



Ex-post evaluation of Rural Development Programmes 2000-2006

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Preface

This study was undertaken over a period of ten months in the context of the Tender N° AGRI-2010-EVAL-09 with the objective to conduct an ex-post evaluation of the 2000-2006 rural development programmes.

The evaluation has been commissioned by DG AGRI and executed by a team of experts from Kantor Management Consultants in association with IfLS. A group of renowned international experts took part in the expert panel that was set up for the purposes of quality control and expert validation and input into the various stages of the evaluation. The following experts participated in the expert panel: Mrs Veronique Weyland Ammeaux, Mrs Elena Saraceno, Mr Xenofon Lourantos, Mr John Morley, Prof. Dr. Dimitris Psaltopoulos (Head of the Department Department of Economics, University of Patras), Mr Tim Hudson.

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The Project Team wants to acknowledge the contributions that both the Steering Group and the expert panel have made to the study in reacting to discussion notes and interim and draft final reports. However, the responsibility for the final report and the reporting on the case studies remains fully with Kantor Management Consultants.

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Glossary

AER	Areas with Environmental Restrictions
AES	Agri-environment Scheme
AWU	Agricultural Work Unit
CA	Compensatory Allowances
CEQ	Common Evaluation Question(s)
EAGGF	European Agricultural Guidance and Guarantee Fund
EC	European Community
EQ	Evaluation Question(s)
ESU	Economic Size Unit
FADN	Farm Accountancy Data Network
FFH	Flora Fauna and Habitats
FFI	Farming Income
FTE	Full Time Equivalent
GEM	General Equilibrium Model
GIS	Geographical Information System
GVA	Gross Value Added
ICT	Information and Communications Technologies
IO	Input-Output method
LAG	Local Action Group
LFA	Less Favoured Areas
LU	Labour Unit
MA	Managing Authority
MAPP	Method for Impact Assessment of Programmes and Projects
MC	Monitoring Committee
MS	Member State
MTE	Mid-term evaluation
NMS	New Member State
NGO	Non-Governmental Organisation
PDRN/NRDP	National Rural Development Programme (France)
RDP	Rural Development Programme
SPD (DOCUP)	Single Programming Document (DOCUP in French)
TRDI	Transitional Rural Development Instrument
UAA	Utilised Agricultural Area
USLE	Universal Soil Loss Equation
FIFG	Financial Instrument for Fisheries Guidance
TFC	Territorial Farming Contract

Country codes¹

AT	Austria
BE	Belgium
BE/W	Belgium Wallonia
BE/F	Belgium Flanders
CY	Cyprus

¹ According to the European Commission Eurostat definition
(http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Glossary:Country_codes)



CZ	Czech Republic
DE	Germany
DK	Denmark
EE	Estonia
EL	Greece
ES	Spain
FI	Finland
FR	France
HU	Hungary
IE	Ireland
IT	Italy
LT	Lithuania
LV	Latvia
LU	Luxembourg
MT	Malta
NL	Netherlands
PL	Poland
PT	Portugal
SE	Sweden
SI	Slovenia
SK	Slovakia
UK	United Kingdom

1. Introduction

1.1 The objectives of rural development policy 2000 – 2006

1.1.1 Background

Rural development policy plays an important role in the development of EU regions, with more than 80% of EU territory being rural and home to over 25% of the EU population. The objectives of rural development have evolved over time to meet the changing needs of rural areas. These needs have been determined by socio-economic and environmental developments such as: population movements; changes in the availability and quality of production factors; income differentials between EU rural areas; consumer demand and citizens' expectations regarding public goods, as well as increased concern about environmental factors and climate change linked to the sustainable development of rural areas. The principal instrument in the delivery of rural policy has been the Common Agricultural Policy (CAP) and this too has evolved to reflect these changes, moving from its initial focus on food security, in a time of shortages, to competitiveness, consumer and environmental priorities and wider rural development.

There has been a progressive shift in rural development policy from one which was primarily sectoral, i.e. focused on agriculture and its structural adjustment to a wider perspective, recognising the wider effects, roles and interactions of land management upon the rural environment, society and economy. The first territorial element, the designation of less favoured areas eligible for specific support targeting the sustainability of rural areas arose in the early 1970s. The need for a broader rural development policy was first, formally, recognised by the European Union in its 1988 communication 'The future of rural society'. This recognised the diversity of Europe's rural areas by identifying three key problems affecting them, namely: pressures from modern development on peri-urban areas in the centre-north of the Community and many coastal areas; rural decline, particularly in outlying Mediterranean parts of the Community; and rural decline, depopulation and land abandonment in marginalised or peripheral areas (located furthest from the mainstream of Community life and with accessibility difficulties, such as certain mountain areas and islands). This communication proposed appropriate differentiated solutions to these problems.

The Structural Fund programmes in the 1990s were supported by three funds, the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Agricultural Guidance and Guarantee Fund (EAGGF) and where relevant the Financial Instrument for Fisheries Guidance (FIFG, established in 1999). The Structural Fund programming period 1991 to 1994 saw the creation of LEADER, the Community Initiative for Rural Development. The CAP reform of 1992 brought in three Guarantee funded Accompanying Measures, agri-environment, early retirement and support for the afforestation of agricultural land, to add to the existing support for the Less Favoured Areas.

1.1.2 Agenda 2000

Rural development policy has evolved as part of the development of the CAP, from a policy dealing with structural problems of the farm sector, to a policy addressing the multiple roles of farming in society, particularly challenges faced in the wider rural context. The policy framework has been through several stages of reform.

One of the most significant changes was introduced as part of what is known as 'Agenda 2000' (Berlin, March 1999) which established rural development policy as the 2nd pillar of the CAP. The 1st pillar of the CAP concentrates on providing basic income support to farmers, who are free to produce in response to

market demand, whilst the 2nd pillar supports agriculture as a provider of public goods, in its environmental and rural functions and rural areas in their development.

The Agenda 2000 CAP Reform recognised that the viability of rural areas could not depend on agriculture alone, even though agriculture plays an important role in rural economic activity and protecting the environment. The Common Agricultural Policy should therefore address rural development, in its broader sense, through a comprehensive rural development policy which recognises the multifunctional nature of agriculture and promotes measures to support the broader rural economy.

Agenda 2000 also set the framework for the accession of the EU10 (originally 6) in 2004 including setting out the provisions for the Special Accession Programme for Agriculture and Rural Development (SAPARD).

1.1.3 The 2000 -2006 Rural Development Policy

The Agenda 2000 reform therefore imposed a considerable revision of rural development policy and its incorporation into a single legal framework. Council Regulation (EC) No. 1257/1999² formed the legal basis of the second pillar of the CAP. According to this Regulation, rural development policy for the 2000-2006 period was aimed at:

1. Contributing to the achievement of the CAP objectives;
2. Contributing to economic and social cohesion;
3. Integrating environmental protection requirements, in particular with a view to promoting sustainable development;
4. Restoring and enhancing the competitiveness of rural areas and thereby contributing to employment maintenance and creation.

These objectives were targeted through a menu of 22 measures that Member States could choose from in order to address the needs of their rural areas. These were divided between the 4 CAP accompanying measures and 16 other measures and grouped into 9 chapters. Each measure and group of measures (chapter) had specific objectives, in order to achieve the overall rural development policy objectives.

The measures covered three main areas³:

- Restructuring/competitiveness (representing 38% of the programmed EAGGF expenditure);
- Environment/land management (representing more than half of the programmed EAGGF expenditure);
- Rural economy/rural communities (representing just 10% of the programmed EAGGF expenditure) focused on quality of life and diversification in the farm sectors and other rural actors.

The third of these areas included a package of 14 measures grouped under Chapter IX⁴ markedly strengthening the wider rural development component of the policy. The new rural development policy was further strengthened in 2003 by providing new elements of support, primarily aimed at helping farmers respond to new challenges, these included: addressing growing public concern in relation to

² European Council (1999): Council Regulation (EC) No. 1257/1999 on the support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) of 17 May 1999 (http://www.ndp.ie/documents/publications/reg_cir/CR12571999.pdf)

³ These groupings were proposed in the 2003 Fact Sheet "Overview of the implementation of rural development policy 2000-2006" as well as in the 2004 "Impact Assessment of rural development programmes in view of post 2006 rural development policy" of DG AGRI.

⁴ Under Article 33 of the Council Regulation (EC) 1257/1999, support shall be granted for measures, relating to farming activities and their conversion and to rural activities, which do not fall within the scope of any other measure.

quality standards; promoting animal welfare; reviving rural areas through increased support for young farmers (increased setting up aid when the young farmer uses farm advisory services when setting up and higher aid intensity in less favoured areas); responding to ever increasing environmental concerns; and placing special emphasis on rural areas with specific environmental restrictions (such as requirements resulting from the Birds and Habitats Directives (Natura 2000)). The latter change incorporated the possibility of higher aid levels in justified cases. Therefore the CAP 2003 reform strengthened the second Pillar by adding another 4 measures which brought the total number of measures to 26. It also introduced additional funding for rural development through the 'modulation' of a proportion of First Pillar support to the Second Pillar.

With the EU enlargement in 2004, another 7 measures were added specifically to cover the needs of new Member States. These measures were available in the new Member States through the Transitional Rural Development Instrument (TRDI) for: income support for semi-subsistence farms; setting-up of producer groups; provision of extension and advisory services; support for meeting EU standards (as for existing Member States but with an additional derogation for new Member States to finance investments); technical assistance; topping-up direct payments and LEADER+ type activities, in particular capacity building at local level. Therefore the total number of measures supported under the 2000–2006 Rural Development Programmes was brought up to 33, 31 of which are covered by this ex-post evaluation⁵.

Rural development programmes were drawn up at the territorial level deemed to be most appropriate (national or regional), they were prepared by competent authorities, designated by the Member State and submitted to the Commission. Four types of programmes were implemented in the 2000–2006 period using a territorial approach and shared management in implementation:

- a) 67 Rural development programmes (RDPs) co-financed by EAGGF-Guarantee. These programmes were implemented in the EU15 and included the four CAP accompanying measures (early retirement, less favoured areas, agri-environment and afforestation of agricultural land) plus the four new measures introduced through the 2003 CAP reform (implementing demanded standards, use of farm advisory services connected to meeting standards, farmers' voluntary participation in food quality schemes and producer group activities related to food quality). Outside Objective 1 regions, the remaining rural development measures could also be included in the RDPs. The only compulsory measure was agri-environment.
- b) Objective 2 Single Programming Documents (SPD/DOCUP): Member States had the option to integrate the "non-accompanying" rural development measures into the Objective 2 Structural Funds' programming documents. These measures were co-financed by EAGGF-Guarantee. Only France chose to apply this option and there were 20 French SPDs.
- c) 78 Objective 1 programmes (either SPDs or Operational Programmes) in Objective 1 regions throughout the EU25, integrating the non-accompanying rural development measures co-financed by EAGGF-Guidance.
- d) 10 Rural development programmes in the EU10 under the Transitional Rural Development Instrument (TRDI) and co-financed by EAGGF-Guarantee. These programmes could include, in addition to the accompanying measures and the 2003 CAP reform measures, transitional measures specifically foreseen in the Act of Accession (support for semi-subsistence farms undergoing restructuring; support for the establishment and operation of producer groups; the provision of agricultural advisory and extension services, support for meeting standards, Leader + type measures, complements to direct payments and technical assistance).

⁵ The "Leader+ type measures" have been included in a separate ongoing evaluation of Leader+ and "Complements to National Direct Payments" which constitute a transfer of resources from Pillar II to Pillar I of the CAP are covered by various Pillar I evaluations, including an ongoing evaluation of the income effects of direct payments.

The objective of this ex-post evaluation has been to analyse the Commission's rural development policy as financed by the EAGGF during the 2000-2006 programming period (with the exception of Leader+ and complements to direct payments). It has drawn conclusions on the relevance, coherence, effectiveness, efficiency and impact of the different measures and programmes. It has identified examples of good practice, provided a detailed analysis of the strengths and weaknesses of the 2000-2006 rural development framework and has developed recommendations for future policy design.

2. Intervention logic

2.1 The intervention logic of rural development policy in 2000-2006

The aim of the logic models drafted for rural development policy as a whole and for each of the chapters is to show the rationale of the policy programme. They do not attempt to capture the whole real-world environment, which always is far more complex, but rather seek to highlight the logical relationships between the main programme elements. This way, implicit theories about how the programme should work and which effects could be achieved (i.e. the programme theory behind them) are transparent.

However, it should be emphasised that all instruments used to present intervention logics - be it diagrams or matrices such as the logframe - often reduce complexity rather than achieve detailed description. In the case of rural development programmes which encompass numerous measures and cover all 25 EU Member States this reduction of complexity has to go even further: firstly, the models have to ignore national specificities; secondly, every Chapter includes different measures, each of which can trigger different chains of impacts. Obviously such complexity cannot be captured entirely in one diagram. The results and impacts to be included were selected so as to create a generic model providing a general picture that offers a useful heuristic method for the evaluation.

The following sections include a detailed analysis of the specific intervention logic structure, depicting rural development policy in 2000-2006, followed by examples illustrating the individual intervention logic for three of the biggest measures in budgetary⁶ terms, which were: investment in farms; agri-environment and animal welfare and improving the processing and marketing of agricultural products.

2.2 The intervention logic at programme level

The intervention logic developed has the format of an outcome (or effect) diagram including four outcome levels: results, impacts on the beneficiary, impacts on the agricultural sector in general and impacts on the rural society. To be able to attribute outcomes to different measures, each result is related to one or two chapters.

This clear focus on the outcome level, i.e. emphasising results and impacts (not outputs), has been chosen for several reasons: Firstly, the evaluation's focus is on the assessment of results and impacts. For this purpose, i.e. outcome and impact evaluations, it is very helpful to only depict the outcome level in order to reduce the model's complexity. Secondly, the intervention data in the present evaluation comes from the mid-term evaluation report which does not show each chapter's final output level.

Level of results: Many donor-funded programmes display a "classic" structure. This means that, when depicted in a vertical diagram all results would be across the bottom, with the immediate impacts being in the row (i.e. level) above and so on.

For rural development programmes the intervention logic shows a more complex structure. Results are not only found across the bottom of the diagram, but also at impact level (Chapter VIa, VII and IX). Such a structure has many advantages, because the programme does not depend on a "domino effect" and actively ensures that higher level impacts are really achieved.

⁶ Based on the RDP summaries, investment in farms absorbed approximately 14.5%, agri-environment and animal welfare 23.8% and improving processing and marketing of agricultural products 7.4% of the total rural development budgets for RDPs at EU25 level. Only Less Favoured Areas and areas with environmental restrictions had a higher budget than investments or processing and marketing at 18.9%.

Another important difference for many programmes with a “classic” structure is related to the eligibility criteria for certain measures. The eligibility for certain measures, e.g. Chapter I measures or Chapter VI measures, depends on the fulfilment of pre-conditions, such as the adherence to certain standards or the proof of specific competences and skills. While many other programmes simply state certain eligibility criteria as a pre-condition, the RDP also provides measures resulting in the fulfilment of these criteria (Chapter III, Chapter Va). This increases the level of results.

Impacts at the beneficiary level: The fulfilment of eligibility criteria and implementation of measures can create the first direct impacts on beneficiaries. According to the project’s logic, it is possible that beneficiaries undertake specific actions purely to become eligible for RDP support. Whether this is really the case has to be investigated by the evaluation. Other impacts at the beneficiary level include effects such as improved product quality, reduced production costs, or improved working conditions, etc., which ultimately lead to a sustained increased income of beneficiaries and improved viability of their holdings or businesses.

Impacts on the agricultural sector: As can be seen from the diagram, the route of the impact pathways leading from impacts at individual level to impacts on the agricultural sector varies, with some having a more direct impact on the agricultural sector (e.g. less favoured areas, areas with environmental restrictions and the agri-environment and animal welfare measures) than others. However, the ultimate impacts at beneficiary level, namely increased income and standard of living or increased viability of a holding, can initiate a feedback loop. They can serve as incentive for other farmers to implement similar measures and thus ensure ‘scale out’. This is important, insofar as the connection between impacts on individual farmers/holdings and general impacts on the agricultural sector and rural society is rather loose. The latter can only be achieved, if the supported measures are adopted by other beneficiaries. The “expectation of personal benefits” can help trigger the take-up of measures. There are however, important pre-conditions: others have to be aware of the respective measures, they have to be informed about their implementation and be able to implement them (in terms of skills and knowledge, as well as financial capacity) and they have to be confident about the outcomes. Thus the dissemination of information plays an important role, while the necessary funding must also be available.

Impacts on the rural society: Naturally, a variety of different measures can impact on society in various ways. In the diagram for the entire RDP we only included those found most relevant to the long-term impact of a “Sustainable economic, social and environmental development and enhanced quality of life in rural areas”.

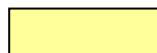
The intervention logic models for the different measures include the impacts of the chapters’ objectives as well as the impacts identified by previous evaluations/studies. They were only extended in cases of inconsistency or logical breaks in the outcome chains. However, as mentioned in the introduction, it must be emphasised that the achievement of higher level impacts will be strongly influenced by factors outside the RDP.

The following sections present the intervention logic, at programme level as well as for the investment measure (Chapter I), agri-environment (Chapter VI) and processing and marketing (Chapter VII) as key measures (i.e. accounting for a large proportion of total expenditure while also being of strategic importance). The complete list of intervention logics for all measures is provided in Appendix I. A list of chapters and measures is included in chapter 3 ‘Summary of implementation of programmes and measures’.

Colours and symbols in the diagram



Results: Direct effects of the measure implemented. The white box at the bottom refers to the chapter, the measures of which should lead to the result. If more than one chapter is mentioned, the respective result can be triggered by different measures from different chapters.



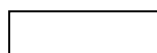
Immediate impacts: initial effects on the beneficiary farmers/holdings



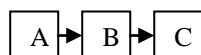
Intermediary impacts: medium term impacts on agriculture and forestry



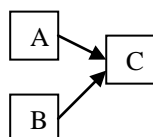
Long term impacts: long term effects on the rural society to which the RDPs are contributing



Other factors: Factors outside the programme that have an influence on the achievement of the respective result/impact. For a clearer overview they only appear in each chapter's logic model.



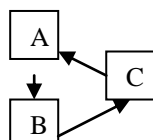
Cause-effect mechanism (If-then relationship), i.e. if A occurs, then it will cause/lead to B.



In most cases, however, you do not have a single chain of outcomes, where A leads to B and then to C. Instead you have multiple strands, for example A and C both lead to B – either in combination (i.e. you need A and C to reach B) or as alternatives (you need either A or B to reach C).



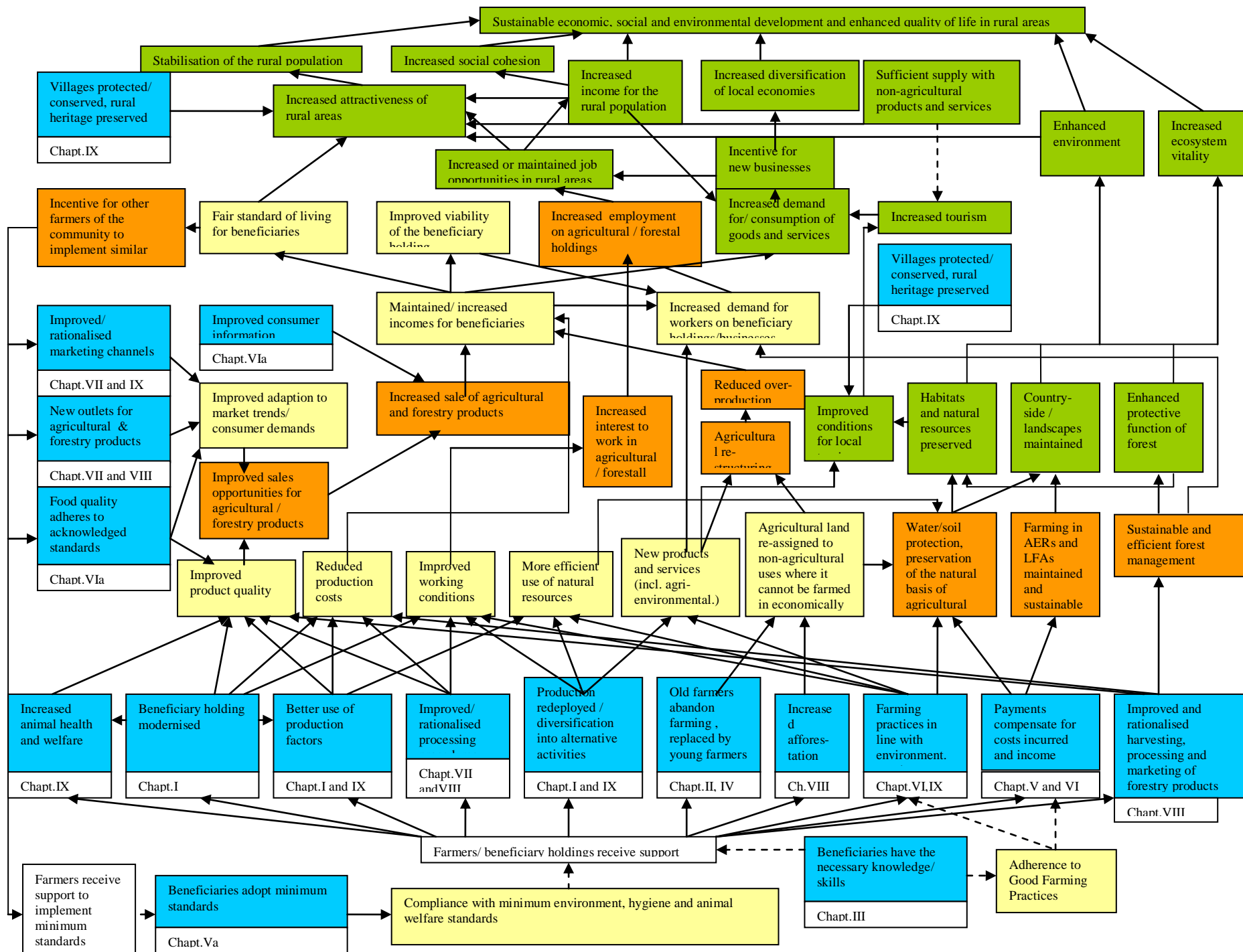
Contingency relationship, i.e. A is a pre-condition for B, but does not automatically lead to B. For example: Sufficient supply of non-agricultural goods and services is a pre-condition for increased tourism, but not the cause.



Virtuous circle/Feedback loop: An initial effect leads to its own reinforcement and magnification.

Figure 1 - Intervention logic at programme level

Figure 1 - Intervention logic at programme level



2.3 Intervention Logic Chapter I/ Measure 1: Investment in farms

Background

Support for investment in agricultural holdings has been available in one form or another since the 1970s, along with support for investment in the processing and marketing of agricultural products, when the focus of agricultural policy was very much on support for physical capital (investments) in the farm and downstream sectors (European Commission, 2004a). Agra CEAS Consulting (2003a) explains that there are two general types of scheme focus: those where the intention is to speed up the investment process and those concentrating on 'newer' issues such as the environment and animal welfare. In the 1994-1999 programming period, the former type of investments tended to be focused in regions with small farms and low gross margins including, for example, regions within Greece, Portugal, Spain and Italy. The latter type of investment tended to be focused in regions with larger average farm sizes, but still with a relatively low gross margin including, for example, regions within Sweden, Austria and Finland.

According to Council Regulation (EC) n° 1257/1999 support for investment in agricultural holdings contributes to the improvement of agricultural incomes and of living, working and production conditions.

To this end, the investment should pursue one or more of the following objectives:

- reducing production costs;
- improving and re-deploying production;
- increasing quality;
- preserving and improving the natural environment, hygiene conditions and animal welfare standards;
- promoting the diversification of farm activities.

Support can only be granted to agricultural holdings:

- which can demonstrate economic viability;
- which comply with minimum standards regarding the environment, hygiene and animal welfare;
- where the farmer possesses adequate occupational skill and competence.

Structure of the intervention logic

As can be seen, from the intervention logic on the next page, the investment in farms measure basically creates two main chains of outcomes:

The first chain of outcomes is related to the pre-conditions for support, i.e. compliance with certain minimum standards, associated with the environment, hygiene conditions and animal welfare.

The second chain of outcomes starts with implementation of the investment in farms measure, which is expected to produce three types of result: a) modernisation of the beneficiary holding, b) better use of production factors and c) re-deployment of production factors and/or diversification into alternative activities. They should trigger a number of outcomes for the beneficiary holdings, which should lead to sustained increased farm incomes, improved viability of the holding and increased employment.

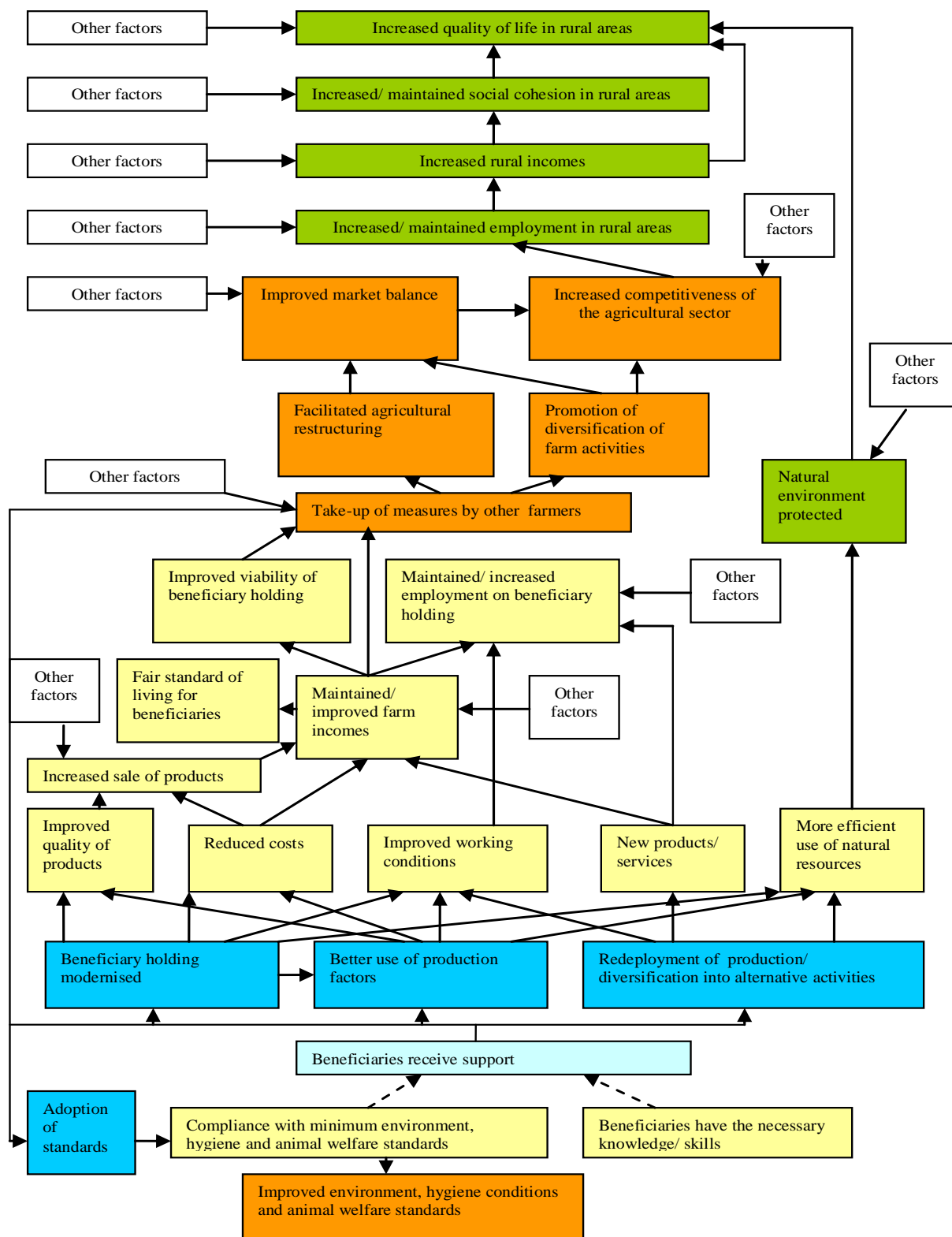
However, while the results achieved can be considered to be sufficient to ensure the impacts at the first level (i.e. improved quality, reduced costs, improved working conditions, new products/services, more efficient use of natural resources), the specific features of these first level outcomes and the external factors will influence the outcomes of the next levels.



For example, outcomes triggered by “new products/services” are strongly dependent on the nature of the product/service and the demand for it. Unless it requires additional labour it will not increase employment on the holding and without sufficient demand will not increase income. External factors have an influence on the sales of products, which do not necessarily directly follow improvements in product quality. In this context, chapter VII measures as well chapter VIa measures can play an important role.

Impacts on the whole agricultural sector and rural society are dependent on achieving a ‘critical mass’ of holdings/farmers implementing investments for modernisation/re-structuring. Such a ‘scale out’ can be ensured either by additional measures or multiplier effects, i.e. if the beneficiaries encourage the take-up of measures by others.

Figure 2 - Intervention logic for the investment in farms measure



2.4 Intervention Logic Chapter VI/ Measure 6: Agri-environment and animal welfare

Background

Agri-environment schemes have been supported by the EU since they were introduced as an accompanying measure to the CAP reform of 1992. Rural development policy post-2000 confirms the essential role of farmers in providing environmental services beyond good agricultural practice and basic legal standards. Aids may be paid to farmers who sign up to agri-environmental commitments for a minimum period of five years. Longer periods may be set for certain commitments, depending on their environmental effects. Aid is annual, calculated from the income loss and additional costs of the commitments and to provide a financial incentive.

