring of general development processes of specific territory and *monitoring of specific policy aims*.

As concerns to monitoring of spatial plans, there is no concrete indicators how to evaluate documents implementation, it express as conformity between regional and local level spatial plans. Planning region evaluate and provide opinions regarding the mutual coordination of regional and local level development planning documents and the conformity thereof to the requirements of regulatory enactments (Regional development Law, 2002).

Main problems concerning implementation of development policy is due to insufficient support measures and implementation instruments. In connection with policy monitoring one of the main obstacles is availability of necessary data. State statistical institutions increasingly decrease amount

of accessible data for development planning needs, especially in local level (Cabinet of Ministers rules Nr.1115, 2010), what is essential for monitoring of development processes and implementation of specific policies. For planning of local municipalities even more detailed statistical units are necessary – due to results of administrative reform in year 2009, noticeable number of large scale local municipalities has been established. Considering fact that process of elaboration of new development programmes for the next planning period (2014-2020) has been started, this problem needs immediate solution. This challenge is in the competence of state level, local initiatives by creating smaller statistical units for specific aims should be encouraged, but this is not an overall solution for problems of data availability.

During past five years appropriate monitoring system with data analysis component for use on all administrative levels (state, regional, local) being developed, but unfortunately elaboration still has not been completed. Currently continues work on elaboration of new system with complex solutions – Territory development planning information system (TAPIS – in Latvian). The question of how this system will be compatible with an existing monitoring systems and will it provide with necessary data on smaller territorial subdivisions than in existing statistics (local municipality level) is significant.

Regional and local experiences in Riga region

Riga Planning Region is regional authority, which performs functions in accordance with Regional development Law, among them ensure local government cooperation and the cooperation of the planning region with national level institutions for the implementation of regional development support measures. Within the law, development questions are not clearly defined and express as implementation monitoring of planning documents – development programme and spatial plan. There are interpretations of understandings about monitoring concept on different administrative levels and institutions wherewith regional and local experiences reveal different approaches on development policy monitoring.

Riga region practices development monitoring for almost five years - since 2007. Aim of Riga region monitoring is to provide informational and analytical basis for the implementation of regional planning documents and to ensure planning continuity (*Figure 1*). Main tasks of regions development monitoring (Determination of Riga Planning Region development evaluation indicators and result indices in accordance with regional planning documents, 2007):

- regularly and systematically collect, compile and analyze quantitative and qualitative information on the demographic, social, economic situation and development tendencies in region territories;
- identify positive and negative changes and causes of social, economic and spatial situation in the region and its local municipalities;
- regularly and systematically evaluate region planning documents implementation progress and results;
- provide this information publicly available, in order to promote a unified and comprehensive awareness of the region development.

Studies have shown that Riga region development monitoring aims and components are as follows:

- region's development monitoring – *observation* (based

- on statistics and thematic research);
- planning documents implementation monitoring – *efficiency analysis* (based on evaluation indicators and result indices);
- region’s functions implementation assessment – *functional monitoring* (based on work plan reports and result indices).

