

Evaluation Activities 2007-13

Evaluation Perspectives 2014-2020

Mid Term Evaluation of the Cyprus R.D.P. 2007-2013

Conclusions, Problems and Lessons learned for measures 121,123

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The Mid-Term Evaluation of the RDP 2007-13

Scope of the work undertaken

- A key milestone in the ongoing evaluation of Rural Development Programmes (RDPs) for 2007-2013
- Article 86 of Council Regulation 1698/2005
- Limitation: Although it is prepared at the mid point, with regard to the time frame of the programming period, the experience shows that programmes are still at an early stage of implementation
- Funds Utilisation: 26% (92% in only three measures)
- Budget Activation : 72%

Phase 1: Structuring

Strategy ↔ Measure ↔ Intervention Logic

- Understand the Strategic background of policy making in achieving the goals of National policies while adhering to the strategic guidelines set for agricultural development within the EU
- Review the Conclusion of previous evaluations
- Understanding the external environment and the forces exerting pressure on the current agricultural industry and the socio-economic character of the rural areas
- Select appropriate methodologies and tools for answering the question of CMEF
- Identify sources for data collection

Phases 2&3: Observation and Analysis

- Bibliographical reviews
- Statistical Reports (Agriculture, Industrial and Macroeconomic)
- Data extracted from the application forms and analysed accordingly (using filters where needed)
- Personal Interviews, group meetings with key actors
- Workshops
- Extended analysis of randomly selected sample of application forms (M121 and M123)
- Modelling techniques to cover lack of required data
- Field work (surveys) for primary data collection

Field work tools

M1.5.1, M1.6, M2.1, M2.3 = 94% of funds paid

M1.5.1 (121) Modernisation of agricultural holdings

- Survey using personalised interviews of M1.5.1 based on completed investment projects of relevant M1.1.1.B paid through RDP 2007-13
- Sample of 75 beneficiaries representing 4.3% in terms of numbers and 13.2% in terms of funds

M1.6 (123) Adding value to agricultural and forestry products

- Survey using web based questionnaire of M1.6 using data from **completed** investment projects of relevant M1.2 paid through RDP 2004-06
- Sample of 25 beneficiaries representing approximately 25% in terms of both numbers and funds



AXIS 1

Support the competitiveness of agricultural products with a comparative advantage

Meeting the strategic objectives

Support the competitiveness of agricultural products with a comparative advantage

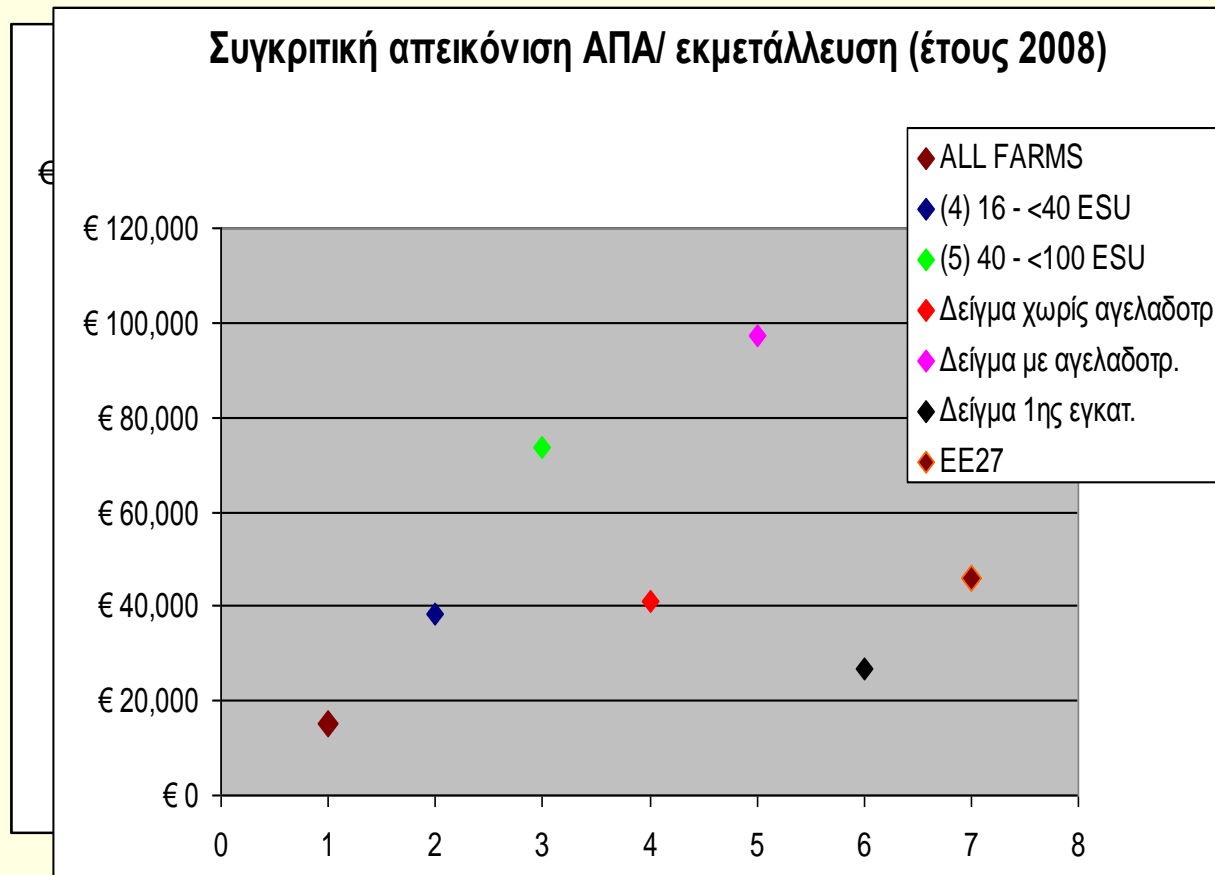
↑SO1: Improving the competitiveness of the Agricultural Sector