Agenda 2000 established agri-environment measures as the only compulsory element of EU rural development programmes (i.e. Member States must include this measure within rural development programmes financed by the EAGGF-Guarantee Section⁷). This illustrates the political priority attached to agri-environment schemes.

According to the overview on general principles, types of measures and application of agri-environmental measures published by the European Commission, DG Agriculture, in 2005, agri-environment measures "...are designed to encourage farmers to protect and enhance the environment on their farmland. It provides for payments to farmers in return for a service – that of carrying out agri-environmental commitments that involve more than the application of usual good farming practice". Though the measures are diverse, they aim to contribute to one or both of two broad objectives: the reduction of environmental risks and/or the preservation of nature and cultivated landscapes.

Council Regulation (EC) n° 1257/1999 sets out the following specific objectives of agri-environmental measures:

They should promote

- usage of agricultural land compatible with the protection and improvement of the environment, the landscape and its features, natural resources, the soil and genetic diversity,
- environmentally-favourable intensification of farming and management of low-intensity pasture systems,
- conservation of high nature-value farmed environments which are under threat,
- upkeep of the landscape and historical features of agricultural land,
- environmental planning in farming practice.

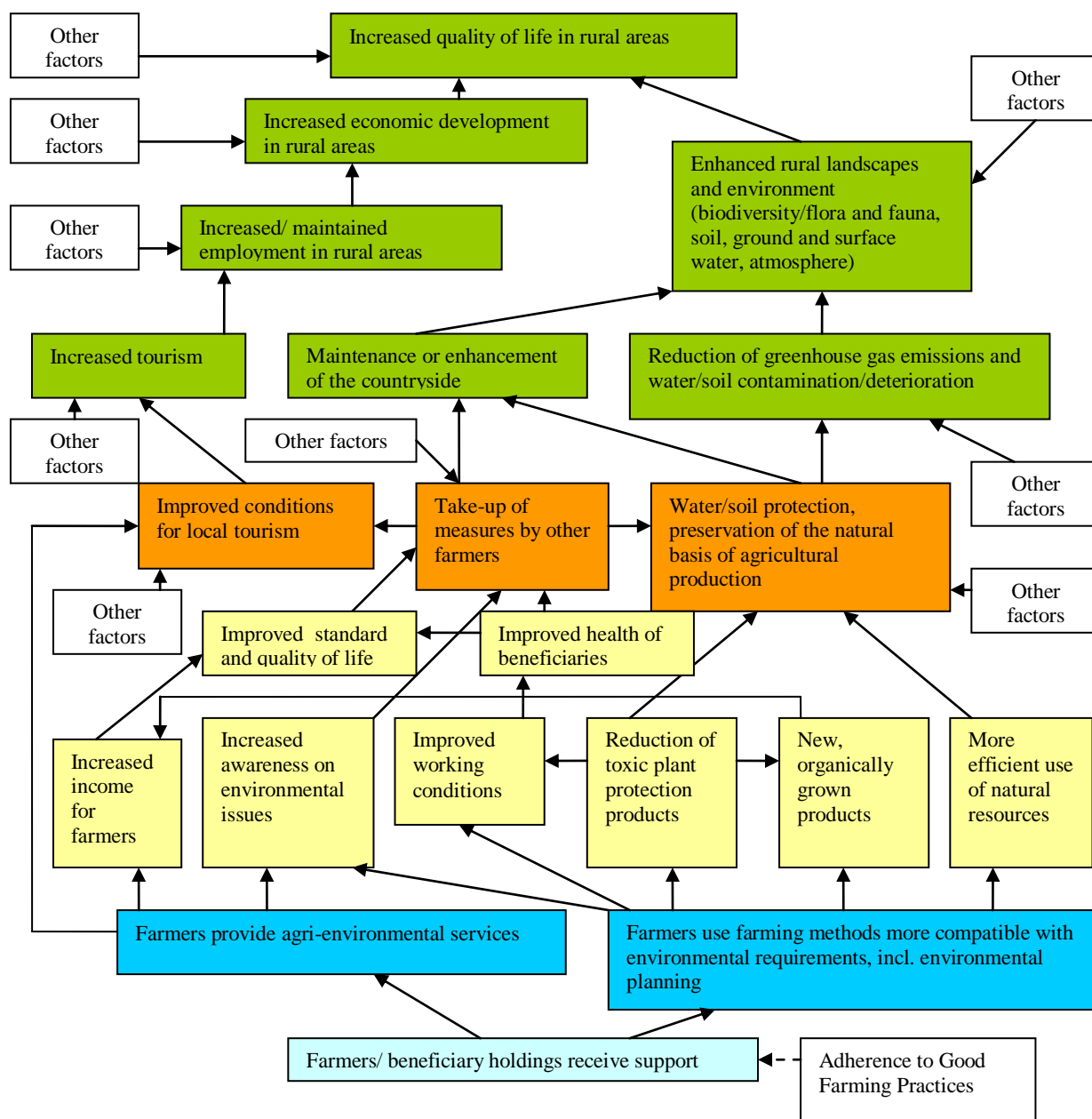
Structure of the intervention logic

In the diagram, the results of the implementation of agri-environmental measures are summarised in two categories: provision of agri-environmental services and farming methods compatible with environmental requirements.

They should lead to several impacts on the beneficiary holdings, resulting in an increased standard and quality of life for beneficiaries. Together with an increased awareness of environmental issue they should promote the take-up of measures by other farmers and thus bridge the gap between individual and regional outcomes.

⁷ EAGGF - European Agricultural Guidance and Guarantee Fund. The EAGGF finances agriculture expenditure, measures linked to the environment and structural and rural development measures.

Figure 3 - Intervention logic for the agri-environment and animal welfare measure



2.5 Intervention Logic Chapter VII / Measure 7: Improving the processing and marketing of agricultural products

Background

Support for investments in the processing and marketing of agricultural products has been available in one form or other since the mid-1960s, along with support for investments in agricultural holdings, when the focus of agricultural policy was very much on support for physical capital (investments) in the farm and downstream sector (European Commission, 2004a).

According to Council Regulation (EC) n° 1257/1999 chapter VII measures contribute to increasing competitiveness and added value of agricultural products, through improving and rationalising their processing and marketing.

To this end, support should contribute to one or more of the following objectives:

- guide production, following foreseeable market trends or encourage development of new outlets for agricultural products,
- improve or rationalise marketing channels and processing procedures,
- improve the presentation and preparation of products or encourage better use, or elimination, of by-products and waste,
- apply new technologies,
- favour innovative investments,
- improve and monitor quality,
- improve and monitor health conditions,
- protect the environment.

Pre-conditions for receiving support are economic viability of the holding/enterprise and compliance with minimum standards regarding the environment, hygiene and animal welfare. Additionally, the investment must contribute to improving the situation of the local basic agricultural production sector and the basic product producers must receive an adequate share of the resulting economic benefits. Finally, evidence must be shown that normal market outlets can be found for the products concerned.

Structure of the intervention logic

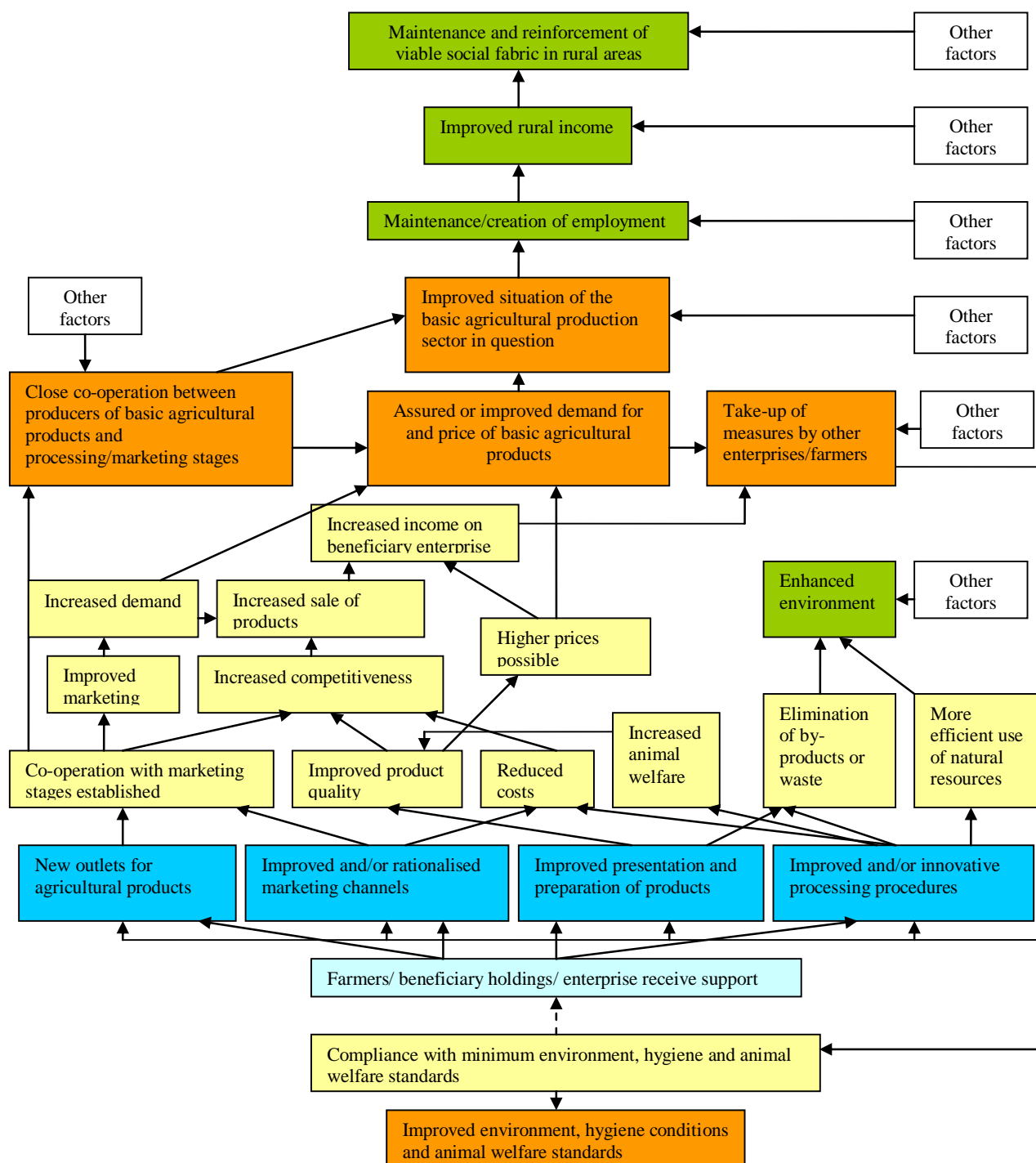
As with chapter I measures, two main chains of outcomes can be identified for chapter VII measures, the first one being related to the pre-conditions for support, i.e. compliance with certain minimum standards. Irrespective of the specific investment it should contribute to improved environment, hygiene and animal welfare.

The second chain of outcomes is triggered by the implementation of chapter VII measures, which are expected to produce four types of results: a) improved and/or rationalised marketing channels, b) improved and/or innovative processing procedures, c) improved presentation and/or preparation of products and d) new outlets for agricultural products. These should lead to increased competitiveness and consequently an increased income for the individual enterprises, together with a more sustainable use of natural resources and elimination of waste and by-products.

As with the other measures, achievement of higher-level impacts depends on the take-up of measures by other holdings/enterprises as well as external factors such as socio-economic and market trends.



Figure 4 - Intervention logic for improving the processing and marketing of agricultural products





3. Summary of the implementation of programmes and measures

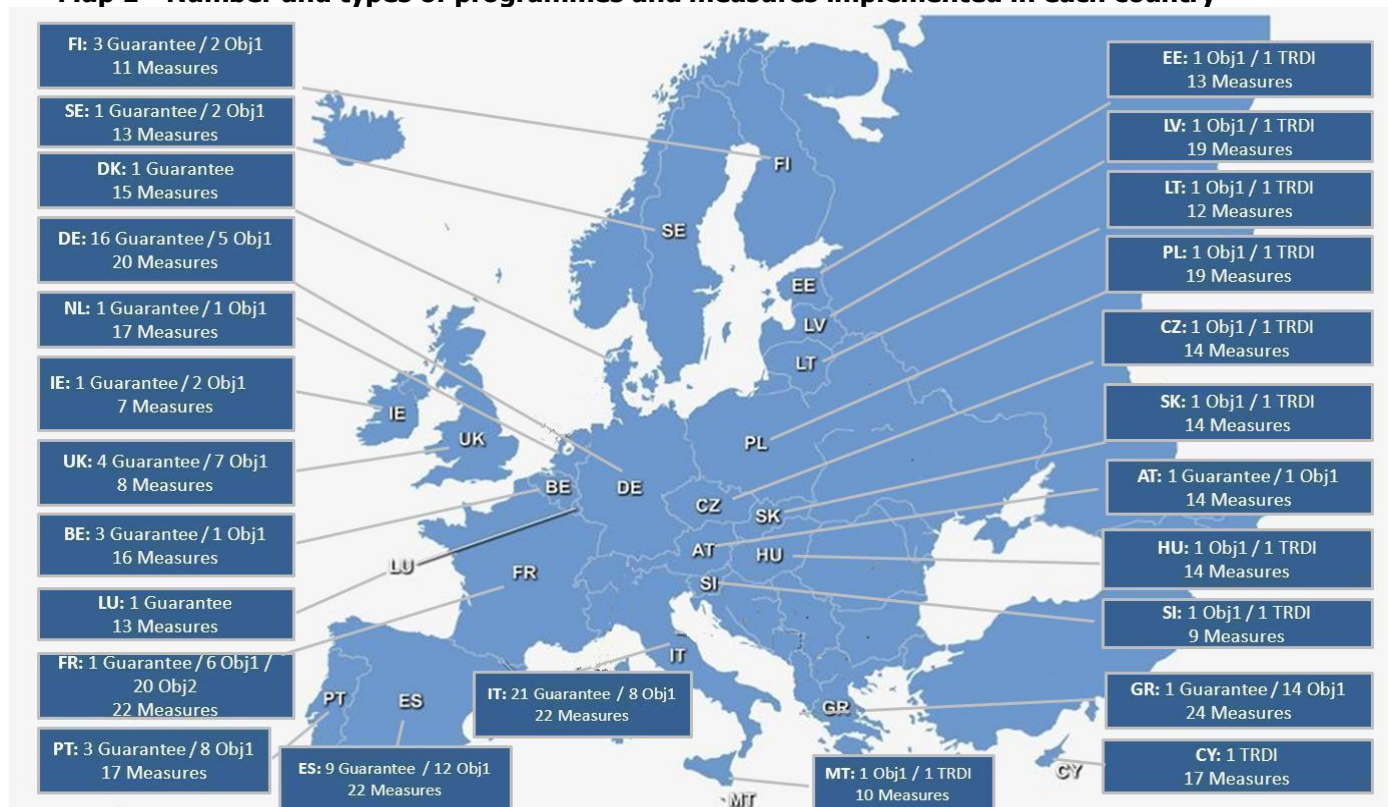
This chapter is based on an in-depth screening of all programmes financed by rural development policy in 2000-2006, in order to assess at EU level: the extent to which each of the rural development measures was addressed; their objectives and expected impacts and the specificities of the targeting and selection criteria for each measure. The most recent available versions of programmes were used in the screening.

3.1 Background/context

Rural development policy in all Member States in 2000-2006 was implemented through a total of 175 programmes (RDPs), comprising:

1. 67 RDPs in the EU15 co-financed by EAGGF-Guarantee;
2. 20 SPDs in Objective 2 regions in France co-financed by EAGGF- Guarantee;
3. 78 operational programmes or SPDs in Objective 1 regions co-financed by EAGGF-Guidance;
4. 10 Transitional Rural Development Instrument (TRDI) programmes in the EU10 co-financed by EAGGF-Guarantee.

Map 1 - Number and types of programmes and measures implemented in each country



Source: Most recent versions of programmes

Multiple regional programmes existed in several countries (Belgium, Germany, Spain, Finland, France, Greece, Ireland, Italy, Portugal, Sweden and United Kingdom).

The measures supported by the above programme types and covered by this ex-post evaluation are listed in the table below (together with their specific objectives). Measures were grouped into so-called



"Chapters" (column 1). They include accompanying measures, i.e. those that are always EAGGF Guarantee/TRDI funded, which are shown in **bold** text in the table.

There were a further two transitional measures established for the new Member States: "Leader+ type measures" and "Complements to National Direct Payments"⁸ bringing the total number of measures financed by RDPs to 33. These measures are not included in the table below since they were not covered by this evaluation.

Table 1 below presents the 31 rural development measures covered by this evaluation, the objectives of each measure, the percentage of the NUTS II regions where each measure was implemented compared to total regions (territorial coverage)⁹; as well as their shares in EAGGF rural development budget and in the total public budget for rural development.

Table 1 - Rural development measures and their objectives (accompanying measures in bold)

No	Measure	Specific Objectives	Coverage of eligible regions ⁽¹⁾	Participation rate in EAGGF RD budget ⁽²⁾	Participation rate in total public RD budget ⁽²⁾
1	Investment in farms (Chapter I)	<ul style="list-style-type: none"> • Improve agricultural incomes. • Improve working, living and production conditions. • Reduce production costs. • Improve and redeploy production. • Increase quality. • Preserve and improve the natural environment, hygiene conditions and animal welfare standards. 	93%	8.72%	8.95%
2	Start-up assistance for young farmers (Chapter II)	<ul style="list-style-type: none"> • Facilitate the establishment of young farmers. 	71%	3.02%	2.98%
3	Training (Chapter III)	<ul style="list-style-type: none"> • Contribute to the improvement of the occupational skills and competence of farmers or other persons involved in agricultural activities and forestry activities and their conversion. 	66%	0.44%	0.60%
4	Early retirement (Chapter IV)	<ul style="list-style-type: none"> • Provide income for elderly farmers who decide to stop farming. • Encourage the replacement of elderly farmers with those able to improve the economic viability of remaining holdings. • Reassign agricultural land to non-agricultural uses where it cannot be farmed in ways that are economically viable. 	50%	4.31%	4.84%
5	Less Favoured Areas and areas with environmental	<p>For naturally less-favoured areas:</p> <ul style="list-style-type: none"> • Ensure continued agricultural land use and thereby contribute to the maintenance of a viable rural community. 	100%	16.97%	21.83%

⁸ "Leader+ type measures" have been included in a separate ongoing evaluation of Leader+ and "Complements to National Direct Payments" constitute a transfer of resources from Pillar II to Pillar I of the CAP and are covered by various Pillar I evaluations, including an ongoing evaluation of the income effects of direct payments.

⁹ Percentage of NUTS II regions rather than the number of programmes was used as an indication of territorial coverage because the number of programmes in which any one measure was eligible for inclusion varied according to territorial designations (Objective 1, 2 etc) and the choice of the Member State concerning programming level. Inclusion in a higher number of programmes does not equate to greater territorial coverage. For example, the UK was covered by 4 regional RDPs which together cover the entire territory of the MS, and 7 Objective 1 programmes covering specifically designated Objective 1 regions. In the UK therefore, agri-environment was included in only 4 programmes out of 11, but had 100% territorial coverage, whilst Investments in farms, although included in more programmes, was not necessarily available throughout the entire territory.



No	Measure	Specific Objectives	Coverage of eligible regions ⁽¹⁾	Participation rate in EAGGF RD budget ⁽²⁾	Participation rate in total public RD budget ⁽²⁾
	restrictions (Chapter V)	<ul style="list-style-type: none"> • Maintain the countryside. • Maintain and promote sustainable farming systems which take particular account of environmental production requirements. <p>For areas with environmental restrictions:</p> <ul style="list-style-type: none"> • Ensure environmental requirements and safeguard farming in areas with environmental restrictions. 			
6	Agri-environment and animal welfare (Chapter VI)	<ul style="list-style-type: none"> • Promote ways of using agricultural land that are compatible with the protection and improvement of the environment, the landscape and its features, natural resources and soil and genetic resources. • Promote the environmentally favourable 'intensification' of farming and the management of low-intensity pasture systems. • Conservation of high nature-value farmed environments which are under threat. • Upkeep of the landscape and historical features on agricultural land. • Use of environmental planning in farming practice. 	100%	28.96%	27.99%
7	Improving the processing and marketing of agricultural products (Chapter VII)	<ul style="list-style-type: none"> • Guide production in line with foreseeable market trends and encourage the development of new outlets for agricultural products. • Improve or rationalise marketing channels or processing procedures. • Improve the presentation and preparation of products or encourage the better use or elimination of by-products and waste. • Apply new technologies. • Favour innovative investments. • Improve and monitor quality. • Improve and monitor health conditions. • Protect the environment. 	88%	6.91%	5.71%
8	Afforestation of agricultural land (Chapter VIII)	<ul style="list-style-type: none"> • Sustainable forest management and the development of forestry. • Maintenance and improvement of forest resources. • Extension of woodland areas. 	83%	4.20%	3.90%
9	Other forestry measures (Chapter VIII)	<ul style="list-style-type: none"> • Sustainable forest management and the development of forestry. • Maintenance and improvement of forest resources. • Extension of woodland areas. 	77%	3.80%	3.84%
10	Land improvement (Chapter IX)	<ul style="list-style-type: none"> • Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	26%	0.31%	0.31%
11	Reparcelling (Chapter IX)	<ul style="list-style-type: none"> • Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	35%	1.33%	1.27%
12	Setting up farm relief and farm management services, setting up and provision of advisory and extension services (Chapter IX)	<ul style="list-style-type: none"> • Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	24%	1.33%	0.89%
13	Marketing of quality agricultural products (Chapter IX)	<ul style="list-style-type: none"> • Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	47%	0.54%	0.45%



No	Measure	Specific Objectives	Coverage of eligible regions ⁽¹⁾	Participation rate in EAGGF RD budget ⁽²⁾	Participation rate in total public RD budget ⁽²⁾
14	Basic services for the rural economy and populations (Chapter IX)	<ul style="list-style-type: none"> Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	37%	0.48%	0.42%
15	Renovation and development of villages and protection and conservation of the rural heritage (Chapter IX)	<ul style="list-style-type: none"> Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	60%	1.22%	1.10%
16	Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income (Chapter IX)	<ul style="list-style-type: none"> Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	78%	1.25%	1.26%
17	Managing agricultural water resources (Chapter IX)	<ul style="list-style-type: none"> Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	36%	5.27%	4.68%
18	Developing and improving infrastructure connected with the development of agriculture (Chapter IX)	<ul style="list-style-type: none"> Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	47%	4.71%	3.72%
19	Encouraging tourist and craft activities (Chapter IX)	<ul style="list-style-type: none"> Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	35%	0.49%	0.45%
20	Protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare (Chapter IX)	<ul style="list-style-type: none"> Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	47%	1.65%	1.31%
21	Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention mechanisms (Chapter IX)	<ul style="list-style-type: none"> Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	20%	0.71%	0.46%
22	Financial engineering (Chapter IX)	<ul style="list-style-type: none"> Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	5%	0.06%	0.06%
23	Management of integrated rural development strategies by local partners (Chapter IX:EU15 only)	<ul style="list-style-type: none"> Grant support to measures relating to farming activities and their conversion and to rural activities that do not fall within the scope of any other measure of the previous chapters. 	0.18%	0.007%	0.002%
24	Implementing demanding	<ul style="list-style-type: none"> More rapid implementation of Community standards by Member States. 	36%	1.86%	1.72%



No	Measure	Specific Objectives	Coverage of eligible regions ⁽¹⁾	Participation rate in EAGGF RD budget ⁽²⁾	Participation rate in total public RD budget ⁽²⁾
	standards (Chapter Va)	<ul style="list-style-type: none"> Respect of standards by farmers. Use of advisory services by farmers. 			
25	Use of farm advisory services connected with meeting standards (Chapter Va)	<ul style="list-style-type: none"> More rapid implementation of Community standards by Member States. Respect of standards by farmers. Use of advisory services by farmers. 	12%	0.01%	0.00%
26	Farmers' voluntary participation in food quality schemes (Chapter VIa)	<ul style="list-style-type: none"> Provide assurances to consumers on the quality of the product or production process used through the participation of farmers in food quality schemes. Achieve added value for agricultural primary products and enhance market opportunities. Improve consumer information on the availability and specifications of such products. 	8%	0.02%	0.02%
27	Producer group activities related to food quality (Chapter VIa)	<ul style="list-style-type: none"> Provide assurances to consumers on the quality of the product or production process used through the participation of farmers in food quality schemes. Achieve added value for agricultural primary products and enhance market opportunities. Improve consumer information on the availability and specifications of such products. 	8%	0.02%	0.01%
28	Semi-subsistence farms undergoing restructuring (Chapter IXa: EU10 only)	<ul style="list-style-type: none"> Support the transition of new Member States through rural development measures. 	70%	0.73%	0.65%
29	Producer groups (Chapter IXa: EU10 only)	<ul style="list-style-type: none"> Support the transition of new Member States through rural development measures. 	60%	0.15%	0.13%
30	Technical assistance (Chapter IXa: EU10, plus Guidance funded programmes)	<ul style="list-style-type: none"> Support the transition of new Member States through rural development measures. 	100%	0.40%	0.33%
31	Provision of advisory and extension services (Chapter IXa: EU10 only)	<ul style="list-style-type: none"> Support the transition of new Member States through rural development measures. 	30%	0.11%	0.10%
Total				100%	100%

Note: Objectives as stated in Council Regulations (EC) n° 1257/1999 and 1783/2003.

Source: Most recent available versions of programmes

Notes:

(1) % calculated by comparing the potential number of NUTS II regions where a measure could be implemented and the actual number of NUTS II regions that the measure was implemented.

(2) The calculation of budgets does not include the measures not covered by this evaluation, namely, Complements to direct payments (Chapter IXa: EU10 only) and Leader+ type measures (Chapter IXa: EU10 only)

Amongst these 31 measures, the most significant in terms of funding (i.e. representing more than 5% of the total public budget – EAGGF + National co-financing) were, in order of importance:

1. Agri-environment measures; representing almost 27.99% of the total public budget;
2. Less favoured areas (LFAs) and areas with environmental restrictions (AER); representing almost 21.83% of the total public budget;
3. Investment in farms; representing almost 8.95% of the total public budget;
4. Improving the processing and marketing of agricultural products; a measure that represents 5.71% of the total public budget;

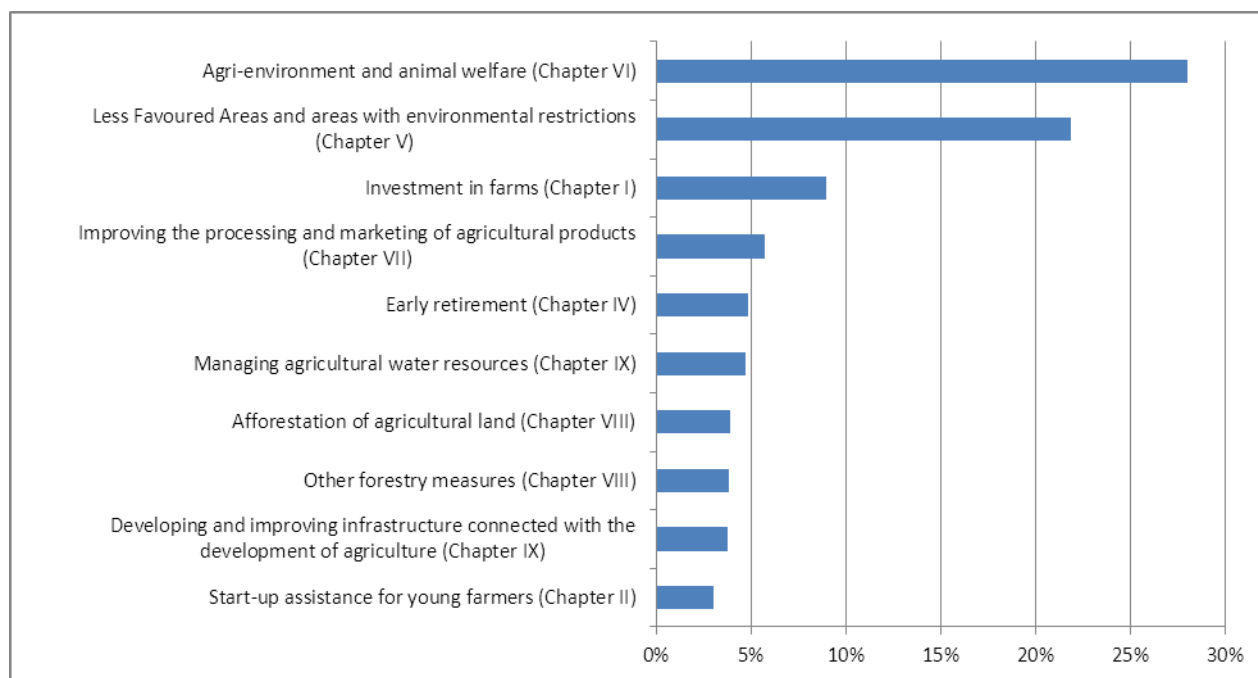


All other measures have a share in the total public budget that is below 5%.

In terms of frequency of coverage of each measure (i.e. how often it appeared – comparison between potential and actual use of the measure), the agri-environment measure was covered by all programmes where it could potentially appear since it was compulsory in all EAGGF-Guarantee funded RDPs and TRDIs. From the rest of the measures, the Less Favoured Areas and areas with environmental restrictions measure appeared in 100% of the programmes where it could have appeared, followed by afforestation (83%) and investment in farms (93%). In relation to the measures specifically available to new Member States, all programmes included the technical assistance measure (100%), while the measure for semi-subsistence farms undergoing restructuring appeared in 70% of relevant programmes and producer groups in 60%. The management of integrated rural development strategies by local partners (applicable in the EU15 only), appears in only a strikingly small proportion (0.18%). All these figures need to be interpreted with caution since they represent what was 'programmed': certain measures that appeared in a large proportion of programmes were eventually not implemented as widely as planned (low take up rates). The final planned distribution of funds is further discussed in Section 5.4 (*section 5.4 relates to final budgeted distribution*).