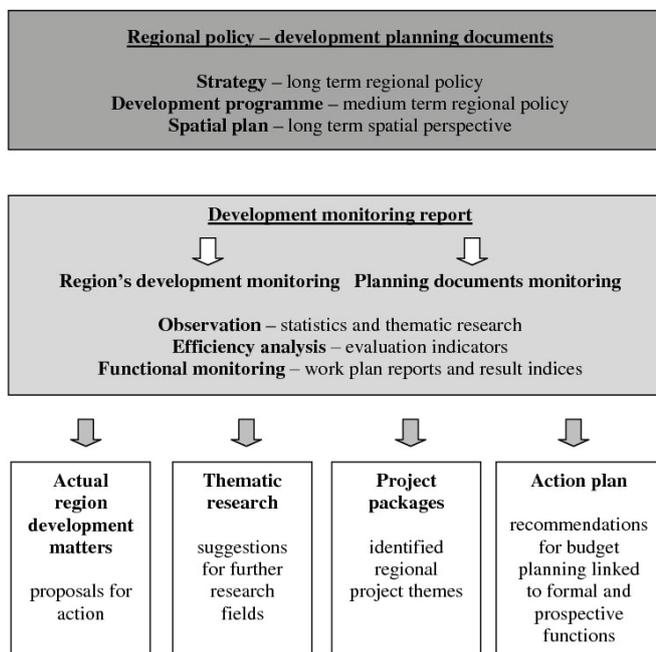


Figure 1. Development monitoring framework in Riga region

Currently, development monitoring form is an annual monitoring report. As territory development monitoring form it achieved appreciation also on national level – this approach was implemented in ministry’s methodology for elaboration of development programmes for regional and local level. Additional element of Riga region’s monitoring is annual thematic studies relating to current development challenges in the region. Three monitoring reports have been elaborated till now and each focuses on specific actual development issues. As example, last of them focuses on the Riga planning region’s economic profile development, coastal development issues and public transport analysis (Riga Planning Region Development Monitoring Report, 2010).

Every monitoring report includes action plan for the next year, based on analyzed experience and development needs of previous years. The action plan also contains measures for 3 years budget planning period and is linked to region’s formal functions. Also prospective functions are identified, which could be transferred to the region and is logical accordingly to region’s planning and coordination role. Action plan should be linked with decision making and budget planning, but due to uncertain region’s role and insufficient policy implementation instruments currently it has advisory character. Economical crisis is the right time for evaluation on how reasonable budget is created and how long term priorities are considered. Such situation usually leads to critical evaluation of the decisions taken in previous years, and to make appropriate conclusions (Jakobsons, 2009).

Riga region existing monitoring approach could be defined

as consultative monitoring with optional character.

In Riga region local municipalities development policy monitoring mostly express as monitoring of specific policy aims – evaluation of implementation of development planning documents. Riga city municipality experience presently is most advanced within regions other municipalities.

Monitoring approach is oriented on municipality’s development policy efficiency analysis. To provide successful monitoring of Riga city development policy Strategy Monitoring System has been established. System includes monitoring and evaluation of two development planning documents: Riga Development Strategy until 2025 and Riga Development Programme 2006 – 2012 (Strategy Monitoring System, 2011). Monitoring promotes implementation of strategic planning documents by attaching it importance and provides with options to examine and evaluate how city advance in reaching strategic aims.

Within Riga city monitoring system, regularly and systematically necessary data and information are collected and aggregated (Figure 2). Quantitative and qualitative information is analyzed on the situation in the city. Such approach is a precondition for a successful, results-oriented development evaluation at both regional and local level (Uusikyla, 2008).

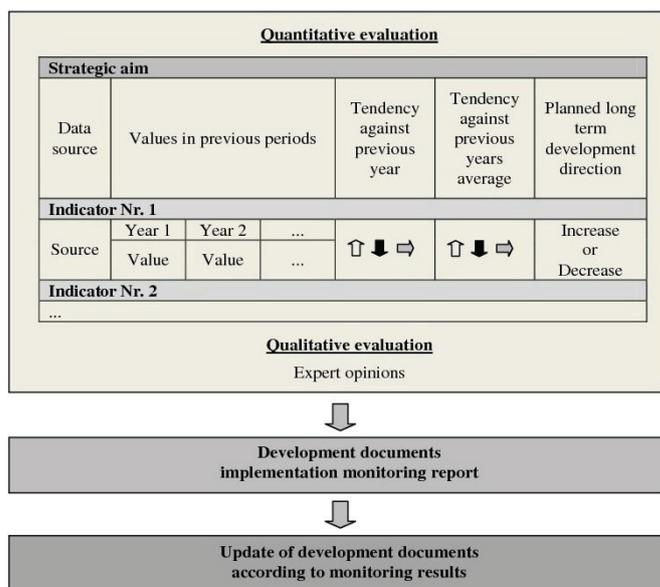


Figure 2. Riga city example – Strategy Monitoring System (www.sus.lv)

Monitoring system functions are to evaluate and monitor the strategic aims and objectives and to prepare regular monitoring reports on the implementation of the strategy (progress and effectiveness analysis).

Strategy Monitoring System includes database that offers essential contribution to work optimization on regular data collection, maintenance and interpretation. It helps on operative analyze and presentation of actual information about socioeconomic processes in Riga city.

Riga city approach solves problems connected with data availability on smaller territorial subdivisions (“apkaimes” – in Latvian). Subdivisions explain the concept of neighbourhood as a suitable size for the home environment, which have own maintenance, identity and character arising out of the building

type, the physical boundaries of the landscape and population sense of community (Project *Apkaimes*, 2011). This solution helps on systematic monitoring of city internal processes and on further decision making of development of specific territory.