- **Funds targeted at younger farmers and agricultural enterprises but widening the «size of holdings gap»**
- 18% of the beneficiaries take up 61% of the funds (M1.1.1)
- 15% of the beneficiaries take up 63% of the funds (M1.5.1)
- 76% are farmers by profession (91% in M1.5.1) – in terms of funds flow
- 151 young farmers with av. €149,000 each investment plans
- 65-70% of the funds are forwarded to enterprises and farmers less than 50 years old
- 5% of holdings declare 50% of the agricultural land
- Focus on sectors of comparative advantage not explicitly achieved – strategically not defined.

Meeting the strategic objectives

Support the competitiveness of agricultural products with a comparative advantage

- Positive Competitiveness indicators in supported holdings



Sources:
Points 1,2,3,7 FADN /
Points 4,5,6 Survey

Meeting the strategic objectives

Support the competitiveness of agricultural products with
a comparative advantage

Limitations in drawing safe conclusions

- Non-availability of **BASELINE** (economic position prior to investing) in the applicants' files
- Unwillingness of beneficiaries to provide economic data
- Lack of adequate and publicly available economic data at micro and macro level
- Mostly qualitative conclusions

Broad Conclusion:

Within the current programming period over 50% of the overall anticipated investments of Axis 1 (€250mln) are to be implemented by more than 2,400 beneficiaries (output indicator > 1). Although, provisional data suggest that supported holdings of 'above average size' have improved their economic performance, the overall negative macro-indicators, lead to the conclusion that the measure has to a certain extent achieved to support the medium term competitiveness of the agricultural sector.

Meeting the strategic objectives

Support the competitiveness of agricultural products with a comparative advantage

↑ S.O.2: Improvement in methods of processing preservation, storage and transport

- **Broad performance indicators confirm improvements in competitiveness**
- Sales/ employee growth at 9% Vs 23% control group
GVA/employee growth by 67% Vs 16% control group
- Overall sales growth 199% Vs 16% control group
- Job creation growth by 178% Vs 6% control group
- €1 in subsidy led to a +Δ of €0,76 - €1,02 in GVA
- Aggressive marketing policies / market leaders
- 73% of respondents declared a 100% +Δ in exports
- Significant infrastructure improvements on food safety issues (50% of overall investment programs)

Quantitative approach

- For the investments impacts assessment, several data from the Annual Survey for Manufacturing in Cyprus were taken into consideration, such as number of active units, employment, total revenues, gross value added, gross and net profitability, and gross and net fixed capital investments.
- Pair-wise linear correlation test was applied to all of the variables with gross and net fixed capital investments.

Quantitative approach

- The method, and the consecutive tests, were applied to each one of the following manufacturing subsectors individually: i) meat and poultry products, ii) fruit and vegetables, iii) vegetable and animal oils and fats, iv) dairy products, v) grain mill products, starches and starch products, vi) prepared animal feeds, vii) other food products.