The 10 most significant individual measures in terms of EAGGF funding, are depicted in the graph below, showing that the three measures that represent the bulk of EAGGF funding were: "Agri-environment and animal welfare"; "Less favoured areas and areas with environmental restrictions" and "Investment in farms".

Figure 5 – Most significant rural development measures (according to their share in total public budget)



Source: Most recent available versions of programmes

Given the high importance of agri-environment measures in the total public budget, their relative weight per country in the overall public budget for this measure is presented below. Agri-environment was a

compulsory accompanying measure and was included in all RDP and TRDI programmes (financed by EAGGF-Guarantee).

Table 2 – Total public budget of agri-environment measure per Member State

No	Member State	Participation rate of agri-environment public budget in total public budget per country	Participation rate of each measure in total EU25 agri-environment public budget
1	Austria	60.38%	21.44%
2	France	32.38%	16.85%
3	Germany	39.90%	12.68%
4	Spain	13.83%	7.94%
5	Ireland	40.53%	7.51%
6	Finland	34.09%	7.12%
7	Sweden	62.70%	5.92%
8	Italy	21.84%	3.87%
9	Czech Republic	40.58%	2.42%
10	Portugal	10.68%	2.36%
11	Hungary	33.37%	1.83%
12	Denmark	46.69%	1.63%
13	UK	59.78%	1.61%
14	Greece	6.00%	1.48%
15	Poland	4.96%	1.45%
16	Slovenia	30.99%	0.70%
17	Lithuania	15.20%	0.63%
18	Belgium	21.73%	0.58%
19	Netherlands	11.91%	0.49%
20	Luxemburg	35.67%	0.45%
21	Slovakia	16.25%	0.40%
22	Latvia	17.05%	0.32%
23	Estonia	30.10%	0.26%
24	Malta	16.39%	0.03%
25	Cyprus	5.28%	0.03%

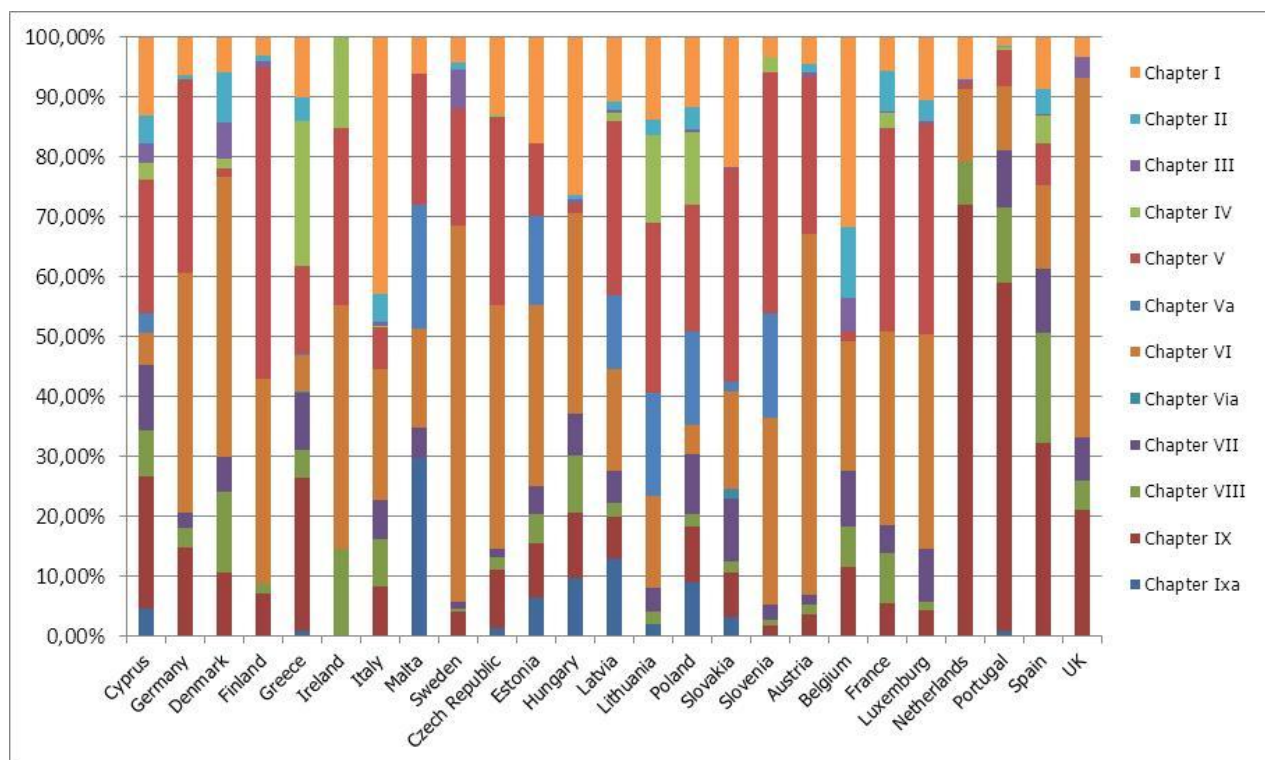
Source: Most recent available versions of RDPs/TRDIs

Agri-environment accounts for the highest proportion of the national rural development budget in Sweden (62.70% of the total public budget of Swedish programmes was absorbed by this measure), followed by Austria (60.38%), UK (59.78%) and then Denmark (46.69%), Czech Republic (40.58%), Ireland (40.53%), Germany (39.90%) and Luxemburg (35.67%).

Looking at the proportion of the agri-environment measure in the public budget per Member State from the total EU25 public budget for the agri-environment measure, the largest amount was absorbed by Austria (21.44%), followed by France (16.85%) and Germany (12.68%).

According to the most recent versions of programmes the share of each Member State in the total public budget is shown in the figure below. It seems that Chapters V and VI (less favoured areas and agri-environment) cover the greatest amount of total public budget in 18 Member States (Chapter V: CY,FI,LV,LT,PL,SK,SV,FR, LU and Chapter VI: DE,DK,IE,SE,CZ,EE,HU,AT,UK). These Chapters are followed by Chapter IX (Adaptation measures) which shows the highest coverage in 4 Member States (GR, NL, PT and ES). Chapters I and IXa follow with the highest coverage in 2 and 1 Member States respectively (Chapter I: IT, BE and Chapter IXa: MT).

Figure 6 – Share of each Chapter in total public budget



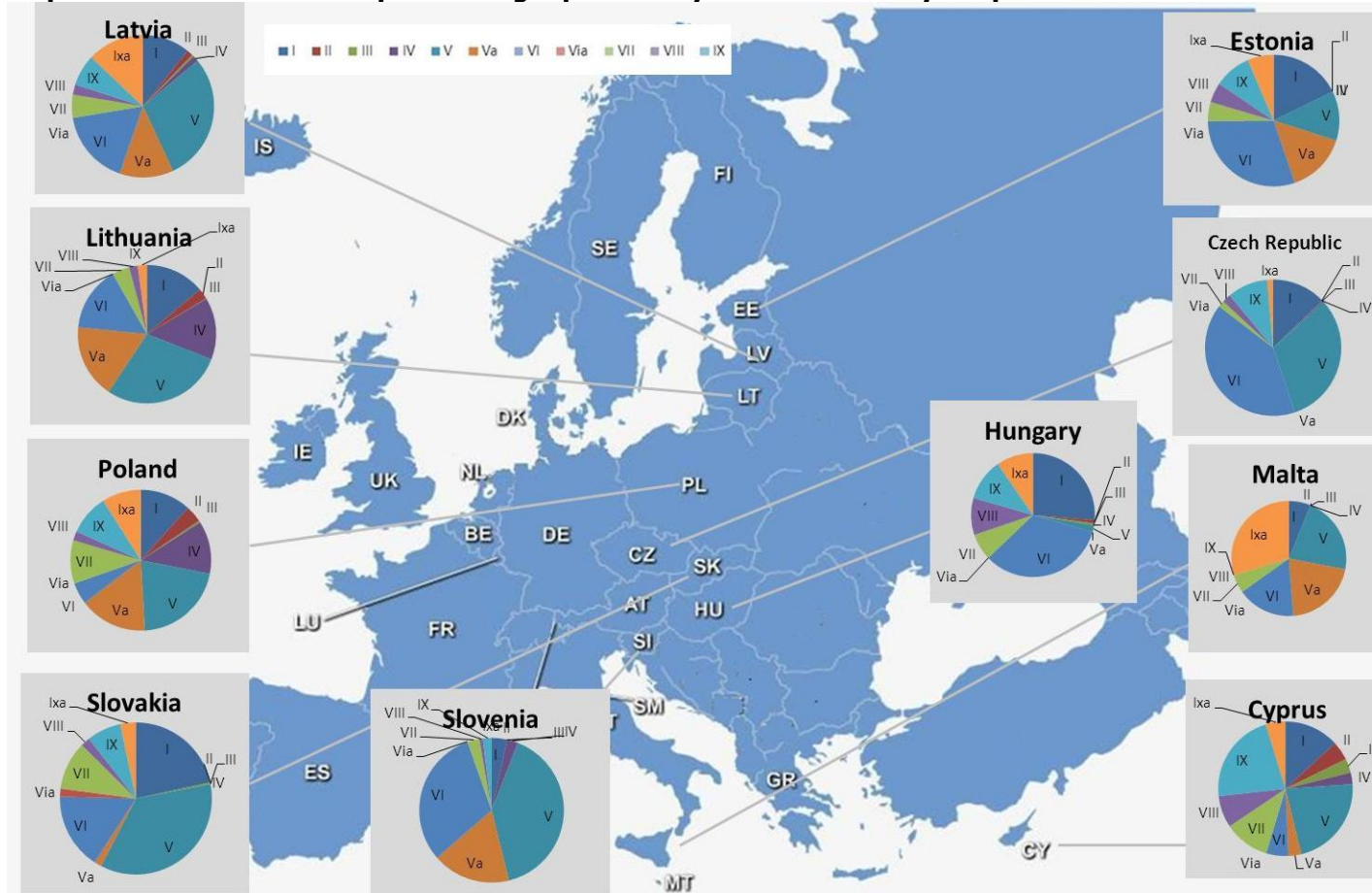
Source: Most recent available versions of programmes

The following maps depict:

- The distribution of public budget planned per Member State by Chapter for EU10 and EU15 (source: most recent versions of programmes);
- The contribution of the agri-environment measure in public budget planned per Member State - distribution in 3 scales (source: most recent versions of RDPs).



Map 2 - Distribution of total public budget planned by Member State by Chapter – EU10



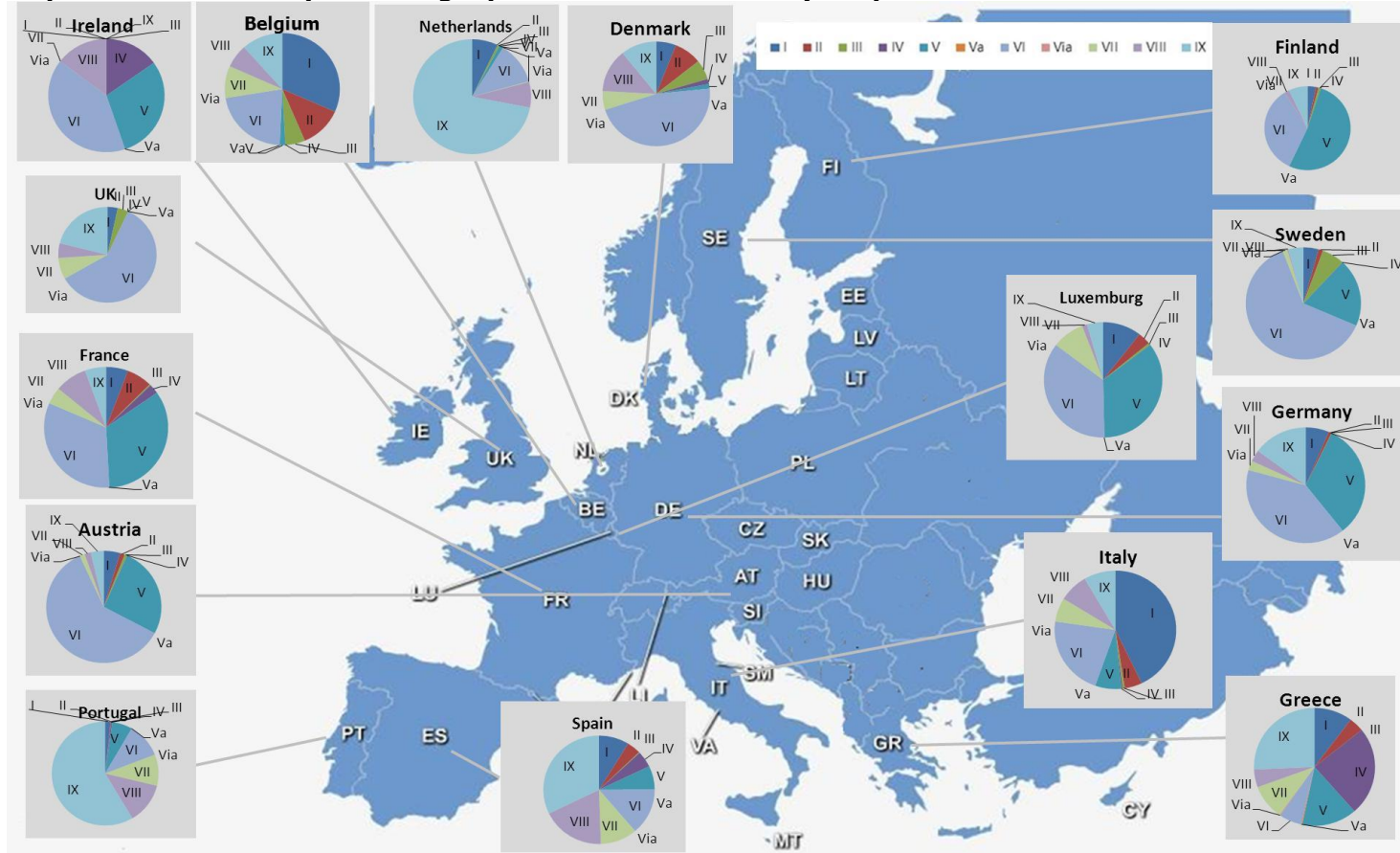
The measures most represented in the EU10 were LFAs, Agri-environment and Transitional measures:

- LFAs: are predominant in Lithuania, Poland, Slovakia, Slovenia, Cyprus, Latvia
- Agri-environment: is predominant in the Czech Republic, Estonia, Hungary
- Transitional measures: are predominant in Malta

Source: most recent versions of RDPs



Map 3 - Distribution of public budget planned Member State by Chapter – EU15



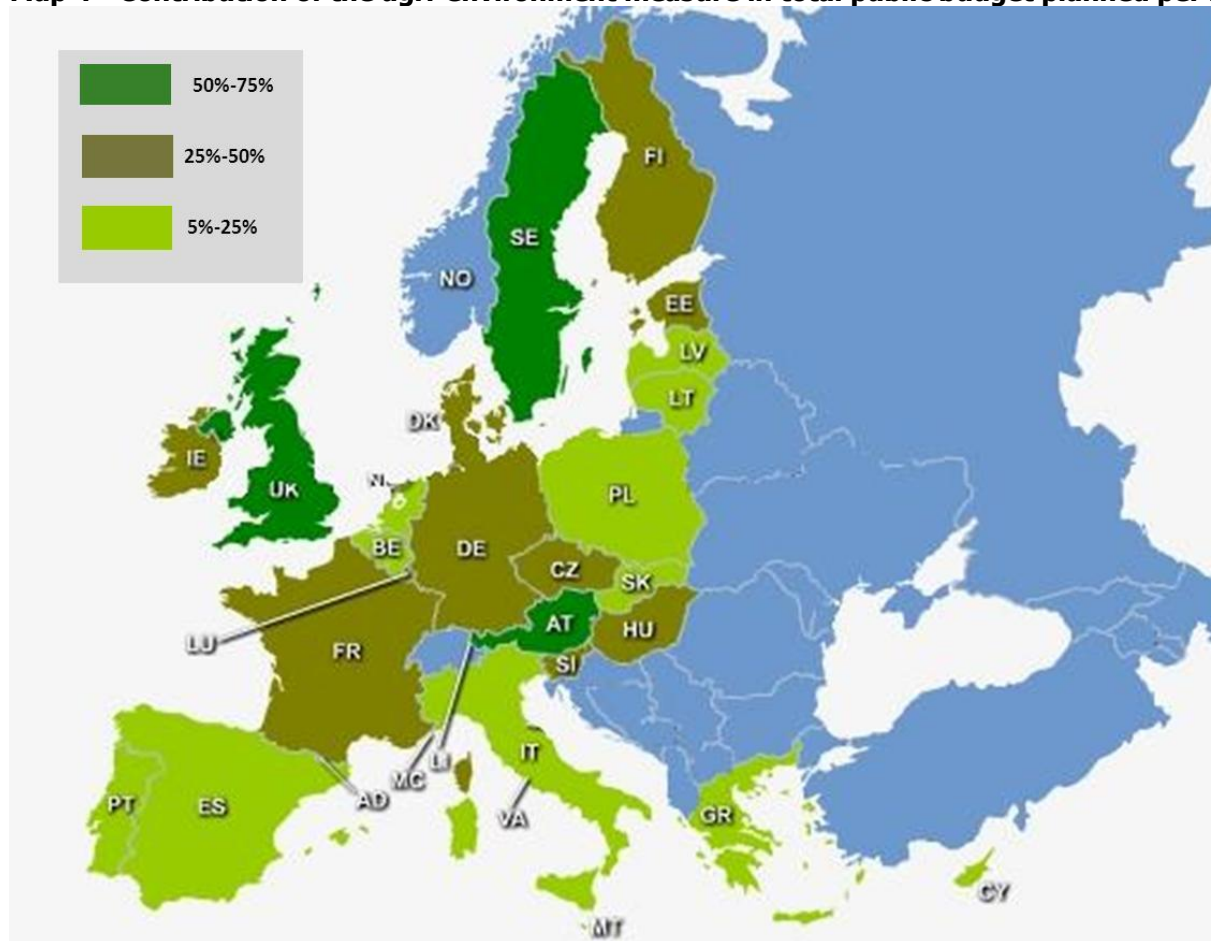
In the EU15, the Agri-environment and LFA measures dominate but there are variations between countries, with other measures such as:

- Adaptation measures in Greece, Netherlands, Portugal and Spain,
- Investments in Italy and Belgium

Source: most recent versions of RDPs



Map 4 - Contribution of the agri-environment measure in total public budget planned per Member State



The distribution of the agri-environment budget reveals concentration of public budget on this measure in Sweden, followed by Austria, UK, Denmark, Czech Republic, Ireland, Germany, Luxembourg, Finland, Hungary, France, Slovenia and Estonia.

The remaining EU 10 (Slovakia, Latvia, Lithuania, Malta, Cyprus, Poland) together with Italy, Belgium, Spain, Netherlands, Portugal and Greece planned a significantly smaller public budget for the agri-environment measure (ranging from 5.96% of total public budget in PL to 21.84% in IT).

Source: most recent versions of RDPs

Expenditure

Table 3 shows the distribution by Member State of the EU funds for rural development included in the programmes considered in this evaluation. It includes EAGGF Guarantee funded RDPs, TRDIs, the EAGGF Guidance contribution to Objective 1 programmes and the Guarantee funded component of the French Objective 2 programmes¹⁰. It does not include expenditure on Leader+ or the Peace initiative in Northern Ireland.

Table 3 - Financial information per country (financial plan, rural development expenditure, Rate of expenditure/financial plan, Share of Rural Development (EAGGF) Expenditure)

Member State	Rural Development Financial plan (EAGGF)	Rural Development Expenditure (EAGGF)	Expenditure / Financial Plan	Share of EU EAGGF rural development Expenditure
Austria	3,302,284,352 €	3,299,429,142 €	99.91%	5.72%
Belgium	374,605,665 €	367,059,250 €	97.99%	0.64%
Cyprus	74,800,000 €	71,060,000 €	95.00%	0.12%
Czech Republic	712,590,354 €	676,960,836 €	95.00%	1.17%
Denmark	330,100,000 €	329,882,789 €	99.93%	0.57%
Estonia	207,298,282 €	196,933,366 €	95.00%	0.34%
Finland	2,432,340,000 €	2,420,695,859 €	99.52%	4.20%
France	6,180,363,108 €	6,138,838,210 €	99.33%	10.64%
Germany	8,882,819,969 €	8,710,428,825 €	98.06%	15.10%
Greece	3,580,711,562 €	3,451,602,401 €	96.39%	5.98%
Hungary	915,128,868 €	869,372,419 €	95.00%	1.51%
Ireland	2,584,536,289 €	2,576,851,953 €	99.70%	4.47%
Italy	7,883,198,890 €	7,656,066,758 €	97.12%	13.27%
Latvia	419,948,189 €	398,950,779 €	95.00%	0.69%
Lithuania	612,398,628 €	581,778,696 €	95.00%	1.01%
Luxembourg	92,600,000 €	90,021,919 €	97.22%	0.16%
Malta	31,100,000 €	29,545,000 €	95.00%	0.05%
Netherlands	445,498,242 €	442,133,191 €	99.24%	0.77%
Poland	4,059,089,238 €	3,856,134,776 €	95.00%	6.68%
Portugal	3,460,638,433 €	3,316,630,759 €	95.84%	5.75%
Slovakia	578,258,922 €	549,345,974 €	95.00%	0.95%
Slovenia	305,169,093 €	289,910,638 €	95.00%	0.50%
Spain	8,854,303,468 €	8,579,273,428 €	96.89%	14.87%
Sweden	1,270,044,514 €	1,264,212,287 €	99.54%	2.19%
United Kingdom	1,599,514,873 €	1,525,971,337 €	95.40%	2.65%
EU25	59,189,340,939 €	57,689,090,592 €	97.47%	100.00%

Source: DG Agriculture and Rural Development

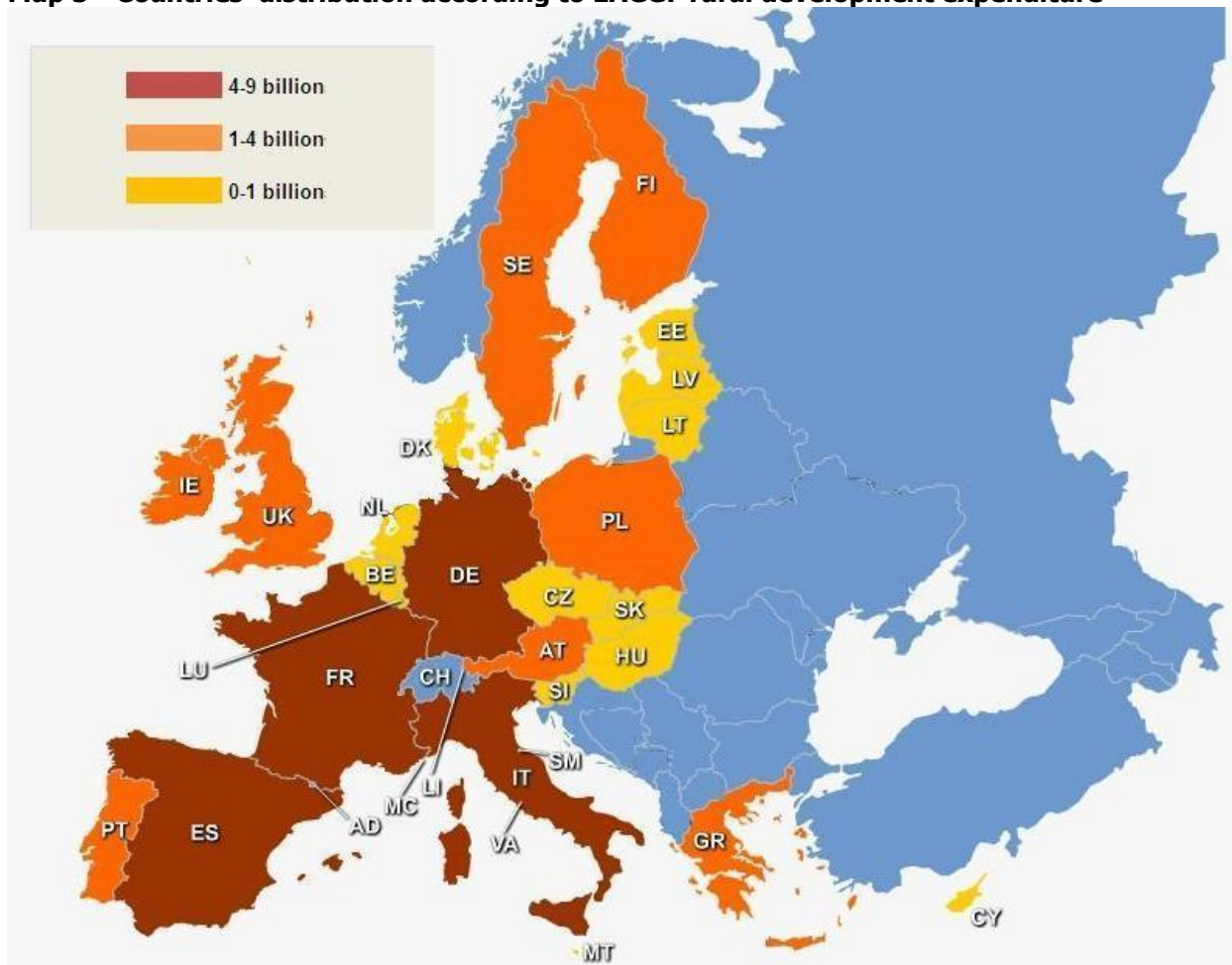
Note: For Guidance and TRDI funded programmes, the final 5% of expenditure is reimbursed as part of the programme closure procedure. As the closure process had not been completed for all programmes at the time of this evaluation, these final payments are not reflected in Table 3.

The following map depicts countries' distribution according to total EAGGF rural development expenditure (source: DG Agriculture and Rural Development).

¹⁰Expenditure on the two EU10 measures not covered by this evaluation (complements to direct payments and Leader+ type measures) is included in this table, since the figures are compiled at programme and not measure level.



Map 5 - Countries' distribution according to EAGGF rural development expenditure



The bulk (53.88%) of EAGGF rural development expenditure occurred in Germany, Spain, Italy and France.

This group was followed by Austria, Poland, Portugal, Ireland, Greece, Finland, UK and Sweden.

EU10 countries (except Poland) spent less on rural development funds, together with the Benelux countries and Denmark.

Source: DG Agriculture and Rural Development



3.2 Key aspects of measures

The following tables present an overview of the implementation of each measure, including any specific targeting adopted¹¹. This information is relevant for understanding some of the findings and conclusions derived from the analysis of measures and evaluation.

Specifically the following tables depict the different approaches taken according to 6 important aspects:

- Beneficiary type
- Number of expected beneficiaries
- Territorial targeting
- Eligibility and selection criteria
- Impact indicators

At the current level of analysis the first conclusions can be summarised as follows:

- ⇒ Targeting specific types of beneficiary in most cases prioritised young farmers and cooperatives. One programme in Italy also prioritised women, while some programmes in France (6), Denmark (1), Spain (14) and Germany (1) also focused on small-medium enterprises and quality products.
- ⇒ The number of expected beneficiaries ranges widely between programmes and countries, while the type of beneficiaries is common to most cases.
- ⇒ Territorial targeting is most commonly used to focus on less favoured and mountain areas in France (3), Hungary (1), Denmark (1), Spain (1), Cyprus (1), Greece (1) and especially the prefectures of Veneto, Abruzzo and Friuli Venezia in Italy, whose programmes included this target in most measures. Other cases of specific territorial targeting that have been identified are mentioned below.
- ⇒ In summary, eligibility and selection criteria vary, depending on the measure and the country where they were implemented. There are 8 types of commonly identified criteria and they appear as follows:
 - a. Collective actions: 9 countries (BE-1 programme, FR-4, HU-1, DE-6, LI-1, ES-14, LT-1, CZ-1, PT-1)
 - b. Quality of products: 8 countries (FR-3, BE-1, IT-1, NL-1, SI-1, AT-1, DE-1, ES-4)
 - c. LFAs: 8 countries (FR-1, ES-1, CY-1, EE-1, DE-1, IT-1, PL-1, SK-1)
 - d. Women: 3 countries (SE-1, HU-1, IT-1) of which Hungary particularly targeted actions involving the participation of women.
 - e. Handicapped: 2 countries (HU-1, IT-1) of which Hungary particularly targeted actions involving the participation of handicapped.
 - f. Young people: 9 countries (AT-1, CZ-1, HU-1, IT-1, ES-2, CY-1, EE-1, PL-1, SK-1)
 - g. Small-medium enterprises: 2 countries (ES-14, FR-1)
 - h. Actions with environmental impacts, including increasing awareness and/or promoting environmental values: 6 countries (FR-3 Obj.2, ES-14, SI-1, HU-1, DE-1, AT-1)
- ⇒ Impact indicators with specific expected values were developed by 20 Member States and only for some measures. The majority of indicators concern the creation/maintenance of jobs, followed by those relating to income improvements. Environmental impact indicators are scarce

¹¹ It must be noted that complete and consistent information on targets was not available. Only available information on targeting is provided here.



and when they exist refer to reduction in emissions (nitrogen, ammonia, phosphorous). New Member States are distinguished by providing indicator (target) values for most measures.