Other Riga region's local municipalities except those who have approved new development planning documents (Sigulda, Ogre) are in a relatively early stage of elaboration and use of development planning monitoring mechanisms. Overall approach of development policy monitoring is oriented on evaluation of planning documents as indicated in ministry's methodology for elaboration of development programmes.

Monitoring themes and options

With existent region's role in governance and regional policy development and implementation in practice, further development should be advanced by strengthening its thematic component. At present, availability of statistical information that would enable to analyze development processes of the region is limited, both from operational and also from the area / place attraction perspective. This can be compensated by the annual thematic research at the current development process, issues to be addressed and the decision making purposes. Permanently on the agenda are issues such as public sector efficiency, the society's economic activity (living and creating areas, business directions and structure), social activity, population needs and movement. Periodically arise challenges of environmental quality, human settlements and infrastructure planning, public transport, school network planning and other necessary solutions and specific thematic research is needed.

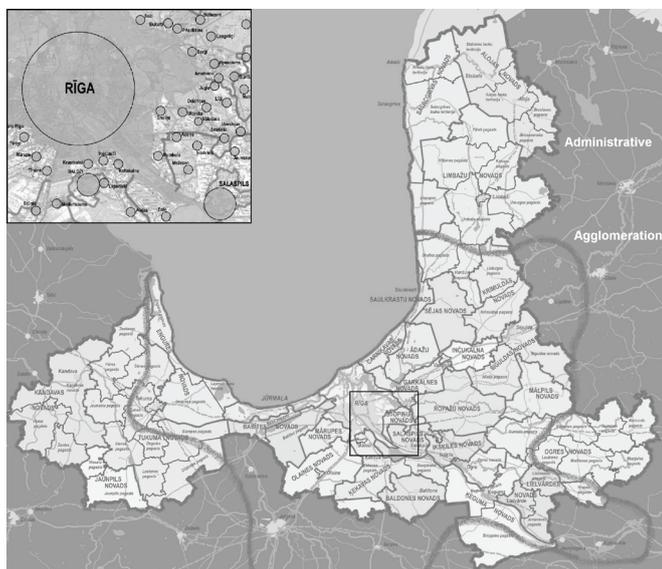


Figure 3. Riga planning region – administrative territory, Riga agglomeration and proposition for territorial data system (statistical units)

With administrative territorial reform in 2009 and merging of local municipalities, has reduced the information available on smaller geographical units. Since 2009 clearly marked the need to create extra regional statistical territories network, to match population placement, movement of people and

economic activity spatial structure. In Riga region is being developed proposition for territorial data system (statistical units), which should be created also in whole country (Figure 3). One of the challenges is to create simply manageable and operational network of territorial units, which would allow maintaining necessary data for constant monitoring and planning (population and age group distribution, the changes in employment and the breakdown of the number).

Riga region's monitoring system as a whole and especially the spatial structure establishment should be much more purposeful if it covers an area of Riga functional region. Monitoring development should therefore be integrated and coordinated between several Latvian regions. This provides an important complement Riga as metropolis and Latvian city planning and polycentric development policy implementation processes.

Conclusions

In Latvian case the monitoring systems still are in developing process. Coinciding with elaboration of new regional policy, territorial administration reform, remained unclear regional administrative role, Riga region development monitoring practice is considered as successful, or as one of the best possible. Till now and within nearest future region's development monitoring realization based on statistics, thematic studies, efficiency analysis and functional monitoring are expected. It is integrated into the consultation process by cooperation with local governments, public authorities and result in an annual monitoring report, which includes the provision of guidelines for development planning, coordinate cross territorial activities and support decision making process on local and national levels. Consultative type of monitoring allows saving flexible decision making and implementation of monitoring practices in a rapidly changing economic and policy conditions.

Functional and full-cycle monitoring system in the region are essential preconditions necessary for performance of regional and local government functions, to uptake financial resources and promote effective decision making at the same time. This would allow monitoring to serve as an effective planning tool. Link between development priorities and budget planning is a principally essential precondition for implementation of development policies on all administrative levels.

Further research issues of regional development monitoring system improvement are connected with elaboration of operational indicators structure (including territorial) and the creation of flexible thematic indicators system, which enables effective, targeted research.

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