Quantitative approach

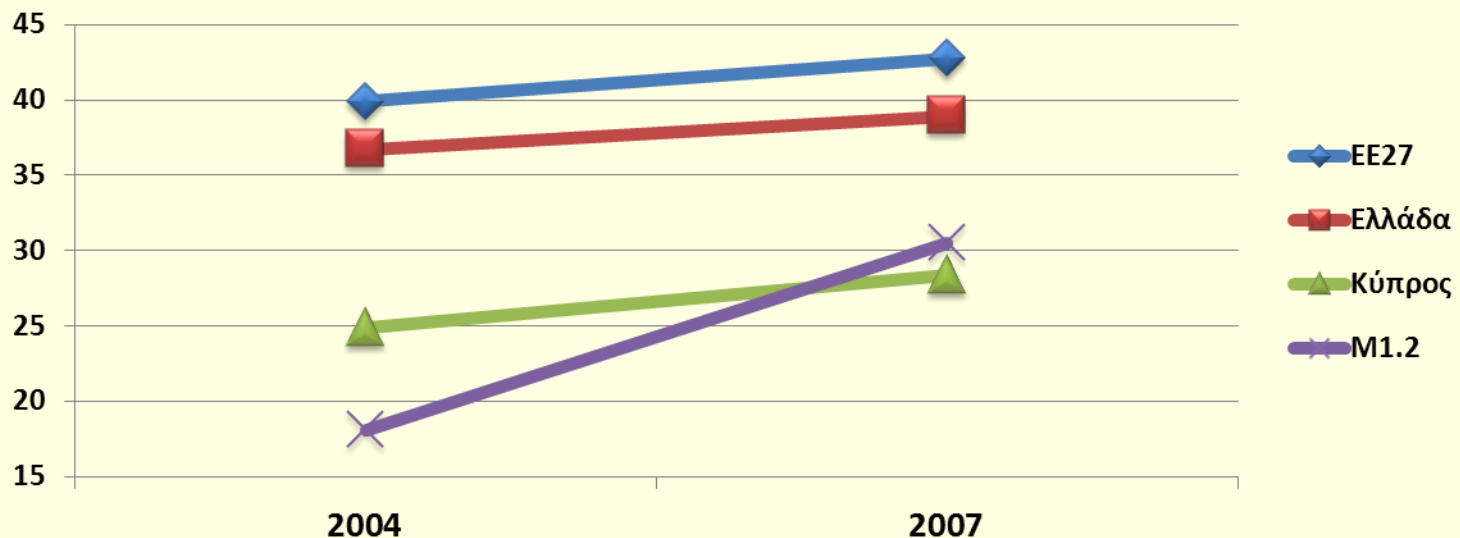
- Best fitting linear functions were extracted by the previously mentioned data and Fixed Capital Investments elasticities were calculated, in order to estimate the future impact of the investments made under the Schemes extending the trend-lines to the following years.

Meeting the strategic objectives

Support the competitiveness of agricultural products with a comparative advantage

Broad performance indicators confirm improvements in competitiveness

Παραγωγικότητα εργασίας €χιλ ΑΠΑ/ απασχολούμενο



Meeting the strategic objectives

Support the competitiveness of agricultural products with a comparative advantage

Improvement in methods of processing preservation, storage and transport

Impact estimates for current programming period

- 996 new jobs
- GVA growth by €29,88 -35mln
- GVA growth per employee €30,000
- GVA growth per enterprise €86,000
- Sales growth by €199,2mln
- Output indicator 0.25 on signed contracts / likely to approach 1 upon period completion

Meeting the strategic objectives

Support the competitiveness of agricultural products with a comparative advantage



Investment in Human Resources

- M1.1, M1.4..... Ø
- M1.2 151 young farmers of aver. Age 31M/34F
- Increase by 27% of farmers <35 years old
- + 277 Units of Agricultural Employment, accounting for 1.2% of total



Promotion of quality products

- Low interest, evaluation comments not possible as no payments had been made
- The measure is not suitable for the wider agricultural sector



Introduction of innovative methods, techniques and products

- Low indication using current policies
- 1% on Measure 1.5.1
- 4-6% on Measure 1.6

Axis 1: Recommendations & Proposals

- Restructuring of M1.5.1 application forms to present the economic position at y0
- Develop a mechanism to watch the main economic indicators in supported holdings
- Compulsory submission of audited accounts in investment proposals that exceed €200,000
- Full project appraisal report and more detailed business plan in investment proposals that exceed €200,000
- Category C to fund investment projects > €XXX

Axis 1: Recommendations & Proposals

Develop a more balanced approach with regard to the specific objectives:

- Set up a measure on innovation
- Restructure the measure on promotion by customising it to local conditions
- Evaluate & propose reforms in the training system to maximise the benefits of the available funds
- Evaluate the role of P.O.s and the likely drawbacks of their current operations

Diffusion

- The results of the case study were presented by the Managing Authority and the external evaluator at a workshop organised in collaboration with the Cyprus Rural Evaluation Network on 29/11/2010.
- The workshop's attendance was 63 persons, most of them being members of the Rural Network, as well as economic stakeholders.