Table 4 –Key aspects of each measure¹²

Investment in farms (Chapter I)	
Funding	EAGGF budget: 3,654,852,272 € Total public budget: 8,690,851,668 €
Beneficiary type	Priority was given to: <ul style="list-style-type: none"> - Young farmers (AT-1 programme, CZ-1 programme) - Farm cooperatives (AT-1 programme, FR-3 programmes) - Agro-industrial SMEs (FR-1 programme) - Organisations aiming at developing or obtaining a quality label (FR-3 programmes)
Target No. of beneficiaries	Specific target quantification identified: 35 Small-Medium-Enterprises (FR-1 programme) 68,345 farms from 30 programmes in 15 countries ranging per programme from 229 in Azores (PT) to 4,198 in Toscana (IT): (BE-1 programme; CY-1 programme; CZ-1 programme; DK-1 programme; EE-1 programme; DE-1 programme; GR-5 programmes; IT-11 programmes; LV-1 programme; LT-1 programme; MT-1 programme; NL-1 programme; PT-1 programme; SE-1 programme; FR-1 programme)
Territorial targeting	Priority was given to: <ul style="list-style-type: none"> - Organised territories - Natural Parks (FR-3 programmes) - Rurally structured municipalities with a maximum number of 2,500 inhabitants (DE-1 programme) - Mountainous areas (IT-1 programme)
Eligibility and selection criteria	<ul style="list-style-type: none"> - Focus on sustainable development through additional support to organic agriculture (BE-1 programme) - Emphasis on collective action (BE-1 programme, FR-4 Obj2 programmes) - Additional support (+10%) for collective investments (ES-2 programme) - Selection of areas according to vulnerability to pollution (FR-3 Obj2 programmes). - Priority for farmers engaged in a "TFC" (territorial farming contract) (FR-3 Obj2 programmes) - Priority to regional products and quality labels (FR-1 Obj2 programme) - Farmers were obliged to implement one of the advisory systems specified in the RDP (DE-1 programme) - Professional farmers with sufficient professional credentials (DK-1 programme, ES-1 programme, DE-6 programmes)
Other quantified indicators (including impact indicators)	<p>CZ: 17% improvement in economic conditions; 59% reduction in production costs; 478,677 m2 improvement of storage capacities; 111,474 m2 improvement of storing capacities for manure; 8% change in tractors' capacities; 2,705t improvement of storing capacities for fruits and vegetables; 55 young farmers; 2% change in permanent jobs in agriculture; 47 new jobs (1 programme)</p> <p>EE: Supported agricultural producers, who invested for taking the production into conformity with animal welfare, veterinary, hygiene, phytosanitary and environmental requirements: 150 (1 programme)</p> <p>HU: 2,490 jobs created or maintained (according to RDP); Gross increase of income of supported farms: 2% (1 programme)</p> <p>IT: Agricultural income growth above 2% on assisted farms (1 programme)</p> <p>LV: Increase in income of the agricultural holdings supported: 10% (1 programme)</p>

¹² Source: EAGGF budget and total public budget from most recent available versions of programmes.



Investment in farms (Chapter I)	
	<p>LT: 700 jobs created/maintained; Increase in income level in the agricultural sector: 4% (1 programme)</p> <p>PL: Improved economic viability for 3,000 farms (1 programme)</p> <p>SI: 10% improvement of economic performance (GVA) of agricultural activities on assisted farms (1 programme)</p> <p>ES: 65,247 jobs maintained (5 programmes); 4,325 jobs created (4 programmes); reduction in water loss: 28.000.000 m³/ha (1 programme)</p> <p>UK: 67 net additional jobs safeguarded; 8 jobs created; (1 programme)</p>
<p>Key findings</p> <p>The investment in farms measure was implemented in all EU25 Member States through 89 programmes. When planning the measure "Investment in farms" Member States prioritised different types of beneficiary, territory and product.</p> <ul style="list-style-type: none"> ✓ 8 countries targeted young farmers by giving higher score to their applications, 4 countries targeted collective actions and France targeted SMEs, either by giving additional support to these categories of beneficiaries or by giving extra scores to the overall evaluation of these applications. ✓ France and Belgium also targeted the production of quality products. <p>Special issues</p> <ul style="list-style-type: none"> ✓ 3 programmes in Obj2 regions of France gave priority to farmers engaged in a "TFC" (territorial farming contract). ✓ In 1 RDP programme in Germany, it was compulsory for farmers to implement one of the advisory systems. 	
Start-up assistance for young farmers (Chapter II)	
Funding	<p>EAGGF budget: 1,265,870,624 €</p> <p>Total public budget: 2,889,768,462 €</p>
Target No. of beneficiaries	<p>Specific target quantification identified:</p> <p>25,416 young farmers according to 10 programmes in 9 countries ranging per programme from 229 in Azores (PT) to 18,500 in horizontal programme of GR (SE-1 programme, PT-1 programme, LT-1 programme, LV-1 programme, IT-1 programme, GR-1 programme, DE-2 programmes, CY-1 programme, BE-1 programme)</p>
Territorial targeting	<p>Priority was given to mountainous and disadvantaged areas (IT-2 programmes)</p>
Eligibility and selection criteria	<ul style="list-style-type: none"> - Additional support to LFAs and mountain areas (FR-1 programme) - Membership in producer organisation (HU-1 programme) - LFA and environmentally sensitive areas (HU-1 programme) - Involvement of women and handicapped (HU-1 programme) - Priority in synergies with early retirement scheme (LV-1 programme) - Preference given to farmers who start as co-owners of holdings (ES-1 programme)
Other quantified indicators (including impact indicators)	<p>HU: 274 jobs created or maintained (1 programme)</p> <p>IT: Agricultural income growth above 2% (1 programme)</p> <p>LV: 230 fulltime workplaces created; 230 fulltime workplaces preserved (1 programme)</p> <p>LT: 460 jobs created/maintained; Share of farmers aged under 40 years as proportion of total farming population: 16%; Increase in incomes of young farmers: 5% (1 programme)</p> <p>ES: 21,700 jobs created (2 programmes)</p>
<p>Key findings</p> <p>The start-up assistance for young farmers' measure was implemented in 19 countries through 52 programmes. Some cases with specific targeting included:</p> <ul style="list-style-type: none"> ✓ France and Hungary gave priority to LFAs and mountain areas. ✓ Hungary also gave priority to members of producer organisations, women and handicapped applicants. 	



Start-up assistance for young farmers (Chapter II)

- ✓ Latvia promoted synergies with early retirement measure
- ✓ Spain gave priority to co-owners of holdings

Training (Chapter III)

Funding	EAGGF budget: 185,958,693 € Total public budget: 580,874,520 €
Target No. of beneficiaries	Specific target quantification identified: 9,800 courses (DK-1 programme) 22,525 trainees (LT-1 programme, NL-1 programme, CY-1 programme) 10,000 farms (SE-1 programme) 26 projects (CZ-1 programme, LV-1 programme)
Eligibility and selection criteria	<ul style="list-style-type: none"> - Priority to women (HU-1 programme, SE-1 programme) - Priority to handicapped people (HU-1 programme) - Priority to young farmers (HU-1 programme, IT-1 programme, ES-2 programmes) - Training programmes which work on environmental awareness (ES-1 programme)
Other quantified indicators (including impact indicators)	FR: More than 5% of (all) people active in agriculture and/or forestry benefit from the measure (1 programme) DE: 80 new jobs (1 programme) HU: Improvement of qualification of women living in rural areas and of disadvantages minorities and handicapped people: 5,200 people (1 programme) LT: Number of farmers who acquired qualification makes up: 100 (1 programme) UK: 6,000 safeguarded jobs (1 programme)
Key findings The training measure was implemented in 20 countries through 48 programmes. Some special cases are identified: <ul style="list-style-type: none"> ✓ Hungary, Italy and Spain gave priority to young farmers. ✓ Hungary also gave priority to women and handicapped. ✓ Sweden gave priority to women. 	

Early retirement (Chapter IV)

Funding	EAGGF budget: 1,807,524,027 € Total public budget: 4,703,683,867 €
Target No. of beneficiaries	Specific target quantification identified: 175,620 farmers according to 10 programmes in 8 countries ranging per programme from 166 in Azores (PT) to 74,698 in the horizontal programme of IE (CY-1 programme, CZ-1 programme, GR-1 programme, IE-1 programme, LV-1 programme, LT-1 programme, PT-3 programmes, SI-1 programme)
Eligibility and selection criteria	In cases the number of applications was too large, preference was given to: farms which were transferred to young farmers; participants in sectorial restructuring plans publicly established; farms which were transferred in property and/or farms that were in less favoured areas (ES-1 programme)
Other quantified indicators (including impact indicators)	IT: 0,1% increase in employment (1 programme)
Key findings The early retirement measure was implemented in 13 countries through 23 programmes. This measure didn't show special targeting though the EU25. Only in Spain preference was given to participants in sectorial restructuring plans	



Early retirement (Chapter IV)

publicly established, farms which are transferred in property and farms located in LFAs.

Less Favoured Areas and areas with environmental restrictions (Chapter V)

Funding	EAGGF budget: 7,113,379,810 € Total public budget: 21,197,602,162 €
Target No. of beneficiaries	Specific target quantification identified: 2,588,490 ha (PT-3 programmes, GR-1 programme) 369,549 farmers according to 8 programmes in 8 countries ranging per programme from 800 in DK to 194,786 in LV
Territorial targeting	Priority was given to Bird areas in areas with environmental restrictions (SK-1 programme)
Other quantified indicators (including impact indicators)	CZ: 80% of farms with area above 5 ha in the demarcated areas will take part in the LFA scheme and will comply with the principles of good farming practice (1 programme) FR: Maintenance of the difference between farmers revenues in LFAs compared to other areas within certain limits (the difference was about 30% during the previous period, 1 programme) DE: 360,000 hectares supported (1 programme) ES: Maintenance of 2,000 jobs (1 programme) SE: Achieve the environmental quality objective of "No eutrophication" which means that Swedish waterborne emissions of nitrates from human activity into the sea south of the Åland Sea is reduced by 40% compared with 1995 figures; Decrease the nitrogen load on the sea with approx. 1,200 tonnes/year (1 programme)
Key findings All Member States implemented the LFA measure, through 50 programmes, according to the main guidelines of EC Regulations, with no differentiations. Only one special case was identified, in Slovakia, where a programme targeted bird areas.	

Implementing demanding standards (Chapter Va)

Funding	EAGGF budget: 781,480,841 € Total public budget: 1,672,819,614 €
Beneficiary type	Priority was given to: Livestock breeders (MT-1 programme)
Target No. of beneficiaries	Specific target quantification identified: 130,000 sheep and goats holdings, 14,000,000 sheep and goats (GR-1 programme) 18,475 farmers (LV-1 programme, LI-1 programme)
Territorial targeting	Activities related to construction of manure storage and development of fertilization plans were implemented in nitrate vulnerable areas (LV-1 programme)
Key findings The implementing demanding standards measure was only implemented in 9 countries, through 9 programmes, without showing any special targeting on particular beneficiaries and territories; except for one programme in Malta and one in Latvia. In Malta livestock breeders were promoted while in Latvia environmentally vulnerable areas were given priority.	

Agri-environment and animal welfare (Chapter VI)

Funding	EAGGF budget: 11,967,943,575 € Total public budget: 26,738,500,489 €
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Agri-environment and animal welfare (Chapter VI)	
Target No. of beneficiaries	<p>Specific target quantification identified:</p> <p>545,032 farmers according to 7 programmes in 7 countries ranging per programme from 604 in NL to 434,500 in IE (CZ-1 programme, IE-1 programme, LV-1 programme, LI-1 programme, NL-1 programme, SI-1 programme, SE-1 programme)</p> <p>1,069,218 hectares according to 6 programmes in 3 countries (DK-1 programme, GR-1 programme, PT-4 programmes)</p>
Territorial targeting	<p>Priority was given to:</p> <ul style="list-style-type: none"> - Areas significant for water resources: wetlands, meadows, reservoirs, adjacent to rivers, catchment areas of rivers, etc. (FI-1 programme, ES-1 programme) - Monasteries of Mount Athos (GR-1 programme) - Disadvantaged and mountainous areas (IT-1 programme) - Sustainable farming, extensive meadows and pastures (PL-1 programme) - Areas rich in heritage, historical and cultural (ES-1 programme)
Other quantified indicators (including impact indicators)	<p>CZ: 25% of agricultural land will be included in the nationwide sub-measures (with the exception of organic farming) by the end of the programming period; 8% of agricultural land will be subject to organic farming; 30% of the area of valuable habitats will be managed under the regionally specified schemes (1 programme)</p> <p>DK: Reduction of nitrogen emissions is expected in 2003 to include 230,000 ha of organic land. In addition, 8,000 hectares of wetlands / wet meadows are included in 2003. The protection of the water environment and drinking water are expected to involve a total of 160,000 ha in 2003 (1 programme)</p> <p>EE: Land used for organic farming: 70,000 ha (1 programme)</p> <p>FI: 86,800 ha committed for basic measures (1 programme); Nitrogen levels to be reduced by 15% (base: 1994, 1 programme); Phosphorus levels to be reduced by more than 50% (base: 1994, 1 programme); Increase of 15-25% of cattle and sheep production to be included in organic farming (1 programme); Overall reduction in ammonia emissions (by 70-90%) due to covered liquid manure and urine containers (1 programme); Overall reduction in erosion and leaching of nutrients by 10-20 % (1 programme)</p> <p>IT: Increase in biological products marketed: 80% (1 programme)</p> <p>LU: double the number of UGB reduced compared to the situation in 1998: 2,000 ha; triplicate the number of hectares concerned with low stocking density maintained: 8,300 ha</p>
<p>Key findings</p> <p>The agri-environment and animal welfare measure was implemented in all MS (77 programmes in total). During the planning of the measure several countries targeted different types of areas/habitat.</p> <ul style="list-style-type: none"> ✓ Denmark targeted sensitive agricultural areas ✓ Finland and Spain targeted areas with significant water resources ✓ Greece targeted Mount Athos ✓ Italy targeted disadvantaged and mountainous areas ✓ Lithuania and Sweden targeted protected areas, organic farms and areas with environmental value ✓ Poland targeted sustainable farming and extensive meadows and pastures ✓ Spain targeted areas rich in historical and cultural heritage 	

Farmers' voluntary participation in food quality schemes (Chapter VIa)	
Funding	<p>EAGGF budget: 7,200,000 €</p> <p>Total public budget: 16,200,000 €</p>
Target No. of beneficiaries	<p>Specific target quantification identified:</p> <p>1,349 biological oriented companies (NL-1 programme)</p>



Farmers' voluntary participation in food quality schemes (Chapter VIa)

Key findings

The measure of farmers' voluntary participation in food quality schemes was only implemented in 2 countries (Greece and Netherlands) through 2 programmes. No special issues are identified.

Producer group activities related to food quality (Chapter VIa)

Funding	EAGGF budget: 9,574,124 € Total public budget: 13,046,380 €
Beneficiary type	Priority was given to: Producer groups excluding fruit, vegetable and tobacco (HU-1 programme)

Key findings

The producer group activities related to food quality measure was only implemented in 2 countries (Greece and Slovakia) through 2 programmes. No special issues were identified.

Improving the processing and marketing of agricultural products (Chapter VII)

Funding:	EAGGF budget: 2,896,294,661 € Total public budget: 5,546,604,044 €
Beneficiary type	Priority was given to: <ul style="list-style-type: none"> - Focus on small and medium enterprises (DK-1 programme, FR-6 programmes, ES-1 programme) - Focus on cooperatives and producer groups (FR-4 programmes, DE-7 programmes, IT-3 programmes, LU-1 programme, ES-6 programmes)
Target No. of beneficiaries	Specific target quantification identified: 2,257 projects according to 11 programmes in 9 countries ranging per programme from 12 in EE to 1,255 in GR (CZ-1 programme, EE-1 programme, DE-1 programme, GR- 3 programmes, LV-1 programme, LI-1 programme, MT-1 programme, NL-1 programme, PT-1 programme)
Territorial targeting	Priority was given to: <ul style="list-style-type: none"> - Mountain areas (GR-1 programme, IT-1 programme) - Entire country not covered by Objective 1 (SE-1 programme)
Eligibility and selection criteria	<ul style="list-style-type: none"> - Sectoral focus in fruit and vegetable sector (BE-1 programme) - Priority to "differentiated quality" products (BE-1 programme, IT-1 programme, NL-1 programme, SI-1 programme) - Priority to foodstuff enterprises included in a network for foodstuff development (BE-1 programme) - Focus on coherence with regional policies (BE-1 programme, FR-7 programmes) - Promotion of local products (FR-7 programmes, ES-14 programmes) - Distinguishes for requirement that may help avoid windfall gains: "only projects where the supply is made by at least three different suppliers (each of them with less than 50% of the supply) will be take into consideration" (FR-7 programmes) - Promotion of projects that create positive impact on primary sector (DE-6 programmes, SI-1 programme) - Collective action through explicit support to groupings and associations (DE-6 programmes, LI-1 programme, ES-14 programmes) - Focus on basic products (HU-1 programme) - Preference given to innovation in systems (IT-1 programme, NL-1 programme, ES-14 programmes) - Promotion to projects submitted by companies that use workers belonging to disadvantaged groups with special reference to persons with disabilities; projects submitted by women (IT-1 programme) - Promotion to projects that include marketing of products, chain logistics and application of



Improving the processing and marketing of agricultural products (Chapter VII)	
	<p>new technology (NL-1 programme)</p> <ul style="list-style-type: none"> - Promotion to projects which improve care for consumer health (SI-1 programme) - Promotion to projects that create positive impact on environment (SI-1 programme, ES-14 programmes) - Promotion to projects with regional coverage (SI-1 programme) - Focus on coherence with local government priorities (ES-14 programmes) - Encouragement to movements from urban to rural areas (preference to new installations due to moving existing ones from urban to rural areas) (ES-14 programmes) - Focus on small size businesses and areas: priority to SMEs of less than 50 employees and towns of less than 10,000 inhabitants (ES-14 programmes) - Support to disadvantaged areas (ES-14 programmes)
Other quantified indicators (including impact indicators)	<p>DK: Creation of 1,000 jobs from the eligible investments; Increase in revenue by approximately 3 billion Danish crowns (1 programme)</p> <p>EE: Increase in turnover per employee in supported enterprises by 5% per year (1 programme)</p> <p>FR: 10 products with quality label and 5 under quality label (1 programme); Increase of production under quality label: +10% (1 programme); Number of created or maintained jobs: 120 (1 programme); 1,000 jobs created or maintained (1 programme); 1,000 agricultural holdings concerned (1 programme)</p> <p>DE: Maintenance of 854 jobs (1 programme)</p> <p>HU: Increase of the gross added value at the enterprises implementing development: 2% (according to RDP); Increase in the value of agricultural products purchased by enterprises implementing different investments: 6% (1 programme)</p> <p>LV: Increase in the production volume of the processing enterprises supported: 10% (1 programme); Increase in the income of the processing enterprises: 10% (1 programme)</p> <p>LI: 320 jobs created/maintained (1 programme)</p> <p>PL: Maintenance/creation of 60,000 jobs (1 programme)</p> <p>SI: 10% improvement of economic performance (GVA/employee) in assisted firms, keeping the no. of jobs unchanged (1 programme)</p> <p>ES: 6,568 jobs created (7 programmes); 41,239 jobs maintained (8 programmes)</p> <p>SE: 120 jobs created (1 programme); Maintenance of 25,100 jobs (2 programmes)</p>
<p>Key findings</p> <p>The improving the processing and marketing of agricultural products measure was amongst the most popular measures across the EU25. The measure was implemented in 75 programmes and 22 countries. Some programmes focused on small and medium enterprises, while others gave priority to cooperatives and producer groups. According to territorial targeting Greece and Italy gave priority to mountain areas. Other types of targeting were added during the planning of this measure:</p> <ul style="list-style-type: none"> ✓ Belgium promoted the fruit and vegetable sector, as well as foodstuff enterprises included in a network ✓ Belgium, Italy, Netherlands and Slovenia gave priority to quality products, while France and Spain promoted local products and Hungary promoted basic products. ✓ Italy gave priority to projects submitted by companies whose workers are persons with disabilities or women. <p>Special issues</p> <ul style="list-style-type: none"> ✓ Belgium and France focused on coherence with regional policies. ✓ France tried to avoid windfall gains by preferring projects with products that included at least three different suppliers. ✓ Germany and Slovenia promoted projects that create positive impacts on the primary sector. ✓ Italy, Netherlands and Spain preferred to prioritise innovative projects. Netherland also promoted projects that included marketing of products, chain logistics and application of new technology. ✓ Slovenia promoted projects which improve consumer health care and show regional coverage and, together with Spain, promoted projects that create positive impact on environment. 	



Improving the processing and marketing of agricultural products (Chapter VII)

- ✓ Spain focused on coherence with local government priorities, encouraged movements from urban to rural areas and gave priority to small size businesses and disadvantaged areas.

Afforestation of agricultural land (Chapter VIII)

Funding	EAGGF budget: 1,759,661,951 € Total public budget: 3,785,564,167 €
Beneficiary type	Priority was given to projects submitted by young farmers or women (IT-1 programme)
Target No. of beneficiaries	Specific target quantification identified: 59,865 hectares afforested (DK-1 programme; CZ-1 programme; EE-1 programme; HU-1 programme) 24,429 beneficiaries (farmers, private individuals, social organisations, agricultural holdings) according to 7 programmes in 7 countries ranging per programme from 699 in NL to 12,700 in IE (CZ-1 programme, DE-1 programme, IE: 1 programme, LV-1 programme, LT-1 programme, NL-1 programme, PT-1 programme)
Territorial targeting	Priority was given to: <ul style="list-style-type: none"> - Mountain and semi-mountain areas (GR-1 programme, IT-3 programmes) - Protected areas; Special Protection Areas and Sites of Community Importance; disadvantaged areas (IT-3 programmes) - Lands in green areas (LU-1 programme) - Specific areas like LFAs, sensitive natural areas or areas with average characteristics; forests planned for socially and economically backward regions or regions with high unemployment (HU-1 programme) - Protected areas and parks (IT-1 programme)
Eligibility and selection criteria	<ul style="list-style-type: none"> - Focus on arable land, grassland, permanent pastureland, permanent cultures (DE-1 programme, HU-1 programme) - Priority to activities with expected results and impacts (the extent of nature protection, ecological protection and status improving impact of planting forests; increased role of the new forest played in the protection of the human environment, increasing potential of the region for tourism, effect on local conditions) (HU-1 programme) - The selection criteria excluded farmers who claimed support under "Early Retirement" measure (LI-1 programme)
Other quantified indicators (including impact indicators)	LV: Volume of CO2 absorbed: 14,000 tonnes (1 programme) PT: Carbon retention to increase by: 3.8% (1 programme) ES: 4,410 jobs created; surface benefiting from afforestation: 361,195 ha (3 programmes)

Key findings

The afforestation of agricultural land measure was implemented in 22 countries through 49 programmes. During the planning of the measure Hungary gave priority to farmers and Italy to young farmers and women.

According to territorial targeting several countries gave priority to different types of areas:

- ✓ Italy gave priority to protected areas, special protection areas and sites of community importance and disadvantaged areas and, together with Greece, focused on mountain and semi-mountain areas.
- ✓ Luxembourg focused on land in green areas.
- ✓ Hungary gave priority to LFAs, sensitive natural areas and areas with average characteristics; forests planned for socially and economically backward regions or regions with high unemployment.

Special issues

- ✓ Hungary gave priority to activities with expected results and impacts (nature protection, ecological protection, impact of planting forests, protection of the human environment, increasing potential of the region for tourism,



Afforestation of agricultural land (Chapter VIII)

effect on local conditions).

- ✓ Lithuania excluded farmers claiming support under the “Early Retirement” measure from the selection criteria.

Other forestry measures (Chapter VIII)

Funding	EAGGF budget: 1,590,696,450 € Total public budget: 3,727,276,118 €
Target No. of beneficiaries	Specific target quantification identified: 26,600 forest owners (IE-1 programme) 12,773 projects according to 13 programmes in 4 countries ranging per programme from 95 in EE to 7,308 in GR (CZ-1 programme, EE-1 programme, GR-5 programmes, PT-6 programmes)
Territorial targeting	Priority was given to NATURA 2000 areas, natural parks, wood, Special Protection Areas and Sites of Community Importance (IT-2 programmes)
Eligibility and selection criteria	<ul style="list-style-type: none"> - Only local-typical tree species were eligible (DE-3 programmes) - Promote associations, activities without using any chemicals (LT-1 programme) - Selection criteria included protected areas, areas with high erosion potential, with high fire risk, areas with high ecological value vegetation, areas in desertification processes, contribution to job creation, coherence with regional development strategy, lack of basic infrastructure, forests in water basins which are affected by specific degradation, treatments against pests or illnesses (ES-4 programmes)
Other quantified indicators (including impact indicators)	<p>EE: Number of supported associations: 15; Increased afforested area: 1,000 ha; Increase of the area of tending of young stands: 2,000 ha</p> <p>DE: Maintenance of 425 existing jobs (1 programme); Development of 700 km forestry roads (1 programme); 6,500 ha of forest areas under measures related to care and conversion to location-adapted forestry (1 programme)</p> <p>IE: Environmentally sustainable harvesting systems 20% of total stock of grain (1 programme)</p> <p>LT: 320 of jobs created/maintained (1 programme)</p> <p>SI: 1,200ha of reforested area; 17,000ha of tended young stands; 1,800ha of young stands with protected trees; 90ha of wildlife habitats established (1 programme)</p> <p>ES: 14,450 jobs created (4 programmes); Surface affected by infrastructure 2,007,091 ha (4 programmes); Surface benefited 33,187 ha (4 programmes)</p> <p>UK: 259 net additional jobs created (2 programmes)</p>

Key findings

Other forestry measures were implemented in 22 countries through 67 programmes. In general, only a few cases of special territorial targeting were identified:

- ✓ Italy gave priority to NATURA 2000 areas, natural parks, wood, Special Protection Areas and Sites of Community Importance.
- ✓ Germany focused on local-typical tree species.
- ✓ Spain focused on: protected areas; areas with high erosion potential; areas with high fire risk; areas with high ecological value vegetation; areas in desertification processes and forests in water basins.

Special issues

- ✓ Spain promoted activities that contributed to job creation and showed coherence with regional development strategy.
- ✓ Latvia promoted associations and activities that didn't use any chemicals.

Land improvement (Chapter IX)

Funding	EAGGF budget: 130,501,506 € Total public budget: 297,609,644 €
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Land improvement (Chapter IX)	
Target No. of beneficiaries	Specific target quantification identified: 613 projects according to 8 programmes in 3 countries ranging from 30 in GR to 445 in LV (GR-1 programme, LV-1 programme, PT-6 programmes)
Territorial targeting	Priority was given to disadvantaged and mountain areas; reclamation land (IT- programmes)
Eligibility and selection criteria	<ul style="list-style-type: none"> - Priority to individual projects inserted in a collective approach and those that complement those already presented by the local authorities (FR-1 programme) - Priority to legal persons or non-profit entities that, independently or jointly with public administration bodies, act as entities motivators for local initiatives targeted at specific identified rural areas (PT-1 programme)
Other quantified indicators (including impact indicators)	<p>DK: Shelter belts: 3,000 km; Small plantations: 150 ha (1 programme)</p> <p>EE: Increase of the share of land having good water regime (suitable for universal use) from all the land of unfavourable water regime: 2.5 % (1 programme)</p> <p>LV: Fulltime workplaces created: 500 (1 programme); Fulltime workplaces preserved: 1,500 (1 programme)</p> <p>UK: 892 net additional jobs created (1 programme)</p>
Key findings The land improvement measure was implemented in 8 countries through 26 programmes. Only 3 of these countries presented special targeting, either in terms of territories selected or in terms of type of beneficiaries: <ul style="list-style-type: none"> ✓ Italy focused on disadvantaged and mountainous areas and on reclaimed land. ✓ France gave priority to collective actions. ✓ Portugal gave priority to beneficiaries that acted as motivators for local initiatives. 	

Reparcelling (Chapter IX)	
Funding:	EAGGF budget: 559,214,127 € Total public budget: 1,229,593,331 €
Beneficiary type	Priority was given to: Water and soil associations (DE-3 programmes)
Target No. of beneficiaries	Specific target quantification identified: 55,000 hectares (GR-1 programme) 1,151 projects according to 3 programmes in 3 countries ranging from 300 in DE to 455 in NL (CZ-1 programme, DE-1 programme, NL-1 programme)
Territorial targeting	Priority was given to structurally weak and otherwise less-favoured areas; areas affected by agricultural structural change; areas with out-migration; areas affected by supralocal construction/infrastructure projects (DE-1 programme)
Other quantified indicators (including impact indicators)	<p>FR: 1,000 km of rural roads created; 100 km of wooded hedges created; 7,000 ha concerned; 20,000 m2 built in Agricultural Activity Areas (1 programme)</p> <p>DE: 300 projects and 88,000 hectares restructured; Creation of 1,645 jobs (1 programme)</p> <p>IT: Time savings up to 20% due to rational management of water resources (1 programme)</p>
Key findings The reparcelling measure was implemented in 10 countries through 37 programmes. Special issues were only identified in Germany, where priority was given to water and soil associations, structurally weak and otherwise less-favoured areas, areas affected by structural agricultural change, areas with emigration and areas affected by supralocal construction/infrastructure projects.	

Setting up farm relief and farm management services, setting up and provision of advisory and extension services (Chapter IX)	
Funding:	EAGGF budget: 558,535,848 € Total public budget: 862,504,540 €



Setting up farm relief and farm management services, setting up and provision of advisory and extension services (Chapter IX)	
Beneficiary type	Priority was given to: Focus on newly-funded farm management services (DE-1 programme)
Target No. of beneficiaries	Specific target quantification identified: 1 project (GR-1 programme) 398 projects (PT-6 programmes)
Territorial targeting	Priority was given to farms in less favoured areas or Natura 2000 (ES-1 programme)
Eligibility and selection criteria	<ul style="list-style-type: none"> - Priority to services and activities innovative or contribute to the multifunctionality of agricultural holdings (FR-1 programme) - Selection criteria included the number of members in the association, % of expenses dedicated to the control of agricultural holdings, number of participants in the maintenance of breeds in danger of extinction, number of heads of animals in danger that are used for programmes for genetic improvement and maintaining genealogic book, associations and groups of farmers acquiring machinery and equipment for common use; associations of livestock farmers implanting common hygiene programmes (ES-4 programmes)
Other quantified indicators (including impact indicators)	FR: 200 holdings concerned; 15 jobs created (1 programme) ES: 32.395 jobs created (6 programmes); 965 services for substitution and assistance created (7 programmes); 6,300 participants in the marketing network (3 programmes); 2,780,316 hours of technical assistance given (4 programmes)
Key findings <p>The setting up farm relief and farm management services, setting up and provision of advisory and extension services measure was implemented in 10 countries through 35 programmes. Germany focused on newly-funded farm management services, France gave priority to innovative services and activities and to activities that contributed to the multifunctionality of agricultural holdings.</p> <p>Spain showed special targeting though selection criteria which included the following:</p> <ul style="list-style-type: none"> ✓ participation of beneficiaries in associations ✓ % of expenses dedicated to the control of agricultural holdings ✓ number of participants in the maintenance of breeds in danger of extinction ✓ number of heads of animals in danger that are used for programmes for genetic improvement and maintaining genealogy ✓ associations and groups of farmers acquiring machinery and equipment for common use ✓ associations of livestock farmers implementing common hygiene programmes 	
Marketing of quality agricultural products (Chapter IX)	
Funding	EAGGF budget: 227,680,728 € Total public budget: 441,116,777 €
Beneficiary type	Priority was given to: <ul style="list-style-type: none"> - Producers of organic and regional products (BE-1 programme, DE-1 programme, ES-4 programmes) - Farmers having Territorial farming contracts or sustainable agriculture contracts in complement to agri-environmental measures; regional Institute for the Agro-food Quality of Normandy (FR-2 programme) - Small and medium-sized enterprises (DE-1 programme, ES-4 programmes) - Physical or legal persons who commercialize or organize marketing structures of agricultural high quality Basque products (ES-4 programmes)
Target No. of beneficiaries	Specific target quantification identified: 565 projects according to 8 programmes in 3 countries ranging from 53 in NL to 260 in GR (GR-2 programmes, NL-1 programme, PT-5 programmes)
Territorial targeting	Priority was given to disadvantaged areas (IT-1 programme)



Marketing of quality agricultural products (Chapter IX)	
Eligibility and selection criteria	<ul style="list-style-type: none"> - Products of special quality, i.e. from organic/integrated agriculture, from regionally typical production, from traditional production, involving improved procedures and/or innovation, having positive impact on the environment, animal welfare and hygiene (AT-1 programme, DE-1 programme, ES-1 programme) - Priority to labels friendly to the environment (FR-1 programme) - Projects relevant for groundwater protection (DE-1 programme) - Associative culture: cooperatives that integrate into other higher ones to carry out initiatives together to improve structure, management, concentration and order of the offer of products (ES-1 programme)
Other quantified indicators (including impact indicators)	<p>FR: 1 new quality label created; 3,000 holdings concerned; 15 territories impacted (1 programme)</p> <p>DE: Creation of 236 jobs (1 programme)</p> <p>UK: Maintenance of 24,700 employed in food and related sectors (1 programme)</p>
<p>Key findings</p> <p>The marketing of quality agricultural products measure was implemented in 13 countries through 55 programmes. Several countries developed special targeting priorities according to the type of beneficiaries, areas affected and eligibility criteria.</p> <ul style="list-style-type: none"> ✓ Germany and Spain focused on small and medium-sized enterprises. ✓ Italy gave priority to disadvantaged areas. ✓ France gave priority to environment friendly labels. ✓ Germany promoted projects relevant to groundwater protection. ✓ Spain focused on associative culture <p>Special issues</p> <p>A large number of countries gave priority to different types of products:</p> <ul style="list-style-type: none"> ✓ Spain focused on beneficiaries that commercialise or organise marketing structures of high quality agricultural Basque products. ✓ France focused on farmers with Territorial farming contracts or sustainable agriculture contracts in complement to agri-environmental measures; regional Institute for the Agro-food Quality of Normandy. ✓ Austria, Germany, Spain and Belgium promoted products of special quality (organic/integrated agriculture; typically regional products; traditional production, involving improved procedures and/or innovation, having a positive impact on the environment and animal welfare and hygiene) 	

Basic services for the rural economy and populations (Chapter IX)	
Funding	<p>EAGGF budget: 201,813,633 €</p> <p>Total public budget: 408,332,788 €</p>
Beneficiary type	<p>In addition to local authorities who were the typical beneficiary type, priority was given to:</p> <ul style="list-style-type: none"> - Education institutes (FR-1 programme) - Water boards (DE-1 programme)
Target No. of beneficiaries	<p>Specific target quantification identified:</p> <p>1,000 cooperatives (FR-1 programme)</p> <p>324 projects (GR-3 programmes)</p> <p>32 organisations (NL-1 programme)</p>
Territorial targeting	<p>Priority was given to focal areas with rural characteristics; rurally structured municipalities with a maximum number of 2,500 inhabitants (DE-1 programme)</p>
Eligibility and selection criteria	<ul style="list-style-type: none"> - Priority to beneficiaries non-involved in agricultural activities (FR-1 programme) - Priority to applicants who undertake subjects at risk or vulnerable (handicapped) and applicants that for social reasons must stay in the family (IT-1 programme)
Other quantified	<p>FR: 250 young farmers set up out of family frame; 200 organisms and enterprises concerned;</p>

Basic services for the rural economy and populations (Chapter IX)	
indicators (including impact indicators)	100 new jobs; 20 new AMUC created (2 programmes) LU: 50 jobs created (1 programme) ES: 140 jobs created; 60 jobs maintained (1 programme)
Key findings The basic services for the rural economy and populations measure was implemented in 11 countries through 36 programmes. Only 3 countries gave priority to certain areas/beneficiaries: <ul style="list-style-type: none"> ✓ France focused on educational institutes and gave priority to beneficiaries who were not involved in agricultural activities. ✓ Germany focused on water boards and gave priority to focal areas with rural characteristics and to small rural municipalities. ✓ Italy gave priority to applicants who undertook subjects at risk or vulnerable (handicapped) and applicants that for social reasons should stay in the family. 	
Renovation and development of villages and protection and conservation of the rural heritage (Chapter IX)	
Funding	EAGGF budget: 512,728,170 € Total public budget: 1,070,738,865 €
Beneficiary type	Priority was given to: <ul style="list-style-type: none"> - Joint public-private projects were prioritised (DE-1 programme) - Groups that were previously funded to undertake single identity work, that are managing village/community halls; people with disabilities in rural areas and rural communities (UK-1 programme)
Target No. of beneficiaries	Specific target quantification identified: 1,461 projects according to 5 programmes in 4 countries ranging from 141 in NL to 800 in DE (EE-1 programme, DE-1 programme, GR-2 programmes, NL-1 programme)
Territorial targeting	Priority was given to: <ul style="list-style-type: none"> - LFAs (CY-1 programme) - Focal areas with rural characteristics; rurally structured municipalities with a maximum number of 2,500 inhabitants; (DE-2 programmes)
Eligibility and selection criteria	<ul style="list-style-type: none"> - Priority to operations involved in collective actions; rehabilitation projects integrated in a global initiative for the heritage upgrading (FR-1 programme) - Preservation and improvement or re-use of architectural, cultural and environmental values; number of services and places directly improving the quality of life of rural communities; partnership; positive impact on women and disadvantaged groups (HU-1 programme) - Renovation and improvement of rural towns; maintenance and recuperation of traditional architecture, support for cultural creations related to rural heritage, other actions to improve quality of life like libraries, nurseries, sports installations, recreational areas, museums, etc. (ES-1 programme)
Other quantified indicators (including impact indicators)	EE: Number of villages, which benefit from the programme: 100 (1 programme) DE: Maintenance of 50-100 jobs; Maintenance/ creation of 30 jobs; Creation of 13,331 jobs; 600 municipalities (or municipal districts) benefited (2 programmes)
Key findings The renovation and development of villages and protection and conservation of the rural heritage measure was implemented in 16 countries through 47 programmes. Most of the countries used special priority criteria for the implementation of the measure. <ul style="list-style-type: none"> ✓ Germany gave priority to joint public-private projects. ✓ UK gave priority to groups that were previously funded to undertake single identity work, beneficiaries that are managing village/community halls and people with disabilities. ✓ Cyprus and Germany gave priority to less favoured areas and small municipalities. 	



Renovation and development of villages and protection and conservation of the rural heritage (Chapter IX)

- ✓ France gave priority to collective actions and rehabilitation projects.
- ✓ Hungary gave priority to projects that preserve, improve or re-use the architectural, cultural and environmental values; improve the quality of life; create positive impact on women and disadvantaged groups.
- ✓ Spain focused on projects that improve rural towns; support traditional architecture and rural heritage and improve quality of life.

Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income (Chapter IX)

Funding	EAGGF budget: 523,644,731 € Total public budget: 1,225,884,541 €
Beneficiary type	Priority was given to: Farmers who have activities related to agrotourism and artisanal activities on agricultural holdings; agrarian transformation societies, commercial companies (ES-1 programme)
Target No. of beneficiaries	Specific target quantification identified: 22,980 projects according to 11 programmes in 5 countries ranging from 105 in DE to 22,302 in PT (EE-1 programme, DE-1 programme, GR-2 programmes, NL-1 programme, PT-6 programmes)
Territorial targeting	Priority was given to smaller municipalities: with less than ca. 3,000 inhabitants (DE-1 programme)
Eligibility and selection criteria	<ul style="list-style-type: none"> - Priority to actions having a sustainable development approach (FR-1 programme) - Priority to collective operations of housing restoration (FR-1 programme) - Support only to cooperation of at least 7 partners (DE-1 programme) - Priority to projects characterised of partnership & compliance with micro-regional strategy, environmental impact and sustainability, positive effect on women and disadvantaged people, equal opportunity (HU-1 programme) - Priority to projects with positive impact on improving product quality; positive impact on environment (SI-1 programme)
Other quantified indicators (including impact indicators)	EE: Agricultural producers who start non-agricultural business activities in rural areas: 36 (1 programme) FR: 100 villages benefited (1 programme) DE: Maintenance or creation of 60-80 jobs; Creation of 197 jobs (2 programmes) HU: 260 jobs created; out of which 150 jobs occupied by women (1 programme) PL: Creation of 7,700 new jobs; Maintenance of 8,300 jobs (1 programme) SI: 40 jobs created in supplementary activities on supported farms (1 programme) ES: 1,050 jobs created; 2,114 jobs maintained (1 programme)

Key findings

The diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income measure was implemented in 20 countries through 59 programmes. Most of the countries followed the general instructions from the EC regulations, while Spain, Germany, France, Hungary and Slovenia set special priority criteria:

- ✓ Spain gave priority to farmers involved in agrotourism and artisanal activities, to agrarian transformation societies and to commercial companies.
- ✓ Germany gave priority to small municipalities and supported cooperation of at least 7 partners.
- ✓ France gave priority to actions with a sustainable development approach and to collective operations for housing restoration.
- ✓ Hungary gave priority to projects characterised by partnership & compliance with micro-regional strategy, environmental impact and sustainability, positive effects on women and disadvantaged people, equal opportunities.
- ✓ Slovenia gave priority to projects with positive impact on improving product quality and the environment.



Managing agricultural water resources (Chapter IX)	
Funding	EAGGF budget: 2,209,906,985 € Total public budget: 4,545,162,745 €
Target No. of beneficiaries	Specific target quantification identified: 327 projects (CZ-1 programme, DE-1 programme, GR-4 programmes) 451 organisations (NL-1 programme) 305,849 farmers (PT-1 programme)
Eligibility and selection criteria	<ul style="list-style-type: none"> - Actions supported must be part of a collective scheme in hydrographic unit areas where water management is at stake (FR-1 programme) - Priority was given to beneficiaries with primary infrastructure projects already run; to projects implemented in areas with hydric shortages; to projects with less environmental constraints (PT-1 programme)
Other quantified indicators (including impact indicators)	DE: Creation of 668 jobs (1 programme) ES: 13,960 jobs created; 1,450 m3/ha water loss reduced; 654,218 ha improved (1 programme)
Key findings The managing agricultural water resources measure was implemented in 10 countries through 41 programmes. Only France and Portugal included special priority criteria: <ul style="list-style-type: none"> ✓ France supported actions that belonged to a collective scheme in hydrographic areas where water management is important. ✓ Portugal gave priority to beneficiaries with previous primary infrastructure projects; to projects implemented in areas with hydric shortages; to projects with less environmental constraints. 	

Developing and improving infrastructure connected with the development of agriculture (Chapter IX)	
Funding	EAGGF budget: 1,976,151,139 € Total public budget: 3,610,651,984 €
Target No. of beneficiaries	Specific target quantification identified: 1 electronic library (GR-1 programme) 2,400 greenhouse farms which applied alternative methods (GR-1 programme) 2 Museums (GR-1 programme) 60 events (GR-1 programme) 85 studies (GR-1 programme) 13,000 samples of indigenous varieties and wild species collected (GR-1 programme) 7 livestock parks (GR-2 programmes) 209 projects (GR-2 programmes) 42 equipped laboratories (GR-3 programmes) 650 km of rural roads (GR-5 programmes) 66 cooperation (NL-1 programme) 47,147 farmers (PT-1 programme)
Territorial targeting	Priority was given to rural or urban-rural localities (PL-1 programme)
Eligibility and selection criteria	<ul style="list-style-type: none"> - Local action groups or associations creating partnership with aim to develop the integrated strategy (CZ-1 programme) - Renewable energy has priority in the case of energy supply projects; conformity with the micro regional strategy, positive effects on women and disadvantaged social groups (HU-1 programme)
Other quantified	FR: 10 agricultural holdings concerned (1 programme)



Developing and improving infrastructure connected with the development of agriculture (Chapter IX)	
indicators (including impact indicators)	DE: creation of 1,048 jobs (1 programme) HU: 100 jobs created; of which 30 jobs filled by women (1 programme) NL: 225 kilometres of cycle paths has been improved or constructed (1 programme) ES: 1,462 jobs created (3 programmes); 6 jobs maintained (1 programme)
Key findings The developing and improving infrastructure connected with the development of agriculture measure was implemented in 14 countries through 57 programmes. Poland gave priority to rural and urban-rural localities, Czech Republic gave priority to local action groups and associations and Hungary gave priority to renewable energy projects, to projects that show conformity with the micro regional strategy and to projects that create positive effects on women and disadvantaged social groups.	
Encouraging tourist and craft activities (Chapter IX)	
Funding	EAGGF budget: 207,258,363 € Total public budget: 438,031,398 €
Beneficiary type	Priority was given to: Joint public-private projects are prioritised (DE-1 programme)
Target No. of beneficiaries	Specific target quantification identified: 800 projects (GR-1 programme) 244 organisations (NL-2 programmes)
Territorial targeting	Support only in villages with rural settlement pattern (DE-1 programme)
Other quantified indicators (including impact indicators)	FR: 10 jobs created; 4,000 tourists welcomed (1 programme) DE: Maintenance of 30-50 jobs (1 programme) LU: 20% increase of the occupation rate of welcome infrastructures; 50% increase of other tourism activities (1 programme) ES: 35 jobs created (1 programme)
Key findings The encouraging tourist and craft activities measure was implemented in 12 countries through 31 programmes. Only Germany selected some special priority criteria, through which joint public-private projects were prioritised and villages with a rural settlement pattern were targeted.	
Protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare (Chapter IX)	
Funding	EAGGF budget: 689,616,970 € Total public budget: 1,275,354,479 €
Target No. of beneficiaries	Specific target quantification identified: 12 interventions in ecologically sensitive areas (GR-3 programmes) 255 projects (GR-5 programmes) 1,047 organisations (NL-1 programme) 2,521 farmers (PT-5 programmes)
Territorial targeting	Priority was given to: <ul style="list-style-type: none"> - Nature parks; municipalities with a maximum number of 5,000 inhabitants; steep slope areas (i.e. with slopes >30%); rurally structured municipalities with a maximum number of 2,500 inhabitants (DE-2 programmes) - Mountainous and less favoured areas (GR-1 programme) - Areas with livestock farms which create problems (GR-1 programme)
Eligibility and selection criteria	<ul style="list-style-type: none"> - Priority to studies, experimentations, operations in the framework of a management plan (FR-1 programme) - Priority to activities that improve the quality of life of residents and respect the traditional



Protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare (Chapter IX)	
	<p>architecture (ES-2 programmes)</p> <ul style="list-style-type: none"> - Priority to protected areas and Natura 2000 network areas, forest fire prone areas, ecosystems and areas of special ecologic interest (ES-1 programme)
Other quantified indicators (including impact indicators)	<p>FR: 60 km or 200,000 ha concerned; 20 new setting-up; 20 areas initiating a collective project of land management; 150 participants to animation days (2 programmes)</p> <p>DE: Reduce amount of extracted groundwater by 650,000m³; Secure 5,000 ha of humid grassland; Creation of 136 jobs (2 programmes)</p> <p>ES: 2,315 jobs created (4 programmes)</p>
<p>Key findings</p> <p>The protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare measure was implemented in 12 countries through 63 programmes. Greece, Germany, Spain and France showed priority targeting:</p> <ul style="list-style-type: none"> ✓ Germany targeted nature parks; small municipalities; steep slope areas. ✓ Greece targeted mountainous and less favoured areas and areas with livestock farms which create problems. ✓ France gave priority to studies, experimentations and operations in the framework of a management plan. ✓ Spain gave priority to activities that improve the quality of life and respect the traditional architecture, while targeting protected areas, Natura 2000 network areas, forest fire prone areas, ecosystems and areas of special ecologic interest. 	

Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention mechanisms (Chapter IX)	
Funding	<p>EAGGF budget: 296,108,146 €</p> <p>Total public budget: 445,709,787 €</p>
Beneficiary type	<p>Priority was given to:</p> <ul style="list-style-type: none"> - Collective investments, farmers whose productions site is located in the damaged area, agricultural pluri-actives (FR-1 programme) - Agricultural holdings of small size (DE-1 programme) - Farmers affected by natural disasters (ES-1 programme)
Target No. of beneficiaries	<p>Specific target quantification identified:</p> <p>59 projects (CZ-1 programme)</p> <p>8,100 restored animals, 6,500,000 restored trees, 35,000 acres of replaced vineyards, 5,000 reconstructed buildings, 80,000 restored farms (GR-1 programme)</p> <p>8,694 farmers (PT-2 programmes)</p>
Territorial targeting	<p>Forest areas damaged by the hurricane of July 4, 2002 (PL-1 programme)</p>
Eligibility and selection criteria	<ul style="list-style-type: none"> - Collective initiatives (FR-1 programme, PT-1 programme) - Selection according to dangerousness of the natural risk to prevent and cost/benefit ratio (FR-1 programme) - Projects in the areas which suffered from direct damage caused by a natural disaster or climatic accidents (PL-1 programme, PT-1 programme)
Other quantified indicators (including impact indicators)	<p>FR: 2,000 ha of agricultural land protected (1 programme)</p>
<p>Key findings</p> <p>The restoring agricultural production measure was implemented in 8 countries through 33 programmes. Priority was given to certain types of beneficiaries and territories:</p> <ul style="list-style-type: none"> ✓ France promoted collective investments, farms whose production site is in a damaged area and agricultural pluri- 	



Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention mechanisms (Chapter IX)

- actives. Some selection criteria in France took into account the danger of natural risks and the cost/benefit ratio.
- ✓ Germany focused on small agricultural holdings.
 - ✓ Spain focused on farmers affected by natural disasters.

Special issues

- ✓ Poland and Portugal promoted projects in areas which suffered from damage caused by a natural disaster or climatic accidents (i.e. Poland targeted forest areas damaged by the hurricane of July 4, 2002).

Semi-subsistence farms undergoing restructuring (Chapter IXa: EU10 only)

Funding	EAGGF budget: 306,254,130 € Total public budget: 632,179,800 €
Beneficiary type	Priority was given to: <ul style="list-style-type: none"> - Farmers who primarily produced subsistence goods in the period preceding the submission, but also market some of their products (HU-1 programme) - Farmers targeting the commercialisation of their agricultural holdings, especially those taking over agricultural holdings (LT-1 programme)
Target No. of beneficiaries	Specific target quantification identified: 44,491 farmers (EE-1 programme, HU-1 programme, LV-1 programme)
Eligibility and selection criteria	Priority was given to projects that included modernisation, improvement in production processes and development of technical standards (HU-1 programme)
Key findings The measure of semi-subsistence farms undergoing restructuring was implemented in 7 countries through 7 programmes. No special targeting was identified, except for the TRDI in Hungary that gave priority to farms focussing on modernisation and developing technical standards.	

Producer groups (Chapter IXa:EU10 only)

Funding	EAGGF budget: 63,294,988 € Total public budget: 125,007,921 €
Target No. of beneficiaries	Specific target quantification identified: 367 producer groups (CZ-1 programme, LV-1 programme)
Other quantified indicators (including impact indicators)	CZ: by the end of the programming period, the volume of produce (expressed in terms of turnover) marketed through recognised producer marketing organisations will grow by 25% annually, increasing by 10% the share of produce marketed through recognised marketing organisations in the total production. (1 programme)
Key findings The measure of producer groups was implemented in 5 countries through 5 programmes. No specific priority targeting was identified.	

Technical assistance (Chapter IXa:EU10, plus Guidance funded programmes)

Funding	EAGGF budget: 167,252,777 € Total public budget: 319,358,313 €
Target No. of beneficiaries	Specific target quantification identified: 61 projects (CZ-1 programme, LV-1 programme)
Eligibility and selection criteria	- Priority was given to projects that: enforce community policies; ensure cost effective implementation; involve a wide range of partners for effective implementation; have clear and measurable outputs and results (HU-1 programme)



Technical assistance (Chapter IXa:EU10, plus Guidance funded programmes)	
Other quantified indicators (including impact indicators)	HU: Increase in number of people having general knowledge about Structural Funds: 5,000 (1 programme)
Key findings The technical assistance measure was implemented in 9 countries through 9 programmes. Special priority targeting was only identified in Hungary where projects with specific objectives were promoted.	
Provision of advisory and extension services (Chapter IXa:EU10 only)	
Funding	EAGGF budget: 45,835,126 € Total public budget: 101,100,157 €
Target No. of beneficiaries	Specific target quantification identified: 6 approved bodies (CY-1 programme) 1,200 participating farms (CY-1 programme) 2,500 individual advisory contracts (EE-1 programme) 500 extension events (EE-1 programme)
Key findings The measure of provision of advisory and extension services was implemented in 3 countries through 3 programmes. No priority targeting was identified.	



4. Methodological approach

4.1 The main components of the evaluation, evaluation questions and themes

There are two components of the ex-post evaluation of the 2000-2006 rural development programmes:

- The **synthesis** of the individual programme-specific ex-post evaluation reports, which have been carried out for 2000-2006 EAGGF-Guarantee co-financed Rural Development Programmes (RDP) throughout the EU15¹³ and for the 2004-2006 Transitional Rural Development Instrument (TRDI) programmes in the EU10¹⁴
- The **evaluation** of EAGGF-Guidance co-financed rural development measures implemented throughout Objective 1 regions of the EU and EAGGF-Guarantee co-financed rural development measures implemented within Objective 2 regions in France.

The basis for this evaluation was a list of key evaluation questions provided by the Commission, at measure level as well as programme level (through cross-cutting common evaluation questions). They comprise a range of Common Evaluation Questions (CEQ) taken from the Commission's Evaluation Guidelines, which were considered in the programme level ex-post evaluation reports, together with Further Evaluation Questions (FEQs) established for this EU-level ex-post evaluation. The key evaluation questions were complemented by additional evaluation questions that were developed specifically to provide fuller assessments of the evaluation themes, for which no CEQs or FEQs existed.

The evaluation questions were related to eight evaluation themes:

- 1) Relevance of the policy objectives
- 2) Coherence between the available measures and the policy objectives
- 3) Complementarity between rural development programmes and other support instruments
- 4) Coverage, content and consistency of programmes
- 5) Results, impacts, effectiveness and efficiency of programmes and measures
- 6) Delivery systems
- 7) Monitoring and evaluation
- 8) Impact achieved in relation to new priorities (this last theme was not used to assess the effectiveness of 2000-2006 rural development policy, since the issues considered were not identified as priority issues for that programming period; this theme aims to identify examples of outcomes/impacts/best practices which could indicate the utility/potential of certain activities or instruments in supporting these priorities).

The first step in designing the evaluation methodology was to link rural development measures, evaluation questions and evaluation themes through a 'relationship matrix', a three-dimensional matrix showing the links between each measure and evaluation theme, through specific evaluation questions. This matrix formed the basis for the development of tools and the desk research.

The second step was to incorporate judgement criteria and indicators into this matrix and therefore link evaluation questions with judgement criteria and appropriate indicators. This was accomplished first

¹³ EU Member States on 30th April 2004: Austria, Belgium, Denmark, Greece, Spain, France, Finland, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom.

¹⁴ EU Member States joining the EU on 1st May 2004: Cyprus, Czech Republic, Estonia, Hungary, Malta, Latvia, Lithuania, Poland, Slovakia, Slovenia.

through screening the existing judgement criteria and indicators for the CEQs (documented in the EC evaluation guidelines) and second through screening of existing ex-post evaluations to identify the most commonly used and more easily measurable indicators. The existing judgement criteria and indicators were adapted wherever necessary and gaps filled, especially those concerning new questions (i.e. questions that were not part of the CEQs). The complete 'relationship matrix' including judgement criteria and indicators formed the basis for the development of the evaluation tools for the survey and case studies.

4.2 Methods and tools for quantitative and qualitative analysis

The evaluation methods and tools were designed by the core team which included a methodologies expert. The tools were used by country experts who conducted the desk and field work in each Member State. Guidance to country experts on the use of all methods and tools was provided by the core team country coordinators.

Table 5 – Methods and tools for the ex-post evaluation of 2000-2006 rural development programmes

Method/Tool	EU	National	Regional	Sub-regional/Local	Outputs
Desk research	RDP screening grid Relationship matrix (with judgement criteria and indicators) Ex-post evaluation screening grid				25 RDP summaries Synthesis of ex-post evaluations Background info for case studies Hypotheses
Survey		Questionnaire to MAs and MC members			Survey results report
Case studies:			Case study report template		14 Case study reports
1) Interviews			Questionnaire guidelines		
2) MAPP				MAPP tools (life curve, trend analysis, influence matrix, development and impact profile)	
3) Input-Output			IO model		IO results report

A multi-level territorial approach was used to ensure that: all territorial levels were covered by the desk work; the national and regional levels were addressed by the survey; the regional level was addressed by the interviews and the IO method, while the sub-regional and local levels were addressed by the Method for the Assessment of Impacts of Programmes and Projects (MAPP). This approach achieved triangulation of views, from different territorial perspectives for the same programme and grasped as much as possible the complexity of the rural world and impacts of policies on it. In this way it was possible to identify as many factors and effects as possible and to obtain an identification of multiple intervening factors, not all being visible at the territorial level.

4.2.1 Desk research

Desk research was used for finalising methodologies and tools, the development of RDP summaries, the synthesis of ex-post evaluations and the preparation of case studies. Tasks, tools and outputs comprise:

- a) Review of existing methodologies and tools for the finalisation of the methodology for this evaluation. Reports and background information reviewed include the Commission evaluation guidelines, methods for impact assessment, literature on intervention logic, literature on the Input-Output method, literature on the MAPP method, other EU level reports related to this assignment and relevant EU legislation.
- b) Review of all 175 rural development programmes. An RDP screening grid was developed to document, for each programme, the budget, objectives, expected impacts and targeting and selection criteria of measures. The output of this exercise was the production of 25 RDP summaries (one per Member State). They constituted the basis for the summary of the implementation of programmes and summaries (chapter 3 of this report) and the assessment of the implementation of measures against their objectives and targeting (used as input to sections of chapter 5 in this report).
- c) Screening of ex-post evaluations. The 'relationship matrix' was the framework for developing the ex-post evaluation screening grid. This grid helped document all the findings of ex-post evaluations pertinent to the evaluation questions. It also documents the indicators used in the ex-post evaluations. On the basis of this detailed tool, it was decided which questions and indicators were covered by existing ex-post evaluations and what information needed to be covered by additional information sources (additional desk research and case studies). The output was 50 screening grids (two per Member States, one for accompanying and one for non-accompanying measures) which were used for the elaboration of the synthesis of ex-post evaluations. The screening of ex-post evaluations was also useful in identifying gaps in the information provided, to answer the evaluation questions, which were subsequently addressed by the fieldwork.
- d) Preparation of case studies. Desk research was also conducted to prepare the case studies for non-accompanying measures and to cover gaps identified in the evaluation questions for these measures. The emphasis was on mid-term evaluations (where they existed i.e. for EU15 countries) and final implementation reports of all the programmes selected for the fieldwork. Other studies associated with the case study programmes and existing national/regional databases and monitoring data were also reviewed for the preparation of case studies.

A key outcome of the desk research was the development of hypotheses. They were developed using the findings of the synthesis of ex-post evaluations and expert feedback. The assumptions reached in the initial stages of the evaluation work were tested during the fieldwork.

Evaluation theme	Hypotheses
Relevance	Measures were generally designed to address needs identified in the ex-ante evaluations. In practice, the implementation of measures did not always respond to actual needs.
Coherence	Certain groups of measures have higher potential to contribute to priority objectives of rural development. Good adaptation of the legal EU framework to local conditions and especially good targeting is essential for internal coherence of programmes.
Complementarity	Cross-funded programme management in partnership with all authorities concerned contributes more to the development of rural areas – in comparison to more fragmented

Evaluation theme	Hypotheses
	management of different programmes.
Consistency	Reallocation of funds was more demand than objective driven – hence more difficult to maintain consistency throughout the life of the programme.
Effectiveness/impact	<p>Focused targeting increases the effectiveness and impact of measures, but broad/unfocused targeting has been the norm.</p> <p>Targeted/impact oriented measures are more successful in achieving the objectives of policy.</p> <p>The coordination of Funds increases the effectiveness of implementation, but this was not achieved.</p> <p>Measures that support diversification produce good results.</p> <p>Agri-environment measures alone are not sufficient for having an impact; their combination is what matters.</p> <p>A more horizontal approach in the use of agri-environment measures is more susceptible to maximise impacts.</p> <p>Agriculturally focused measures perform worse than wider rural development measures in benefiting the economy (employment, incomes and production).</p>
Delivery mechanisms	<p>Governance and delivery decision making plays a key role in determining the results and impacts of programmes. Governance issues are only marginally addressed by the indicators used.</p> <p>Targeting and selection criteria are key issues related to delivery mechanisms that contribute to the effectiveness and efficiency of measures/programmes.</p>
Monitoring and evaluation	The common evaluation questions and indicators were not appropriate for measuring the effects of measures, primarily due to the lack of baseline data and common monitoring systems.
Impact on new priorities	Measures with an environmental dimension had an impact on new priorities but not intentional. To be effective they need to be complemented with sustainable management and preventive actions

4.2.2 Survey

The survey was a means of complementing the mainly qualitative nature of the desk research and interviews. The survey provided comprehensive coverage of all programme areas allowing full comparison across countries and programme types.

Target group of the survey

The survey was addressed to all Managing Authorities and a sample of Monitoring Committee members. A total of 1,022 contacts were surveyed, of which one third (317) were MAs and two thirds (705) were MCs. The final sample of the survey were 770 contacts (the majority of the rest being inactive addresses) categorised/clustered by the type of organisation they participated in during the programming period 2000- 2006 and stored in a database created for this survey (see Table 6):

Table 6 - Types of organisations in the survey database

Type of organisation	Numbers	Share of questionnaires sent	Response rate
Central Government ⁽¹⁾	100	13%	12%
EU Institutions	7	1%	1%
Local Government	220	29%	40%
Ministry of Agriculture	126	16%	21%
NGO Environmental	102	13%	6%

Type of organisation	Numbers	Share of questionnaires sent	Response rate
NGO Other ⁽²⁾	150	19%	10%
Other (uncategorised)	65	8%	10%
Total questionnaires sent	770	100%	100%

(1) Central government: except Ministry of Agriculture

(2) NGO other includes trade unions (25%), various chambers (25%), independent institutions – Universities professional councils, advisory boards (50%) and other (10%)

Survey tool

A questionnaire was designed and translated into four of the official EU languages (English, French, German and Spanish)¹⁵. It covered evaluation questions at measure and programme level for all evaluation themes, except for monitoring and evaluation and impacts (which were analysed through the ex-post evaluations and case studies).

Survey results and their reliability

This response rate is very satisfactory for MAs (45%) and less so for MC members (21%).

Table 7 – Response on Survey per country per MA/MC

Total number of questionnaires sent (MA+MC)	Total Response Rate	MA (number of responses)	MA Response Rate	MC (number of responses)	MC Response Rate
770	29%	109	45%	110	21%

The response rate variation among MC members is further shown in the following table, demonstrating the overall non-response rate and non-response rate per type of organisation. The lower response rate of MC members was addressed by the case studies.

Table 8 - Response rate variation of MC members

Type of organisation	MC	Overall no-response rate	Non response rate per type of organisation
Central Government ⁽¹⁾	77	14%	78%
Local Government	124	21%	70%
Ministry of Agriculture	54	10%	80%
NGO Environmental	79	17%	91%
NGO Other ⁽²⁾	144	30%	86%
Other (uncategorised)	47	8%	66%
Total questionnaires sent	525	100%	

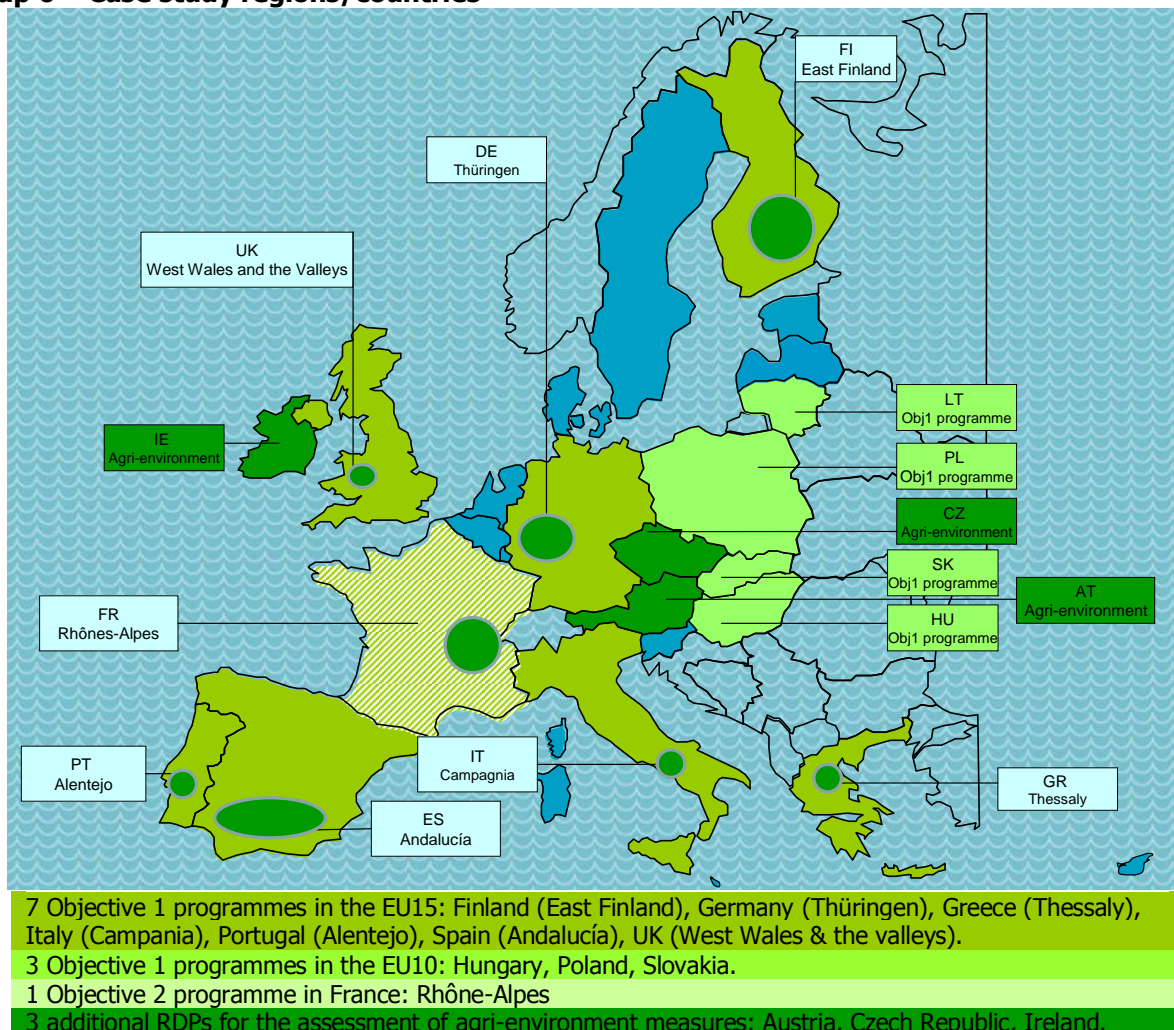
4.2.3 Selection and preparation of case studies

The programmes/regions covered by the case studies are depicted on the map below. They comprise 10 Objective 1 programmes and 1 Objective 2 programme (in France) as well as 3 RDPs for the assessment of agri-environment measures.

¹⁵ The questionnaire was also translated in Lithuanian after a specific request from Lithuanian interviewees.



Map 6 – Case study regions/countries



The choice of countries and programmes for fieldwork respects the following principles:

- Fieldwork/case studies conducted in relation to programmes/measures for which no ex-post evaluations were conducted, i.e. the EAGGF-Guidance co-financed measures implemented throughout Objective 1 regions of the EU25 (namely non-accompanying measures) and EAGGF-Guarantee co-financed measures in Objective 2 regions in France only;
- Fieldwork/case studies in at least 10 different Member States;
- At least one Objective 2 French region to be included in the fieldwork/case studies;
- Fieldwork/case studies together with synthesis of ex-post evaluations to cover all Member States and all measures (although no coverage of all measures within a MS/region is required);
- No fieldwork/case studies for accompanying measures financed by EAGGF-Guarantee, except possibly for agri-environment;
- The relative budget of measures and programmes to be taken into account, ensuring adequate coverage of the EU10.

Additional criteria for the final selection of case study programmes within each country include:

- a) Geographic balance (north, south, east, west)
- b) Rurality balance (a mixture of predominantly rural and intermediate regions – as classified in the Statistical and Economic Information, 2007 Report, DG AGRI)

- c) The size of the Guidance budget (a mixture of high and medium budget regions)
- d) The % of EAGGF in total of Structural Funds budget (a mixture of high and medium percentages)

Other factors were also taken into account, such as:

- Country expert opinions on the availability of information in these regions
- Country expert opinions on the degree of collaboration displayed by the respective regions during the desk work phase or from previous experience
- Existing contacts of country experts with actors in these regions
- In the French case, discussions with the Ministry of Agriculture determined the choice of regions and facilitation of information/contacts has been promised.

Additional case studies were conducted for agri-environment measures in three countries. This was to address the gaps identified in the ex-post evaluations related to measuring the impacts of these measures, given their budgetary importance (in some cases reaching or exceeding 40% of the EU RDP budget (countries selected for fieldwork on agri-environment measures were those with a high proportion of their RDP budget allocated to this measure).

The fieldwork/ case studies were critical for this evaluation, since it covers Objective 1 areas and the French Objective 2 regions for which no ex-post evaluations exist and while mid-term evaluations exist for the EU15 (no mid-term evaluations in the EU10 due to the shorter programming period) it was necessary to start from basics.

The case studies took into account the poor quality of information provided by the ex-post evaluation reports and placed emphasis on the evaluation questions which were not sufficiently answered by the ex-post evaluations.

They also paid attention to the assessment of impact, particularly in relation to incomes, employment, the environment and quality of life. This is particularly appropriate at the present time since the evidence from existing evaluations suggest that this is an area where knowledge is lacking. An improved overall assessment of impact could provide important findings for the post-2013 CAP review, together with the findings concerning impact achieved in relation to the new priorities (evaluation theme 8).

4.2.4 Interviews

Interviews were conducted for all non-accompanying measures in 10 case study Objective 1 programmes and 1 case study Objective 2 programme in France. Interviews were conducted for agri-environment measures amongst the accompanying measures in only 3 case study RDPs. An interview guidelines tool was developed, containing questions on all evaluation themes for the measures covered by the analysed programmes as well as cross-cutting questions at programme level. A total of 254 interviews were carried out in the case study programme.

The choice of measures and target group for the interviews was determined by the content of each programme in the case study regions. The definition of a representative sample of stakeholders for interview took into account: a) the relative weight of budgets and number of beneficiaries across measures and regions/provinces within each programme; b) the characteristics of programme implementation in each country, for instance, the type of delivery (centralised vs. non centralised), the



degree of involvement of intermediary organisations in programme implementation (e.g. very active vs. less active/involved extension services), the target group of the measure, i.e. those that address individual farmers (e.g. the farm investment or the young farmers set up measures) and those that address collective services or investments for all farmers and the wider rural community (e.g. the renovation of villages or agri-environment measures); c) availability of actors who are still familiar with/knowledgeable about the programme. The final number of interviews per programme was calculated on a case by case basis to assess the number of interviews necessary to cover the range of measures in each programme.

Given the timeframe of this evaluation, a “typological” rather than statistical representation of interviewees was decided. This meant that multiple typologies of stakeholder were covered by the case studies. These ranged from public administration to representatives of beneficiaries and other intermediary stakeholders in rural development. The typologies of interviewees addressed the farming, environmental and wider rural community and included: programme/measure managers; farmers’ unions; trade unions; local and regional authorities; employment agencies; nature conservation/environmental groups and NGOs; farmers associations/cooperatives; forestry associations; regional/rural development agencies; local action groups; rural communities and business/enterprise organisations/professional groupings/chambers. Evaluators, of programmes that had carried out mid-term evaluations, were also interviewed i.e. Objective 1 and 2 programmes and the three RDPs in Austria, Czech Republic and Ireland for which ex-post evaluations exist. They were considered pertinent actors for providing answers to evaluation questions related to Theme 7 “Monitoring and Evaluation”.

From this list, it was not intended to interview only one actor per target group. Where possible/relevant other:

- representatives of organisations from the same target group;
 - individuals from the same organisation were interviewed;
- and,
- each interviewee provided answers for more than one measure.

In this way two key objectives were satisfied: a) achieving a high degree of representativeness; b) obtaining a broad spectrum of views and answers, across a wide range of experiences and lessons learnt by their members.

Some programmes, namely the EU10 Objective 1 programmes, were organised in a central manner and country experts considered that the best quality of answers would be provided by national organisations rather than the beneficiaries’ representatives in the regions. Centralised organisations in these countries have an overview of implementation that could not be found at the local/beneficiary level. However local (beneficiary) views were also obtained from the MAPP focus groups.

In the EU15 there were differences although Objective 1 programmes were regional and therefore decentralised. In some programmes intermediary organisations, such as extension services, played an active role while in others they did not. There were also some wide variations between provinces, with some of them representing a very small proportion of the programme beneficiaries or budget. It was assumed that the provinces with a higher budget were more pertinent to assessing impacts, given that rural development policy usually represents a small proportion of public development-funding.

4.2.5 Method for Impact Assessment of Programmes and Projects (MAPP)

The characteristics of MAPP in the context of the current evaluation

1. Territorial coverage. The MAPP method is a bottom-up one and is useful when applied at sub-regional level. It was applied to **representative parts of the programme territory** (e.g. absorbing the bulk of the budget/with higher numbers of beneficiaries). The whole purpose of this method was to obtain the perspective of the beneficiaries. MAPP examines the situation in an area that is representative of a wider territory/programme and allows conclusions and judgements to be made about effectiveness of policy/measures, complementing and allowing cross-checking perspectives against other evidence.
2. Who were the participants? They included beneficiaries/representatives of beneficiaries for all measures covered by the programme. The important distinction between interviews and the MAPP is that the latter focuses on representatives of beneficiaries, as well as non-beneficiaries to allow assessment of the counterfactual. The following groups were considered:
 - Farmers/representatives benefiting from RDP measures
 - Farmers/representatives not benefiting from RDP measures
 - Representatives from extension services
 - Representatives of entrepreneur organisations
 - Representatives from NGOs or farmers associations
 - Local/regional authorities as representatives of beneficiaries or stakeholders themselves.
3. What evaluation themes did it cover? MAPP was used to assess **impacts only**. For non-accompanying measures MAPP was used to assess impacts on income, employment, quality of life and the environment. For agri-environment measures it was used to assess impacts on the environment only.
4. What evaluation questions can it answer? MAPP can answer evaluation questions related to the impact on income, employment, quality of life and the environment. It can identify net impact i.e. the extent to which a change occurs as a result of the programme or the extent to which it was a result of other programmes/interventions. It can also offer a simple overview of deadweight by asking beneficiaries whether they would have carried out their project in the absence of support. Although this cannot be used to deduce overall deadweight effects, it can give an indication of them. MAPP is also useful for assessing the counterfactual since workshop participants also include non-beneficiaries. In fact this was an element of the **value added** by the method for which it is considered to be an attractive and realistic alternative to the construction of control groups and the application of more complex and time demanding methods.
5. What measures did it cover? The measures chosen for the MAPP were the non-accompanying measures for the 11 Objective 1 case studies and the agri-environment measure for 3 agri-environment case studies.
6. What programmes and factors did it take into account? A very important added value of the MAPP is to allow comparison of the respective impacts of different programmes and projects in the same area. For instance this enabled the comparison of respective impacts of the selected EAGGF



measures for which interviews were carried out at regional level with those of other funds e.g. ERDF, ESF, Leader+ and other programmes such as horizontal RDP or TRDI at the territorial level selected for the MAPP. This proved to be very powerful in comparison to the interviews, giving a more nuanced, balanced vision of the impacts of the RDP subject of the case study. In particular this method allows us to identify external factors and discuss the comparative weight of other funds and programmes to better understand the different factors in the evolution of the test area, providing a broader and better view of the probable impacts of the studied RDPs. In this respect, a very important added value of the MAPP was to identify critical external drivers of the evolution of rural areas that never came out of interviews. Basically it allows for better appraisal of the relative weight of the studied programme on the evolution of the test-area in comparison to other factors and policy instruments (see for instance, example of MAPP results in the Baronnies area in chapter 5.5.2 assessment of impacts).

7. What indicators did it use? Four MAPP tools were used for this evaluation:

- Tool 1 (life curve) to assess changes in socio-economic development in rural areas during the pre and post 2000-2006 period;
- Tool 2 (trend analysis) to assess detailed development trends over the same time period, for instance changes in employment, incomes, living standards;
- Tool 3 (Influence matrix) to assess the impact of rural development measures on rural development indicators. This served to address potential weaknesses in quantitative or reliable information on indicators contained in the mid-term evaluations;
- Tool 4 (Development and impact profile) to obtain the views of representatives of target beneficiaries.

The MAPP is especially suitable for the evaluation of long term impacts; hence the following categories of indicators were used for the trend analysis:

- New jobs in the agricultural sector
- New jobs in the non-agricultural sector
- Farm incomes
- Incomes from non-agricultural activities
- Access to services
- Tourism/other diversification activities
- Quality of the environment
- Biodiversity
- Water quality
- Soil quality
- Landscapes

These were further translated into detailed indicators for each evaluation question and judgement criteria from the country experts who conducted the case studies and adapted them for each case study. The aim was to **assess a minimum of one indicator per judgement criterion** and to focus on a limited number of indicators that can be easily managed during a workshop. This was in order to simplify the exercise, since the ex-post evaluations indicated that data for indicators is scarce so it is preferable to aim for a reduced number of indicators that can definitely be obtained.



Data for these indicators was collected in advance, where it existed, by the evaluators and discussed during the workshop with participants. The MAPP was not meant to provide information relating to every impact indicator. The remaining ones were covered by other evaluation methods.

8. Representativeness of MAPP results. Conclusions can be drawn from well selected representative focus groups that complement data/information provided by other sources (e.g. interviews, survey), to provide a reasonable indication of the effect of measures on impacts at programme level. For the current evaluation the MAPP was applied in representative parts of the territory so that it can be used to draw conclusions at programme level. The rest of the territory being covered by the interviews.

Value added of MAPP

- Allows the analysis of impacts taking into account external factors or multiple intervening factors. The MAPP method generated the necessary information to complement other available data and information from the survey and interviews to help assess impacts. The method was successfully piloted in Poland before applying it to other case study regions.
- Brings into the evaluation different views and perspectives from those who benefited directly from support. The participation of local level actors, including beneficiary and non-beneficiary representatives, allows the integration of views and practical experiences from key local level stakeholders.
- Allows the presence of multiple participants representing each measure. This reinforced and validated opinions and findings from the other fieldwork sources.
- Enables an overview of the whole programming period and trends. Open discussions are important for refreshing people's minds about specific events that influenced the programme implementation, particularly in view of the length of time between the start of the programme and the ex-post evaluation.
- Enables a focused approach through the use of concrete tools. Unlike traditional focus groups, the use of specific MAPP tools drives an initially open discussion towards a focused conclusion, sets specific targets to be achieved by the end of the workshop and finishes by producing specific results (the completed tools). Our fieldwork showed that when the participants left, they felt that they reached some conclusions rather than participated in just another discussion.

Weaknesses of MAPP

- MAPP is not a quantitative method; therefore its results must be complemented with quantitative methods (e.g. the Input Output method in this evaluation).
- It does not give values to indicators, only trends e.g. income changes or employment changes on a scale from 1 to 4. Values can be assigned to the indicators if MAPP participants are prepared in advance and bring along data, but given the timeframe of this evaluation and difficulties in reaching the appropriate types and numbers of participants (see below section 4.4) this was not possible.
- MAPP cannot be used to extrapolate the results at regional level. This is why two sessions were usually carried out in representative sections of the programme territories i.e. in provinces with the highest budget or number of beneficiaries. Ideally, with a longer timeframe, there would be a MAPP session in each sub-regional territorial unit (NUTS III or smaller administrative units).

Lessons learnt from using the MAPP method

- Small sized focus groups proved to be most relevant in encouraging everyone to engage actively in the discussion.
- The contribution of regional authorities, such as MAs and agricultural chambers to the organisation of focus groups was logistically critical (they often offered their premises for the venue) as well as for providing the contacts with potential participants and stimulating their participation. They are considered very pertinent in supporting the organisation of such workshops because of their knowledge and personal contacts with the relevant actors and beneficiaries.
- Sometimes these actors (regional authorities) hosted the focus groups but also added value by being most knowledgeable about the context of the programme and offering useful reminders to the group of the typology of measures and their implementation. The fact that these actors were sometimes interviewed did not affect the triangulation of results since their participation in the focus group had a different scope.
- The MAPP focus groups were successful in terms of the involvement and commitment of participants, who turned up at the event and contributed to the better understanding of the context and operation of rural development programmes.
- The ideal timescale for the MAPP should be a couple of months, in order to identify and reach the right participants, find the venue, send invitations and have time to reassess/invite others based on the response and therefore ensure good levels of participation.
- The success of the MAPP depends largely on the capacity to remember critical phases in the life of the area and the use and results of the particular measures. In this respect, applying the method five years after the programming period ended was somewhat challenging. On the other hand, an important lesson learnt from the MAPP and the interviews is that, in contradiction to most people's opinion of the poor value of an ex-post evaluation so long after a programming period, most interviewees and participants recognised that it was the right time to do so, since it was possible to judge which results were sustainable or not and what long-term impact the different types of projects may have.

Overall assessment

Taking into account the value added and weaknesses of MAPP and the lessons learnt, the overall assessment is that, despite its limitations, MAPP is useful for animating target groups to participate in an innovative and structured (through the MAPP tools) discussion that enables the identification of key factors that contribute to the achievement of impacts, including the relative influence of these factors on key development indicators.

4.2.6 Input-Output method

Advantages of IO	The multisectoral dimension of IO; whereas other alternative evaluation approaches estimate only the direct effects of policy action, the general equilibrium approach estimates the total economic effects of these injections; it does not require a vast amount of data
Disadvantages of IO	Its disability to capture the distributional effects of exogenous changes; its 'static' nature does not allow the exploration of changes in technology, relative prices, incomes and expenditures over time: it only considers economic effects and does not

	provide any information on environmental impact
Assumptions	fixed input structure; unlimited capacity of primary factors to each and every sector; no price effects in the system.

Relevance of the IO model for rural development

Input-Output analysis can be a useful tool in the quantitative evaluation of Rural Development Programmes portraying interdependence within an economic system which are a key element of the multi-sectoral approach of rural development policy. Its most popular application is impact analysis, where the model is used to estimate direct, indirect and induced effects on related sectors and on the whole economy, resulting from increased demand for the output of one or more sectors. Its “general equilibrium” capacity quantifies policy impacts in terms of changes in output, employment and income which are reflected in sectoral multipliers. Regional IO models are used for the territorial assessment of economic impacts associated with rural policy measures, showing that the potential effects of policy are not equally distributed between rural regions since most of these areas have distinctly different development paths.

Relevance of the IO model for this ex-post evaluation

The method was selected for this evaluation partly because the individual programme level reports provided little quantitative evidence of impacts achieved and to address the need for quantification of impacts in the areas for which no ex-post reports were available. The timescale and scope of this ex-post evaluation did not allow for more complex quantitative methods such as econometric modelling.

IO impact analysis was implemented for the non-accompanying measures in all case study programmes, with the exception of Italy and the UK (due to lack of the necessary sectoral employment data both at regional and NACE¹⁶ 2- level).

Data sources used for the IO model include the Eurostat database for obtaining national IO tables for the case study countries, while the base year of national IO tables is 2005 since more recent symmetric IO tables for all the selected countries are not available. Other data sources included programme data from the case study programmes for each measure covered by the IO analysis. Although the base year is a constraint, given that the policy period is 2000-2006, it was assumed that impacts take longer, than the duration of the period, to be produced while technological coefficients remain rather stable in the short term.

Relevance for estimating net effects

The IO technique can estimate net effects, for example from the funding of several measures and counterfactual, such as estimates of what would have occurred in the absence of the evaluated intervention. By subtracting the counterfactual from the observed change (factual) we can assess the net effect of the intervention e.g. on employment and income.

Model shocks specific to funds associated with the above measures provide sector-specific and economy-wide estimates of the economic impacts of these measures: in terms of employment; income and product. For example a 1 million euro investment in agricultural holdings will have direct, indirect and

¹⁶ Statistical Classification of Economic Activities in the European Community (in French: Nomenclature statistique des activités économiques dans la Communauté européenne), commonly referred to as **NACE**, is a European industry standard classification system.

induced effects in the total regional economy, if we have an employment multiplier of 3 this means that every million euro invested in the agricultural sector will create 3 new jobs in the regional economy.

Another example of how results of the IO model are interpreted: assuming a policy injection of 10 million euro (e.g. 1% of an area's GDP) generates output impacts totalling 15 million euro (1.5% of an area's GDP). This can be interpreted, when stressing the 15/10 million ratio, as concluding that RDP measures generate a very high level of additional policy flow impacts.

4.3 Methods used for the analysis and validation of findings

The first step was to create an excel-based database containing all answers to evaluation questions per evaluation theme. It contained the breakdown of responses from the methods/tools used in the evaluation, namely the ex-post evaluations, the survey, the interviews, the MAPP. It also contained a separate section with available impact data derived from ex-post evaluations and the IO model.

The second step was to use triangulation for the analysis of the findings. This was done at two levels:

- a) Triangulation in sources: the evaluation questions to be answered from the different sources were identical (with small adaptations), although not all questions were used by all methods. This allowed the comparison of answers and data from different sources against the hypotheses developed at the desk research phase (see above, section 4.2.1). Each evaluation question was answered at least twice, within the ex-post evaluations, survey, interviews, MAPP and IO. This was relevant to addressing deficiencies such as the poor quality of answers in the ex-post evaluations.
- b) Triangulation in the evaluation target groups: the evaluation tools included the same evaluation questions (with adaptations according to the evaluation target group addressed) in order to obtain as many answers as possible and to ensure, that if one source failed to provide an answer, that the answer could be obtained from another source. In this way it was possible to corroborate certain findings and compare perspectives of programme level authorities (MAs and MCs), implementation bodies and other rural development stakeholders and beneficiaries. This approach was relevant for addressing deficiencies such as the less satisfactory response rate of MC member in the survey: to resolve this, the fieldwork in case study countries identified and addressed MC members as part of the interview sample. In addition, questions related to the evaluation themes covered by the survey were also included in the fieldwork. As a result, multiple sources of answers were obtained, while existing survey answers were compared with fieldwork findings.

When there were contradictory answers to an evaluation question, country experts familiar with the evaluated programmes analysed the contradictions in view of: the context of the programme and the source of the distinct views, while considering the direct and indirect or unintended effects of measures/programmes which may be the reason for the apparent discrepancy in views.

Finally, the findings, conclusions and recommendations of the evaluation were presented by measure and at programme level according to the eight evaluation themes: (1) relevance; (2) coherence; (3) complementarity; (4) consistency; (5) results, impact, effectiveness and efficiency; (6) delivery systems; (7) monitoring and evaluation & (8) impact achieved in relation to new priorities. Good practice and other examples from individual programmes were used to illustrate the findings and to offer examples of "what works and why" in relation to EU policy as well as "what does not work and why".



4.4 Limitations of the fieldwork methods and how they were addressed

The length of time between the 2000-2006 programmes and the current ex-post evaluation meant that few organisations were still relevant or available to answer the evaluation questions, due to staff turnover and people not remembering that period. In addition, many potential fieldwork participants were more concerned with the upcoming programming period and were very much absorbed in the current one, showing a lack of interest and/or time to contribute to the ex-post evaluation. In some cases, there was also scepticism about the extent to which the results of the ex-post evaluation would be integrated into the design of the next programming period.

For the above reasons, it was difficult to find the appropriate/relevant people and in particular to organise the MAPP focus groups. A lot of discussion and support from Managing Authorities was needed to identify the participants and invite them to the focus groups. Eventually a lower than expected participation rate was achieved. In one case (German case study) this led to an insufficient number of participants and the focus group was cancelled.

In some cases interviewees could not attend due to the timing of the fieldwork i.e. June is a very busy period for planting, harvesting, silage and other works on the farm. This limits the availability of farmers to participate in studies, especially in countries with short summer duration (e.g. North of Europe).

Solutions to the above difficulties included:

- Country experts developed a close relationship with the respective MAs and regional programme implementation centres which proved to be a key liaison between the evaluators and potential fieldwork participants.
- Promoting a positive message about the opportunity offered by participants in this evaluation to contribute to the re-assessment of rural development policy and its future improvement.
- Capitalising on the local knowledge of country experts to cover any gaps with information from alternative sources.
- Being persistent with the target groups of the fieldwork, through regular contact to identify the right people and motivate them to participate.
- When one evaluation method could not be applied sufficiently or at all, evaluators intensified and expanded the use of other methods (e.g. more: interviewees; time spent on interviews; questions asked; studies consulted etc. – for instance in Germany where no focus group was conducted).

Finally, a key overall lesson learnt has been the long time required for conducting in-depth case studies of programmes that address thousands of beneficiaries. Four to six months may be an appropriate period for preparing, implementing and analysing the results of case studies.



5. Analysis of evaluation themes

5.1 Relevance of the policy objectives

The objective of this chapter is to provide an assessment of how well the policy objectives defined in the 2000-2006 rural development policy framework, at the overall level and for individual measures, responded to the needs of the agricultural and forestry sectors and of rural areas throughout the EU. Particular consideration is given to the situation of the New Member States. Bearing in mind the overall needs and objectives of the policy, the chapter attempts to present and analyse:

- the objectives of each rural development policy measure
- the needs of rural areas in the context of each measure
- the relevance between these objectives and needs, i.e. did objectives address these needs and how and if not why
- at the overall policy level, which measures/groups of measures were most relevant to addressing the overall needs identified.

5.1.1 Brief overview of policy objectives and overall identified needs

According to Council Regulation (EC) n° 1257/1999, the major needs identified for the agricultural and forestry sectors and rural areas at the EU level were:

- Adapting to change: adaptation to new realities and further changes in terms of market evolution, market policy and trade rules, consumer demand and preferences and the Community's next enlargement;
- Ensuring the viability of farming activities and their conversion. This includes the need to modernise agricultural holdings and improve their viability and in particular, provide the structural conditions to ensure a fair income and living conditions for farmers and their families, taking into account that forestry is an integral part of rural development as well as agriculture;
- Improving environmental conditions: serve the society as a whole by introducing or continuing the use of farming practices that are compatible with the increasing need to protect and improve the environment, natural resources, soil and genetic diversity and maintain the landscape and countryside;
- Reverse the trend towards economic and social decline and depopulation of the countryside, through rural development based partly on non-agricultural activities and services;
- Remove inequalities and in particular promote equal opportunities for men and women.

Rural development policy was designed to respond to the above needs through the following main objectives:

- Contribute to the achievement of the CAP objectives, in particular, to accompany and complement the other instruments of the common agricultural policy, including agricultural market policies;
- Contribute to economic and social cohesion through rural development measures in regions lagging behind (Objective 1) and regions facing structural difficulties (Objective 2);
- Integrate environmental protection requirements, particularly with a view to promoting sustainable development;

- Restore and enhance competitiveness of rural areas and therefore contribute to the maintenance and creation of employment in those areas.

5.1.2 Analysis of relevance at measure level

Investment in farms

The objectives of the investment in farms measure were: to improve agricultural incomes; improve working, living and production conditions; reduce production costs; improve and redeploy production; increase quality and preserve and improve the natural environment, hygiene conditions and animal welfare standards. Some of the most pressing needs specific to this measure, identified at the programming stage, in the Member States [*source: RDPs & Country Profiles*] include to: modernise agricultural holdings and make them more competitive, including the need to enhance the competitiveness of small or family based farms; help farms adapt to environmental requirements; maintain incomes and employment and address the lack of alternative employment opportunities; prevent the decrease in population and depopulation; maintain sustainable farming activities; respond to the demand for product diversity and quality.

Findings from the ex-post evaluations and case studies – In Mediterranean countries (ES, GR, PT) and the EU10 (HU, SK, PL, MT) the measure objectives were most relevant to addressing the modernisation needs of agricultural holdings and improving their competitiveness, such as upgrading/replacing old machinery, upgrading farm buildings and investing in the modernisation of agri-food businesses. Ensuing quality improvements and cost reduction address the overall policy needs of adapting to change (being able to compete in constantly changing markets), modernisation and improving viability. The latter (viability) was particularly stressed in the ex-post evaluations of EU10 countries which saw the measure as being relevant to helping the adjustment of their agri-food sector.

In a small number of programmes (UK, FI case studies) the measure (particularly its objective to “improve working and living conditions”) was also relevant in preventing depopulation and the abandonment of agricultural activity, by promoting new technologies and entrepreneurial skills which encouraged younger people to stay and work in the countryside.

In the case studies of Hungary, France and Finland, the measure (in particular to the objective “to improve and redeploy production”) was relevant to addressing further farm restructuring needs in relation to the size of holdings. In **Hungary** investments in the arable farming and horticulture sectors in agricultural buildings, new machinery and investment in land improvement and irrigation supported micro, small and medium sized businesses. In **Eastern Finland** structural changes took place rapidly as a result of investments leading to the increase in the size of farm businesses. In **Rhône-Alpes** (FR) the measure was targeted at smaller farms in the most fragile rural areas, to help adapt stockbreeding buildings to environmental requirements and diversify activities towards the processing of farm products or farm tourism. Examples from case studies are presented in the box below:

In **Andalucía** (ES) the measure was relevant to the needs of the agri-food sector and led to highly differentiated, quality products able to compete in European and world markets and fast responses to changing consumer demand.

Rhône-Alpes (FR) is a good example of how the measure was used to address rural development needs of Obj. 2 areas in the period, namely maintenance of sustainable farming activities, improved attractiveness and response to the demand for product diversity and quality. This was achieved through targeting small farms in



the most fragile rural areas to adapt livestock farm equipment to environmental requirements and diversify activities towards processing of farm products or farm tourism. Investments in diversification proved to be critical to promoting equal opportunities through on-farm employment since the beneficiaries of the newly created job opportunities were mostly women and young people, thus addressing the overall policy aim of equal opportunities as well.

In **Eastern Finland**, the measure was relevant to the modernisation of the dairy sector, leading to increased production and job creation.

However, there were obstacles which the farm investment measure did not manage to overcome, including limited land availability or increasingly high rents/land prices that impede growth-oriented investments, these being particularly difficult for young farmers undertaking investments (DE, LU). Also, some ex-post evaluations (DE, SK) highlighted that in order to make the objectives of “improving incomes” and “working and living conditions” more relevant, the measure could be applicable to other rural sectors (e.g. regional crafts sectors) and not just agriculture. Furthermore, the limited available funding resulted in a relevant measure not reaching potentially interested beneficiaries (particularly stressed in the Polish ex-post evaluation); because of a lack of focused targeting towards specific target groups (the only exception was young farmers who received a higher rate of support). Some ex-post evaluations (2 in BE, 3 in DE) mention windfall benefits, especially for larger farms, which implies that in practice a potentially highly relevant measure was translated into a less effective one.

In **Hungary** (case study), overall, the measure responded to the needs of the agricultural sector/producers and according to the final annual report the measure addressed the right target groups; such as, animal husbandry, large-scale livestock farms and a major source of water pollution that were targeted for support with investments aimed at preserving and improving the natural environment, hygiene conditions and animal welfare standards. However, individual interviewees and MAPP participants all mentioned that the support provided was not always well targeted: it mostly benefited arable farming, while benefits for animal husbandry were limited and unable to address the most imminent needs and difficulties of livestock breeders to reverse the declining trend in this sector, which is a serious problem in Hungary. Therefore what is at question here is the overall strategy of the programme and whether the design of the measure was appropriate to address the needs of rural areas.

The survey confirms that the need for modernisation was regarded by programme managers as the most relevant part of the measure, followed by the need for environmental and quality improvement.

Overall assessment: The analysis of the above evidence shows that, despite some shortcomings in targeting which limited what was achieved in practice, the objectives of the investment in farms measure were satisfactorily relevant to the needs of agriculture and rural areas as identified in this particular measure.

Start-up assistance for young farmers

The main objective of the start-up assistance for young farmers’ measure was to facilitate the establishment of young farmers. Some of the key needs specific to this measure, identified at programming stage, in the Member States [*source: RDPs & Country Profiles*] include: to address the ageing of the farming population and establish viable and sustainable farm structures.

Findings from the ex-post evaluations and case studies – The measure is considered as relevant to helping overcome the ageing problem in rural areas, by encouraging young people who cannot afford the



start-up costs to engage into farming (14 ex-post evaluations offer evidence on this). The French case study revealed that the measure was relevant, not only in terms of promoting farm generation renewal, but also as an incentive to sustain a way of living and working in rural areas that preserves a family farm-based model with a balanced countryside occupation.

Although the objective of the measure was justified, given that ageing was a problem identified in practically all 52 rural development programmes that applied the measure, the implementation of the measure was not that successful for three reasons:

- a) the level of support granted did not offer sufficient incentive to young people (for example: coverage of start-up costs ranges from 3.2% in Luxembourg to 8.8% in Emilia-Romagna in Italy; only up to 14% for LFAs; low support rates were also reported in HU and PL but no figures were provided). [*source: ex-post evaluations*]
- b) weaknesses in eligibility criteria (discussed in detail in the section on delivery systems [*Chapter 5.6*]). These included two types of flaw: i) in some cases they were too broad, allowing practically anyone to apply and resulting in start-ups of people who did not really need support (6 ex-post evaluation programmes from HU, IE, IT, PL; in Spain, the MAPP stressed that around 1 of 5 beneficiaries would have started up without support); ii) in other cases requirements reduced the motivation to participate (e.g. in Wales, UK eligibility criteria required young farmers to become partners rather than outright owners, in Hungary they required the beneficiary to become a full time farmer).
- c) As the MAPP method revealed, there were other factors influencing young people choosing to start-up a farming business especially the fact that engaging in farming is conditioned by the provision of services and facilities in rural areas.

Key findings from the survey – The survey offers an overall positive assessment of the relevance of the measure objectives to specified needs (particularly high scores obtained in Italy and Spain).

Overall assessment: Though potentially highly relevant to identified needs, it seems that, in several cases, the manner of implementation of the start-up assistance for young farmers' measure rather restricted its relevance.

Training

The main objective of the training measure was to contribute to the improvement of the occupational skills and competences of farmers and other persons involved in agricultural and forestry activities and their conversion. Obtaining on-going qualifications and building capacity for implementing other rural development measures are the overarching needs behind the training measure [*source: RDPs & Country Profiles*].

Findings from the ex-post evaluations and case studies – Post training surveys [*source: ex-post evaluations*] generally confirm that the measure addressed specific needs relating to: acquiring better knowledge of environmental management and sustainable agricultural practices, including aspects related to the provision of public goods, i.e. water, soil, biodiversity protection (CY, DE, SK); building skills required for the implementation of other rural development measures e.g. adaptation measures (NL); addressing specific needs of small rural entrepreneurs and family businesses (CY, AT, UK); improving capacity of civil servants involved in delivery mechanisms (mostly in the EU10 and stressed in the IT case study); a wider typology of training tailor-made to specific needs being offered in Germany for instance in



Bavaria, Schleswig-Holstein and Lower Saxony where surveys suggest that vocational training was pivotal in supporting personal career development. Case studies in the EU10 demonstrated that training had the particular character of helping build capacity and assisting beneficiaries of EU funded programmes to meet requirements and standards as well as increasing their knowledge in different areas of interest such as accounting in agriculture, EU funding, EU regulations and IT in agricultural production.

The Objective 1 programme in **Wales** is an illustrative example of how the training measure addressed the need to build capacity for implementing other rural development measures. The "Farming Connect" package of assistance comprised training, advice, business planning and helped beneficiaries implement other Objective 1 programme measures. Key factors that made training relevant included: pre-assessment of training needs, close monitoring of training results, synergy with the implementation of other measures and empowerment of farmers.

Slovakia provides a positive example of training well focused on key issues in agriculture and relevant policies (farm production, public goods such as water, soil and biodiversity protection), with topics and methods adjusted to the type of farming, resulting in quite high attendance (source: results of interviews).

[source: case studies]

Key findings from the survey – The relevance of the measure to addressing needs for improved competitiveness was scored as medium.

Overall assessment: Information from the different sources converge and describe training as a relevant measure, and identify a number of key success factors for training to be relevant in practice: pre-assessment or diagnosis of training needs in advance; training delivery by institutions/organisation with experience in providing such services to farmers; adjustment of training to different types of farm (family business or other) and farming (e.g. livestock, organic agriculture, etc.); identification of synergies with other rural development measures, so that new skills are acquired to facilitate and improve implementation of other measures; post-training survey.

Early retirement

The objectives of the Early retirement measure were: to encourage early retirement from farming in order to improve the viability of agricultural holdings; to provide an income for elderly farmers who decide to cease farming; to encourage the replacement of elderly farmers with those able to improve the economic viability of the remaining agricultural holdings and to reassign agricultural land to non-agricultural uses when it can no longer be farmed in ways that are economically viable. Key needs identified at the programming stage, in the Member States, [source: RDPs & Country Profiles] include addressing the ageing of farmers and improving the structural characteristics of rural areas.

Key-findings from the ex-post evaluations – The early retirement measure was judged to be relevant in terms of improving the structural characteristics of the agricultural sector in the cases of farm size, age and formal educational level. However, in practice it was only applied in 14 Member States. In 12 of these it was not considered to meet the real needs (8 in the EU10; Ireland; Greece; Portugal and Spain). The proportion of farmers aged 55 to 64 years who took advantage of the scheme was very low, for various reasons such as insufficient financial incentive provided, lack of coherence between early retirement and other rural development measures or existing retirement schemes, and the importance of other factors, apart from the purely financial, in farmers' decision to retire.



The average value for relevance obtained from the survey was low. All the above implies that the measure framework was not designed in a manner which serves its pre-defined needs.

Overall assessment: Evidence presented above indicates that, despite the high potential relevance between its objectives and needs, the framing of the measure and the way it was applied left rather much to be desired in terms of its relevance.

Less favoured areas (LFAs) and Areas with environmental restrictions (AER)

The objectives of LFA measures were to ensure continued agricultural land use and thereby contribute to the maintenance of a viable rural community, to maintain the countryside and to maintain and promote sustainable farming systems, particularly those which consider environmental protection requirements. The objectives of AER were to ensure environmental requirements and safeguard farming in areas with environmental restrictions. Some of the key needs of the LFA measures, identified at the programming stage in the Member States, [*source: RDPs & Country Profiles*] include: maintaining the viability of LFAs given their territorial coverage (the percentage of UAA in all the different categories of LFA was 55% in 2000 in the EU25); overcoming environmental problems caused by abandonment of LFAs and promoting land management and farming systems that contribute to the sustainability of landscapes, biodiversity and habitats.

Key-findings from the ex-post evaluations – In all ex-post evaluation reports, the LFA designation is thought to correspond to the physical, agricultural and socio-economic specificities of the areas concerned, including higher agricultural production costs. For this reason the basic concept of compensating for higher costs incurred, in comparison to other areas, is generally perceived to be highly relevant to addressing the needs of less favoured areas. This support is considered to be critically important to maintaining farming in these areas and to ensuring continued land use and therefore maintaining rural communities and landscapes, while taking into account the environmental role played by farming in these areas.

The "Evaluation of less favoured areas measure in the 25 Member States of the European Union"¹⁷ reaches the conclusion that LFA objectives remain relevant because, to a large extent, the environmental and related public goods, that are of value in the countryside, stem from appropriate land management and in particular, agricultural management over large areas.

The ex-post evaluations also confirm that the LFA objectives were relevant in relation to the overall policy need of improving environmental conditions and keeping the countryside alive. This was achieved through maintenance of sustainable farming systems and land use, for instance; in France the compensation contributed to maintaining farm activity in the foothills and mountain areas but less so in mountainous areas and sheep breeding. In some programmes (Wales, Northern Ireland, England, Austria, France) the maintenance of extensive livestock systems was important in promoting environmentally friendly practices and sustainable low-input farming systems. In Austria, where mountain farming is vital with regard to the conservation of the sensitive Alpine ecosystems, the subsidisation of mountain farming was an important determinant of continued land use in the mountains. Similarly in Madeira (PT), targeting very small farms on a very mountainous island, helped maintain agricultural land use. The LFA support scheme therefore appears to be particularly relevant for mountain areas.

¹⁷ Institute of European Environmental Policy, 2006



However, in some limited cases, in practice the application of the measure proved to under-compensate (e.g. HU, NL, ES) or be insufficiently adapted to local contexts (e.g. ES, FR) or simply used as a means to substitute existing incomes (i.e. no value added). This is exemplified below:

In **Spain**, some disadvantaged areas were financially compensated below their “needs” and some better off areas were compensated beyond their real income deficit. An example being livestock farms, particularly in the North of Spain, which use inherited land that isn’t officially registered in the farmer’s name. These lands are ineligible therefore support is inferior to the actual need. The same occurs when livestock farmers use common grazing areas (not under their ownership). This is because support is given on the basis of land owned by the beneficiary. Beneficiaries claim they apply extensive livestock practices to 50% of the land dedicated to livestock (although 100% of the land has to be dedicated to livestock to obtain compensatory allowance). This is due to the reasons given above of not including rented, inherited or communal land.

In **France** the income based eligibility criteria discriminated against pluri-active farmers in foothills or simple LFAs and the area-based zoning system did not take into account local realities and generated inequalities across the border.

[source: case studies]

A good example of channelling funds efficiently to address the needs of areas that really need them is offered by Austria where GIS technology was used to identify mountain farms with high and/or extreme handicap. [see chapter 5.5.7 Delivery Systems]

Key findings from the survey – The LFA measure was judged by programme management authorities, to respond to the need to remain active in the countryside to a medium extent.

Overall assessment: The above findings indicate the relevance of the LFA measure, especially in mountain areas, in relation to the needs to address abandonment and associated environmental problems. However in some cases, the implementation of the measure suffered from lack of value added due to weaknesses in eligibility criteria.

Meeting standards measures

The two measures relating to the meeting of standards were aimed at: the rapid implementation of Community standards; the respect of standards by farmers; the use of advisory services by farmers and helping farmers assess the performance of their farm business against new cross-compliance standards. They were designed to respond to the overall policy needs to improve environmental and living conditions, though compliance with minimum standards concerning the environment, public, animal and plant health, animal welfare and occupational safety.

Key-findings from the ex-post evaluations – Cross-compliance became compulsory through the 2003 CAP reforms and all farmers receiving direct payments were subject to it. The Implementing demanding standards measure was relevant in the new Member States whose level of compliance with EU standards was low: in Latvia, according to a survey (presented in the ex-post), prior to the implementation of the 2004-2006 RDP only a small number of agricultural holdings complied with EU standards on manure management; in Slovenia, manure storage capacities were either too small, or did not comply with the Nitrate Directive; in Hungary there was a need to adapt to standards and requirements in animal husbandry. The measure could provide support for management practices throughout the EU25, and could also support investments in the EU10. The measure was only applied in Greece and in the EU10, except the Czech Republic.



The Implementing demanding standards measure was used for carrying out the necessary investments in order to comply with EU standards. This is well illustrated in the case of Lithuania, where investments into machinery and premises in dairy farms were supported in order to meet the requirements of the Milk Directive. As a result, milk quality improved which in turn contributed to increasing the competitiveness of dairy farms. Further investments in dung/liquid manure storage facilities were aimed at complying with the Nitrates Directive. They aimed to address the lack of such facilities (beneficiaries accounted for over one quarter of farms which did not have dung and/or liquid manure facilities in 2003). As a result, the indicator depicting overall capacity of constructed dung storage facilities /liquid manure reservoirs registered a threefold increase. The implementation of the Directives was also relevant with respect to the other requirements: improvement of animal welfare, working conditions and environmental protection. In Hungary too the measure supported investments in organic manure storage facilities, whose prime result (according to a survey carried out in the context of the ex-post evaluation) was raising awareness of Community standards.

The Use of farm advisory services connected with meeting standards measure was only implemented to a limited extent in practice and information in the ex-post evaluations is too poor to allow for any robust conclusions.

Key findings from the survey – The measures responded to the needs to adapt to Community standards by 59%, i.e. their relevance was considered medium/high by programme authorities.

Overall assessment: The objectives of the Implementing demanding standards measure were confirmed as highly relevant to their specified needs. The evidence suggests that the investment component of the measure was primarily used, mostly driven by the need to introduce the necessary facilities for meeting standards that were lacking in the pre-accession period.

Agri-environment and animal welfare.

The objectives of the agri-environment measure (AEM) are related to the sustainable use of land and the adoption of environmentally friendly farming techniques, the protection of environmental resources, landscape and natural resources, including high nature value farmed environments. Some of the key needs identified at programming stage in the Member States [*source: RDPs & Country Profiles*] included: to address environmental challenges related to water quality, soil erosion, protection of landscapes and biodiversity, as well as to address problems associated with the effects of intensive agriculture on the environment and landscape.

Key-findings from the ex-post evaluations and case studies – The AEM was the only compulsory measure and was applied in all RDPs and TRDIs and was therefore available across the entire EU25 territory. It addressed nationally important critical environmental challenges. For instance in **Luxembourg**, according to the mid-term and ex-post evaluations, the measure is a justified answer to a series of real environmental problems faced by agriculture, above all the maintenance of landscapes and natural areas, which is a national strategic objective. In **Spain**, the ex-post evaluation considered the AEM was relevant to address major environmental challenges such as soil conservation, quality of water and ecosystems, protection of biodiversity, maintenance and improvement of landscapes. The success encountered by the measure in terms of % of farms and agricultural land applying it, provides a first indication of its ability to provide positive incentives for farmers to contribute to more environmentally friendly practices and take part in environmental protections actions. For instance, according to the **Austrian** case study the



measure served the need to maintain cultural landscapes and traditional farming practices; in practice, 75% of all Austrian holdings and 88% of UAA were covered by AEM in 2006 (highest rates at EU level). By preserving the “paradigm of Austrian agricultural policy” of a wide-area cultivation of the Austrian territory, the measure also addressed the overall policy need to keep the countryside alive. In the **EU10**, AEM was relevant for addressing specific environmental challenges related to water pollution, biodiversity decline, soil erosion, the preservation the landscape and other valuable ecosystems and the preservation of genetic resources (LV, LT, CZ). The **Czech Republic** case study highlighted the relevance of the measure for halting the biodiversity decline and land abandonment in grassland areas through support for extensive farming on agricultural land. Latvia provides a good example of how the measure’s relevance was translated in practice.

In the **Latvian** ex-post evaluation, the high relevance of the measure to address well identified needs is evidenced by the high level to which several objectives were attained by the measure:

- organic farming: the objective to increase areas managed by organic farming methods by at least 50% (in 2006 compared to 2003), was ultimately realised at four times this rate (200%),
- landscape features: by maintaining grasslands, not allowing them to be taken over by shrubs and not transforming them to arable land, forest or built up, the landscape characteristic of Latvia is preserved and improved,
- preservation and protection of grassland ecosystems that are the richest in species, by stimulating the application of environmentally friendly techniques and extensive farming in natural grassland areas the area of extensively managed grasslands increased almost three times,
- genetic diversity: with a view to preserve, protect and reproduce the bloodstock of farming animals of important local breeds, recognised as endangered populations nationally and internationally, the programme has been implemented as expected.

[source: ex-post evaluation]

The overall high relevance of the measure was sometimes limited in practice due to: 1) insufficient targeting, (e.g. Czech Republic: despite the overall success of the AEM, it could be better targeted to address the most important problems associated with land abandonment and biodiversity protection in marginal and mountain areas; the implementation of the measure was criticised by farmers for its “horizontality”, i.e. for not taking into account local and territorial conditions and differences); 2) insufficient integration of actions at the farm level (e.g. Scotland, where AEM funded support on discrete blocks of land, with no consideration towards joining up measures on a whole-farm basis); 3) tendency to turn the measure from environment-oriented into an income support oriented measure (e.g. Spain, Ireland); 4) insufficient compatibility of the measure with farmers’ priorities (e.g. France: soil quality was a major concern for farmers but not a priority challenge for the national RDP) and 5) lack of clarity in the formulation of ecological aims (e.g. Austria: for biodiversity, greenhouse gas emissions and energy consumption, quantitative aims are missing).

Key findings from the survey - AEM was considered of medium relevance for responding to the need to address environmental challenges (e.g. water, soil quality) and to the need to protect landscapes (scores of 52% and 54% respectively).

Overall assessment: Evidence presented above suggests that, despite some problems associated with targeting and planning of the AEM, the objectives of this measure are considered as satisfactorily relevant to addressing its specified needs.



Forestry measures

Afforestation and other forestry measures aimed at sustainable forest management and the development of forestry, the maintenance and improvement of forest resources and the extension of woodland areas. The measures were designed to address the need to contribute to the maintenance and development of the economic, ecological and social functions of forests in rural areas (recognising their multi-functionality).

Key-findings from the ex-post evaluations on afforestation – In some countries the social and economic functions of afforestation of agricultural land were more important and the measure was more focussed on serving needs such as improving the viability of forest holdings. For instance, in **Poland** a majority of beneficiaries (70%) use afforested area as a source of wood production and for extra income in the future. In other countries the ecological function of afforestation of agricultural land was highlighted, stressing the need to promote environmentally-friendly practices. In the **Czech Republic**, the afforestation measure was primarily focused on addressing environmental needs e.g. the preservation of ecological balance and stability of forests, biodiversity, protection of soil and water and adjustment of water regimes in forests and the development of activities strengthening the non-productive functions of forests. Lithuania is a good example of relevance towards all needs (economic, ecological and social).

In **Lithuania** the purpose of afforestation of agricultural land was to offer new opportunities for long-term employment and to create an additional source of rural income. Furthermore, the afforestation of low productivity (and low quality) land would contribute to an increase in the economic and social value of land holdings.

Another set of needs associated with implementing the measure relate to environmental interests, because forests are one of the most important components of natural environment, landscape formation and protection. The need for this measure became even stronger since previous efforts to increase forest cover in Lithuania were unsuccessful. [*source: ex-post evaluation*]

Spain stressed that, in order to maintain the relevance of the measure in practice, it is important to promote sustainable management of afforested areas and preventive actions in order to protect these areas from forest fires, droughts, plagues and generally preserve their quality in the future.

Key-findings from the ex-post evaluations and case studies on other forestry measures – Evidence here reflect the geographical, economical, historical and political diversity of forest policy contexts in different Member States. In **Austria** for instance, where the livelihood of 250,000 persons is directly or indirectly based on forests and their products (especially forest owners and persons employed in the forestry and wood-processing sectors), a sustainable management of the forest areas is of great relevance to those employed in this sector as well as rural areas in general (ex-post evaluation). According to the **Thüringen** (DE) case study, a broad spectrum of activities – such as silvicultural measures, forestry roads, afforestation of previously non-agricultural/forestry land, processing and marketing of timber – addressed the needs: to maintain and develop forestry; compensate for deficiencies in this sector to increase income for forest owners and afforested areas; to improve the ecological value of forests, in particular to facilitate the conversion of a large proportion of coniferous forest, unsuited to local conditions, towards more stable and ecologically valuable forest in a way that is particularly suitable to small-scale private forest ownership. In the **Andalucía** (ES) case study, where most forest areas are privately-owned and forest owners cannot easily address challenges of public interest (such as environmental ones) themselves. The measure has been conceived and implemented through public-private partnerships, with public administration implementing forestry investments in privately-owned



land, from a public service point of view, specifically oriented to forest-fire prevention, sustainable management of forests, maintenance of forest masses, etc.

The **Eastern Finland** case study offers a less positive finding. There, a vast majority of the rural population is composed of small-scale part-time farmers who are also stakeholders in forestry. Interviewees found the Objective 1 programme to be very important in relation to income and employment generation, but considered that too much emphasis was given to agricultural development, rather than focussing on forestry as a driver for overall development in the region. The Forestry Centre found that the programme lacked a longer-term/comprehensive vision of forestry and interviewees supported the bias towards larger enterprises receiving aid. As such, the relevance of the measure to address social, economic and ecological needs for the sustainable development of a region in which forestry is essential was questioned.

Key findings from the survey – The relevance of forestry measures for responding to the need to improve the ecological value of forests was scored as medium.

Overall assessment: In general and with very few exceptions, the objectives of forestry measures have been judged as highly relevant to forestry and rural development needs.

Food quality measures

The two food quality measures aim to provide assurances and information to consumers on the quality of the product or production process, through the participation of farmers in food quality schemes, achieving value-added for agricultural primary products and enhancing market opportunities. They address the need to provide high quality food for the population and enhance market opportunities for farmers.

Key findings from the ex-post evaluations – There is very limited evidence in the ex-post evaluations on these measures, due mainly to their very low level of implementation: farmers' voluntary participation in food quality schemes was applied only in the Netherlands, Belgium (Flanders) and to some extent in Italy (Marche). Producer group activities related to food quality was only included in Greece and Slovakia and there is no information in the ex-post evaluations to analyse this measure. In the case of Italy (Marche), the farmers' voluntary participation in food quality schemes showed clear evidence of improved market opportunities that led to increased sales and income for beneficiary farmers. Judging by the results in this case, it may be inferred that the adoption of quality labels addressed both the need to provide quality food and to enhance market opportunities.

Overall assessment: Evidence is very scarce to reliably judge the relevance of the food quality measures; however, the limited existing information indicates a rather satisfactory level of relevance of their objectives to needs.

Improving the processing and marketing of agricultural products

The objectives of the food processing and marketing measure were to facilitate the improvement and rationalisation of processing and marketing of agricultural products and thereby contribute to increasing the competitiveness and added value of such products and in particular develop new outlets, improve rationalisation, innovation as well as quality, health and environmental conditions. Some of the key needs identified for this measure at programming stage in the Member States [*source: RDPs & Country Profiles*]



included sectoral needs for modernisation and improved quality, access to markets and response to consumer demands, response to the demand for product diversity and quality, restructure and modernise the processing industry.

Key-findings from the ex-post evaluation and case studies – The measure was relevant for addressing a wide range of needs of different sectors in several countries (wine and meat sectors most commonly addressed), such as: modernisation needs (BE, AT); accessibility needs for products produced in disadvantaged/remote areas (e.g. wine and cheese produced in mountainous regions in Rhône-Alpes, FR); the need to respond to demand for diversity and quality for products facing strong competitive pressures from imported products (Thessaly, GR).

When the measure was targeted not only on specific sub-sectors but also on small businesses in these sub-sectors, its capacity to address the sub-sector needs increased: In the **Rhône-Alpes** (FR) case study it was considered indispensable to maintain a tissue of small-scale processing businesses, principally cooperatives. There was therefore a strategic choice made to target the measure towards fragile small and medium-size businesses controlled by producers, principally cooperatives, for which increased added value is the only possibility for development. The measure was thus oriented towards the need to modernise the processing chain, improve quality and access to the market. Territorial targeting also proved to be effective in ensuring the measure addressed the structural adjustment needs of the agri-food industry in disadvantaged areas (e.g. according to the ex-post evaluation of **Friuli-Venezia-Giulia** (IT) the measure strengthened the production chain for basic agricultural products, by targeting small remote and mountainous areas).

The measure also responded to needs to open up market opportunities: In **West Wales**, the emergence of almost thirty new agri-processing SMEs, along with the strengthening of an additional 200 agri-processors has acted as an employment creator per se but has also significantly expanded the markets available to farmers for their farm gate output. In the **Andalucía** (ES) case study the measure covered the needs of farmers and the agri-food industry in terms of assistance, quality control, traceability and differentiation of products. Investments under this measure stimulated the complete transformation of the agri-food sector in comparison to the year 2000. In this sense, the region could provide highly differentiated quality products, which can compete in the international markets and at the same time respond quickly to consumer demands.

The measure was particularly relevant in the EU10 for supporting the restructuring and adjustment of the food sector: **new Member States** included among their objectives the restructuring and adjustment of the food sector. The measure therefore proved in practice to be very relevant for addressing the needs of these countries to adapt to EU standards of health and safety and quality. Investing in new technologies in the processing and marketing of agri-food industries was a necessary strategy for reaching average EU quality levels. In a few case study countries (e.g. HU, SK), the low budget was reported to restrict the capacity of the measure to address all identified needs.

Key findings from the survey – The survey assessed the relevance of the measure to the need to make products more competitive and to the need to improve quality as medium (scores of 55%).

Overall assessment: Evidence presented above has shown that overall the food processing and marketing measure objectives were highly relevant to its specified needs.



Promoting the adaptation and development of rural areas

The objectives of the adaptation measures were to promote the adaptation and development of rural areas in relation to farming activities and their conversion and with regard to the need for rural development to be based partly on non-agricultural activities and services, so as to reverse the trend towards the economic and social decline and depopulation of the countryside. They were designed to address diverse needs relating to: environmental protection; land fragmentation and farm viability; capacity building by farmers; reducing remoteness of rural areas and maintaining their population; providing high quality rural services and amenities; improving rural infrastructure; rehabilitating rural heritage; offering new employment opportunities and generally contributing to the viability of rural communities and their quality of life. These needs correspond to the wider policy need of reversing the trend towards the economic and social decline and depopulation of the countryside.

Key-findings from the ex-post evaluation – The analysis of ex-post evaluations provided examples of the ability of these measures to adapt to the very specific, multiple and variable needs of rural areas according to the local context. For instance, in several regions of Germany (Schleswig-Holstein, Hamburg, Bremen and Lower Saxony) where the measures concerned mainly concerned infrastructure works such as: land improvement, renovation and development of villages and infrastructure and restoring agricultural production potential damaged by natural disasters, particularly through coastal protection. That was also the case in the UK, particularly in Wales, where more attention was paid to social and economic issues, including quality of life and community life, with consideration to environmental and cultural aspects rather than to infrastructure.

In addition to the variety of measures available to address local needs, each measure was also adaptable to the specific context: for instance, land improvement was used to protect farmland against wind erosion in Denmark, or prevent wildfires through grazing in Mediterranean areas in France; managing agricultural water resources was used to protect against flooding in Germany, or developing irrigation systems in Spain and Greece; setting up farm relief and farm management, advisory and extension services provided another example of the diversity of needs addressed (e.g. capacity building of farmers and forest owners) through the provision of conventional key services - e.g. replacement services in Finland, France, Italy, Portugal, Extremadura in Spain, employers' groupings in France, Asturias in Spain or more innovative services – or more specific services, such as the common use of farm machinery in Finland, France, Asturias in Spain, or the creation of collective infrastructures for producers in Belgian Wallonia. Basic services for the rural economy and populations helped provide two basic types of service, to satisfy either social or economic development needs: meeting specific social needs through basic infrastructure for small municipalities, including housing (e.g. Cataluña, ES) or social services such as cultural, social or multi-functional centres (e.g. Basque country, ES) or advisory services to help develop new activities (Wallonia, BE). The marketing of quality agricultural products measure addressed the needs for improved quality and access to markets through the development of new technologies for farm processing in Canarias in Spain and Veneto in Italy or the improvement of quality product processing and marketing in Galicia, Cantabria, Castilla La Mancha and Valencia in Spain.

The information provided by the ex-post evaluation reports, about the relevance of this important Chapter of measures, is however too fragmented and limited: information measure per measure is generally more descriptive than analytical and not detailed enough to answer all evaluation themes, even a synthesis is rarely available at the Chapter IX level.



Key-findings from the case studies – Fieldwork was therefore very important to cover gaps in the desk work and a lot of information was provided by case studies. Re-parcelling helped address the land tenure fragmentation problem and created more viable structural conditions for farming, for instance in Slovakia and Rhône-Alpes. In Thüringen (DE) the measure addressed the specific situation in the 'new' German federal states which inherited the former GDR's large-scale cooperatives. Marketing of quality agricultural products was considered relevant to the development needs of most rural areas, through a qualification process involving local actors towards the collective promotion of their area and their regional products, through obtaining official quality labels, with good examples provided by Andalucía (ES) and Rhône-Alpes (FR). Basic services for the rural economy and population helped meet specific economic needs through advisory services to help develop new activities or support collective interest investments (Rhône-Alpes, FR). Renovation and development of villages and protection and conservation of the rural heritage was used and adapted to address very specific local needs according to the very diverse and specific context of each country and region: e.g. restore village infrastructure in Rhône-Alpes (FR), or support community partnerships to preserve heritage in Wales (UK). Diversifying agricultural activities has been implemented to support a wide range of activities such as: social and recreational services; catering; alternative energy solutions; new cultivation or livestock breeding activities and tourism. Tourism, especially agri-tourism, has been the most common new activity supported by this measure and in many cases has been decisive to the economic diversification of rural areas, the provision of new livelihood opportunity to women and contributed to rural viability. Developing and improving infrastructure connected with the development of agriculture was used to improve: rural traffic infrastructure in Thüringen (DE); access to farms; rural electrification; water treatment in Andalucía (ES) and access of the rural population to services in Hungary. In any case, according to interviews during the fieldwork in different regions, the development of local infrastructure was considered to be a highly important action responding to agricultural and rural needs.

The **synergy of measures** proved in practice to benefit rural areas as whole, the examples below illustrate this: both show the need to facilitate and encourage multi-measure integrated development projects.

Example of synergy between adaptation measures in Thüringen (Germany) - the combination of re-parcelling, village renovation and infrastructure, supported rural areas in an integrated manner and enhanced the natural environment and physical infrastructure, making rural areas more attractive.

Example of synergy between adaptation measures and other measures in Wales (UK) - In Wales, the upgrading and cleansing of forestry areas was never considered to be an end in itself, as it could have been. However in this region, high quality woodland was immediately seen to offer potential in the area of tourism. The Other forestry measure was used to clean woods and encourage tourist and craft activities to walkways and cycle-ways in forests, helping local people develop nature tourism and promote the destination. It is a testimony to the successful creation of tourist amenities, good forward planning and aggressive marketing that there is now a thriving targeted tourist industry flourishing around Welsh woodlands. As a result of this development process, integrating two measures that illustrate and enhance, through tourism, the productivity of forestry, over 760 timber related jobs were either created or safeguarded and over 400 timber related businesses supported.

[source: case studies]

Key findings from the survey – The different adaptation measures returned generally low average values about relevance: some suggest very low relevance, such as financial engineering (less than 25% on average, although higher in Portugal where it was implemented); most indicate medium-low relevance



(25%-50%) e.g. restoring the agricultural potential damaged by natural disasters, setting up farm relief and farm management services, protecting the environment in connection with agriculture, diversifying agricultural activities and activities close to agriculture and renovation and development of villages. Only the diversification measure suggests medium relevance (over 50%).

Overall assessment: Adaptation measures were on average “adaptable” to each specific national or regional context to address identified needs. In spite of the surprisingly low score obtained for some measures by the survey, the different sources of information suggest a high relevance of several adaptation measures, such as: marketing of quality agricultural products; renovation and development of villages; diversifying agricultural activities and activities close to agriculture; land improvement; re-parcelling; or developing and improving infrastructure connected with agriculture.

5.1.3 The particular situation of the new Member States

Following the accession of the 10 New Member States, the main objectives of rural development policy in these countries were to restructure the farming sector, particularly the livestock sector and to reduce dependency on semi-subsistence farming. Meeting EU food safety, quality and environmental standards, as well as diversifying the rural economy and improving rural infrastructure and services were other key policy objectives. The “specific measures for the New Member States” were established in order to contribute to these objectives with reinforced rural development programming. They were designed to address specific needs for NMS for restructuring, improving competitiveness and viability of farms/rural businesses and improve management capacity.

Semi-subsistence farms undergoing restructuring

Key findings from the ex-post evaluations – Semi-subsistence farming associated with small-scale structures was common in most Eastern Europe countries. In **Hungary**, according to data from year 2000, 89.9% of farmland was owned by farms below 5 ha. A considerable proportion of private farms (60.4%) were involved in semi-subsistence farming. In **Lithuania**, bearing in mind the rather large share of such farms, semi-subsistence farming was considered to be a barrier to Lithuanian agricultural development. This special measure was well perceived as able to address the needs of the farm sector and the target groups. For instance in **Poland**, where 54% of the 291,000 eligible farms (between 2 to 4 ESU), representing 1M hectares, received support, 64% of the beneficiaries surveyed underlined that this support solved on average at least 90% of their viability problems, their farms’ productivity increased and that they spent the received aid on investments in livestock (30%), machinery (44%) and land (10%).

Key findings from the survey – In the survey carried out in Poland, Hungary, Slovakia and Lithuania the relevance of the measure was ranked, on average, as relatively low. It seems that the main reason for this assessment is that the amount of support was perceived to be too low to make these farms move from semi-subsistence to economically viable. Many experts underline that the set access criteria (e.g. 2-4 ESU for instance, in Poland) was too low, with 8 ESU being suggested by many experts to be the minimum size for economic viability of a farm.

Overall assessment – The measure enabled a very important proportion of farms in some EU10 countries to move from semi-subsistence into more viable farming and to adapt to EU requirements. Although the provision of this income support was extremely necessary, it was on its own insufficient to allow most beneficiaries to really come out of semi-subsistence, and needed to be combined with other measures



such as investments in farms. Other measures, such as support to producer groups, were critical in facilitating access to the market.

Producer groups

Key-findings from the ex-post evaluations – The setting-up of producer groups is particularly important for primary sector producers. Self-organisation of farmers into producer groups is relevant to enabling them to better meet market standards, increase sales and improve competitiveness. However, in some countries the measure fell below expectation of the number of groups that would benefit from it. In some EU10 countries the main reason appears to derive from negative historical experiences (forced collectivisation during the communist time) plus a lack of fiscal incentives for producer groups. For instance in **Poland** only 79 producer groups applied for support instead of 172 planned. In **Malta**, according to the ex-post evaluation, the formation of producer groups was not taken up, which may have been in large part due to constraints within the culture of cooperation in the Maltese agricultural community.

Notwithstanding the above, the measure was considered relevant and found success in some countries: in **Cyprus**, among the 10 producer groups supported 6 found noticeable success in the market; in the **Czech Republic**, although its impact was lower than originally expected, the measure contributed mostly to improving the economic stability of primary producers and their competitiveness in the EU market, while positive benefits were also reported in **Latvia and Hungary**.

Key findings from the survey – The survey registered an overall positive assessment of the measure to specified needs in the countries where it was implemented. It proved to be highly relevant in Cyprus and the Czech Republic.

Overall assessment – Findings from the ex-post evaluation reports and the survey suggest that, in the 7 NMS where it was applied, the high potential relevance of the measure did not always result in actual relevance, but a more positive assessment can be made for 4 countries, i.e. Cyprus, the Czech Republic, Hungary and Latvia.

Technical assistance

Key-findings from the ex-post evaluations – The measure was relevant in all NMS for addressing the need to improve management capacity. It was implemented everywhere, with particularly positive assessments from ex-post evaluation reports for Cyprus, Poland, Slovakia and very positive for the Baltic States: in **Lithuania** “it encouraged cooperation and the exchange of information between administrative authorities, socio-economic partners and other interested stakeholder institutions”; in **Latvia** “it was implemented successfully and has attained its objective, strengthening the administrative capacity of the ministry of agriculture and rural support service”; in **Estonia** “it provided important support for the implementation of the main measures, promoting cooperation between different parties and increased awareness”. Several reports highlight the importance of this measure, with regard to information and raising awareness of stakeholders and potential beneficiaries, as a key for successful implementation of the RDPs.

Key findings from the survey – Overall, the measure was judged as relevant, with Cyprus and the Czech Republic registering particularly high scores in the survey.



Overall assessment – Findings from the ex-post evaluations and the survey confirm the high relevance of this measure for the NMS.

5.1.4 Analysis of relevance at overall policy level

5.1.4.1 Extent to which overall objectives responded to identified needs

The policy objective to 'contribute to the achievement of the CAP objectives, in particular, to accompany and complement the other instruments of the common agricultural policy, including agricultural market policies' was a rather broad objective and as such was relevant to addressing all identified needs (listed in section 5.1.1). This objective was addressed through a range of measures offered within the rural development policy. Four new measures related to implementing standards and food quality were introduced as part of the 2003 CAP reform that put greater emphasis on cross-compliance, i.e. linking direct payments to farmers to their respect of the environment and other quality requirements set at EU and national level. The debate and consultation leading to the 2003 CAP reform underlined the need for the CAP (in particular via the second pillar) to target support towards promoting food quality, high standards of environmental and animal welfare management on farms – rather than on promoting production. This was in response to growing public concern. In practice however, the implementation of these new measures was less extensive than anticipated with only a small number of countries choosing to use them. The reasons for this are explained in the respective description of the measures in section 5.1.2.

In relation to complementing agricultural market policies, relevance to addressing the need to adapt to change and access markets is evident, in particular through the implementation of the investment in farms and improving the processing and marketing of agricultural products measures as well as the marketing measure of Chapter IX. These measures addressed needs associated with improved quality, competitiveness and access to markets and were therefore relevant to addressing the wider need of adapting to change. In the EU10, special support for semi-subsistence farms and producer groups was a means to facilitate access to markets and structural adjustment of the sector.

Rural development policy also has contributing to economic and social cohesion as an objective, in particular to reverse the trend towards the economic and social decline and depopulation of the countryside and to remove inequalities and promote equal opportunities. This was principally through measures such as start-up assistance for young farmers (which was expected to help revitalise rural areas), the promotion of diversification of on-farm activities originating from the investment in farms measure as well as several adaptation (Chapter IX) measures, such as basic services for the rural population and renovation of villages (aimed at improving the attractiveness of rural areas), diversification and tourist and craft activities (offering opportunities for rural development through non-agricultural activities and services). The LFA measure was designed to compensate for permanent natural handicaps in disadvantaged areas and to contribute to the maintenance of viable rural communities, thus also addressing the need to reverse socio-economic decline in these areas.

The policy objective to 'integrate environmental protection requirements in particular with a view to promoting sustainable development' was relevant to addressing the need to improve environmental conditions and protect/preserve the environment. This was clearly achieved through a range of measures that explicitly pursued environmental objectives (agri-environment measures, forestry measures and



those adaptation measures that had an environmental focus, e.g. land improvement that addressed erosion problems, managing agricultural water resources to promote efficient use of water, protecting the environment which addressed needs for sustainable rural development, restoring potential and introducing preventative actions). Training was another measure that had a strong environmental component and therefore contributed alongside the other measures to increase knowledge/awareness of environmental protection. Investment measures also contributed to the protection and improvement of the environment, for example by improving waste management.

The objective to 'restore and enhance competitiveness of rural areas and therefore contribute to the maintenance and creation of employment in those areas' primarily addressed the need to ensure the viability of rural communities including supporting farming activities and diversification of the rural economy. A wide range of measures contributed to this end, including those with an investment component (investment in farms, improving the processing and marketing of agricultural products), which were found to have positive income and employment effects [*source: input-output analysis*]. Those that promote quality and improve marketing (e.g. food quality measures, marketing of quality agricultural products) and other adaptation measures can contribute to cost savings and/or enhancing financial viability (e.g. reparation, developing infrastructure connected with the development of agriculture, farm relief and farm management services).

In the new Member States the most important of the policy objectives was to restructure the farming sector, including reducing dependency on subsistence farming. Compliance with Community standards, diversification of the rural economy and improvement rural infrastructure were also important. All these objectives were relevant to addressing the acute restructuring needs in these countries and special measures targeted to this end were created. These objectives were also relevant to addressing wider needs such as: the maintenance of viable rural communities and farming activities; avoiding socio-economic decline in rural areas; enhancing the viability of small farms and facilitating access to the market through support for self-organisation of farmers.

5.1.4.2 Overall assessment

Highly relevant measures according to both desk and fieldwork appear to be the less-favoured areas (LFA), the agri-environment measure (AEM), forestry and the improvement of processing and marketing scheme, followed by very relevant measures of training, meeting standards and the renovation and development of villages and the diversification of activities schemes.

Accounting for 53% of the total public budget, the measures listed in the previous paragraph have contributed to meeting the overall needs of the agriculture and forestry sectors and rural areas (presented under 5.1.1) through the three major objectives adopted for common rural development, namely to promote: competitiveness; sustainable development responding to increasing society's demand on environmental issues and social and economic cohesion through sustainable rural development, particularly in less-favoured areas (regions lagging behind or facing structural difficulties).

The better integration of rural development and environmental challenges in the common agricultural policy was a major strategic goal of the 2000-2006 rural development policy. As such it was quite successfully reached through the high relevance of the LFA, AEM, renovation and development of villages and diversification of activities schemes (the latter applying when diversification concerns rural tourism



with an environmental focus, such as nature tourism which promotes environmental awareness and a change of attitude towards the environment) which accounted for some 46% of the total budget.

In spite of the high relevance recorded for the improvement of processing and marketing measure to the competitiveness objective, progress is needed so that other measures meet the real competitiveness needs of the agriculture and forestry sectors and rural areas, as many have not proved totally satisfactory. In that respect, some measures expected to improve competitiveness and the development of economic activities and employment have been implemented on a very limited scale (e.g. measures to provide advisory support to farmers and producers' groups); some have not worked out as expected (e.g. the early retirement and start-up of young farmers schemes) or are subject to concern regarding insufficient targeting (e.g. measures to support investments on farms or in the food industry).

Two key concepts are essential to ensuring actual relevance of the measures to policy objectives and meeting the identified needs, adaptation to the particular situation and appropriate targeting, with the two being interlinked.

Scope for measures to be adapted to the diversity of situations throughout the EU and to respond to needs at the local level, is essential for the success of the common rural development policy and its actual as well as potential relevance. Clear definitions of objectives and of appropriate eligibility and selection criteria are essential to ensure both good local adaptation and successful implementation at the programme level.

Targeting is the main tool for adapting to local needs and ensuring successful implementation. It may concern beneficiaries, areas or achievements in order to meet the real needs for sustainable rural development at local, territorial and regional level.

For targeting to be most efficient, there is a need for the planning, implementation and management of the programmes to be made at the appropriate level, in particular with regard to the definition and use of eligibility and selection criteria in relation to policy objectives. The definition of the appropriate level varies across the EU and can be at national, regional or sub-regional level, noting the principle that rural development policy should be "as decentralised as possible and emphasis must be on participation and a 'bottom up' approach", according to preamble (14) of the Council Regulation (EC) n° 1257/1999. This has not always been the case in practice and may explain some of the failures in terms of actual as against potential relevance.

However, positive examples of targeting and adaptation in response to real needs include the following:

- the early retirement scheme, in Lithuania, Poland,
- the less-favoured areas scheme, in Austria,
- the agri-environment scheme, in Austria, Wales, Estonia, Latvia, Hungary,
- the renovation and development of villages scheme in Germany (Bavaria and Thüringen) and in Thessaly (Greece), Rhône-Alpes (France) and Belgian Wallonia,
- the diversification of activities scheme in Luxembourg, Austria, Rhône-Alpes, Thüringen.

Examples of positive correlations between measures to enhance the relevance of the policy objectives include the correlation noted in Ireland between the LFA and the AEM schemes and in Thüringen with

respect to the measures to support renovation and development, reparcelling and the development and improvement of infrastructures connected with agriculture.

Table 9 provides a summary of the synthesis of findings about relevance. The combined value (score in the last column) is calculated by transforming the overall assessment for each measure into a quantitative value, combining the results of the survey with those from the synthesis of ex-post evaluations and fieldwork as follows: giving priority to the results of the survey, coming from scoring made by more than 200 MA and MC representatives throughout the EU: if the average value obtained from the survey for one measure is above the average value for all measures – making a distinction between the two groups of measures applicable either in the EU25 or the EU10 only – and if the findings from desk and fieldwork are fully positive then the “combined value” is 4, otherwise it is 3; similarly if the average value from the survey is below the average value for all measures, then the combined value is either 2 if the findings from desk and fieldwork are fully positive, otherwise it is 1.

Table 9 – Summary synthesis of findings about relevance from desk- and fieldwork per measure

	Measures	N° of countries	Synthesis from ex-post evaluations and fieldworks	Survey Average ¹	Combined value (1 to 4)
1	Investment in farms (Chapter I)	25	Generally relevant to innovation, environmental protection – But deadweight risk, needs better targeting	51.30%	3
2	Start-up assistance for young farmers (Chapter II)	19	Positive, but aid too low to cover costs, not decisive since many factors may affect the decision to set up –	47.64%	3
3	Training (Chapter III)	20	Appears as highly relevant, especially when key-success factors are taken into account	46.95%	4
4	Early retirement (Chapter IV)	14	High potential but lower actual relevance – Higher in EU10 than 15 - Adaptation to local context not always successful	38.46%	1
5	Less Favoured Areas and areas with environmental restrictions (Chapter V)	25	High relevance – Possibility to improve adaptation to local conditions through exchange of best practices	48.36%	4
6	Agri-environment and animal welfare (Chapter VI)	25	Highly relevant to a wide range of problems (in spite of relevant critics, esp. from experts about actual results)	47.68%	4
7	Improving the processing and marketing of agricultural products (Chapter VII)	23	High relevance in many respects	54.93%	4
8	Afforestation of agricultural land (Chapter VIII)	21	Relevant to address social and economic functions of forests, less so for ecological functions	46.66%	3
9	Other forestry measures (Chapter VIII)	22	Much variable according to historical context – Needs improved targeting and participatory approach		
10	Land improvement (Chapter IX)	8	Good adaptation capacity to local needs – But applied only in 8 countries	45.63%	3
11	Reparcelling (Chapter IX)	12	Good adaptation capacity to local needs – But applied only in 12 countries	45.52%	3
12	Setting up farm relief and farm management services (Chapter IX)	9	Applied only in 9 countries	38.39%	2
13	Marketing of quality agricultural products (Chapter IX)	13	Much relevant - But applied only in 13 countries	39.19%	2
14	Basic services for the rural economy and populations (Chapter IX)	12	Much relevant – Good adaptation capacity - But applied only in 12 countries	40.37%	2
15	Renovation and development of villages and (...) rural heritage (Chapter IX)	17	Highly relevant – Good adaptation capacity –	48.73%	4
16	Diversifying agricultural activities and activities close to agriculture (Chapter IX)	22	Much relevant – Good adaptation capacity –	47.78%	4
17	Managing agricultural water resources (Chapter IX)	10	Relevant in the only 10 countries it was applied	44.46%	2
18	Developing and improving infrastructure connected with agriculture (Chapter IX)	14	Highly relevant where it was applied – But applied only in 14 countries	45.14%	3
19	Encouraging tourist and craft activities (Chapter IX)	13	Relevant – Applied in 13 countries – Other measures used for similar objective	46.51%	3
20	Protecting the environment in connection with agriculture (...) (Chapter IX)	13	Relevant – Applied in 13 countries –	38.72%	2
21	Restoring agricultural production potential damaged by natural disasters (Chapter IX)	8	Relevant – Very good adaptation capacity – Applied only in 8 countries	38.08%	2
22	Financial engineering (Chapter IX)	3	Applied only in 3 countries	23.35%	1



23	Management of integrated rural development strategies (Chapter IX:EU15)	1	Applied only in 1 country		1
24	Implementing demanding standards (Chapter Va)	10	Quite relevant in general, especially in the NMS, where it may need better targeting to reach small-scale farmers	52.57%	3
25	Use of farm advisory services connected with meeting standards (Chapter Va)	4	Limited implementation (potentially high, but actually low at EU level due to very limited implementation)		2
26	Farmers' voluntary participation in food quality schemes (Chapter VIa)	3	Limited implementation (potentially high, but actually low due to very limited implementation)	36.56%	1
27	Producer group activities related to food quality (Chapter VIa)	2			
EU10					
28	Semi-subsistence farms undergoing restructuring (Chapter IXa: EU10 only)	7	Highly relevant, much necessary but not sufficient, alone to address all needs of semi-subsistence farming	44.17%	2
29	Producer groups (Chapter IXa:EU10 only)	7	High potential relevance, but needs actually well addressed in only 4 out 7 countries	45.10%	2
30	Technical assistance (Chapter IXa:EU10, plus Guidance funded programmes)	12	High relevance in all NMS	55.06%	4
31	Provision of advisory and extension services (Chapter IXa:EU10 only)	4	(no information)	51.32%	3

⁴ Overall average value from the survey (all countries and questions) for relevance is 44.76% for EU25, 48.91% for EU10

5.2 Coherence between the measures available and the objectives of the policy

This chapter assesses the extent to which the menu of measures included in the Council Regulation (EC) n° 1257/1999 and the additional measures established specifically for the NMS were linked to the social, environmental and economic priority objectives for rural development and therefore had the potential to contribute to their achievement. Particular consideration is given to the level of detail specified in the respective legal framework for the measures and to the potential for complementarity and synergy between the various rural development measures.

5.2.1 Potential coherence between the measures and social, environmental and economic priority objectives for rural development

As already presented in Section 5.1 on Relevance, social, environmental and economic priority objectives for rural development are the major challenges and objectives identified for the 2000-2006 rural development policy in the EU, (see chapter 5.1.1). They concern the contribution to the achievement of the CAP objectives, the contribution to economic and social cohesion, the promotion of sustainable development and the enhancement of competitiveness.

Most RDP measures were designed to contribute to at least one of the above major objectives of rural development policy and many contribute to more than one. Also, the specific design at programme level can enhance the multi-dimensional impact of measures e.g. through targeting specific types of beneficiary or project.

Coherence was assessed in relation to the measures' contribution to their specified objectives and to overall rural development priority objectives.

5.2.2 Assessment of the actual contribution of measures to the achievement of priority objectives and of the actual synergy and complementarity between the various RD measures

Investment in farms

The support for investment in agricultural holdings was intended to "contribute to the improvement of agricultural incomes and of living, working and production conditions" (Article 4, Council Regulation (EC)



n° 1257/1999). It was thus aimed at contributing to priority economic and social objectives as well as environmental objectives. Whilst its specific objectives included: reduce production costs; improve and redeploy production; increase quality and promote diversification, the measure was also intended to preserve and improve the natural environment, hygiene conditions and animal welfare standards.

Key findings from ex-post evaluations – According to the ex-post evaluations there are countries where the measure contributed more to social and economic objectives, especially employment (e.g. Greece), others, particularly the NMS, tended to meet economic and environmental objectives and finally countries where it contributed equally to all objectives (Finland, Spain, France, Luxembourg). The latter in particular provide good examples of targeting and synergy with other rural development measures to improve the coherence with priority objectives. In **Luxembourg** for instance, the main aim of the measure was to contribute to an overall objective for agriculture at national level - reducing the difference between average agricultural and national incomes. The RDP identified an important need for restructuring, particularly in the pig, poultry and horticulture sectors, to better meet national market demand. The measure thus targeted these priority sectors, as well as inside these sectors, to particular environmental issues (bio-energy, landscape), beneficiaries (i.e., young farmers) and areas (i.e., LFAs), to this purpose synergy was created with other measures, such as Start-up assistance to young farmers and LFA: the standard aid rate for building and equipment was increased by 5% for young farmers and LFAs and they could raise up to 60% for biogas equipment, 90% towards extra-costs of traditional materials for better integration of buildings into the landscape and 100% to transplant piggeries out of urban centres.

Concerning the possible effect of higher aid intensity in LFAs, among the rare quantified assessments, evidence from **France** indicates that proportionately more LFA farmers are beneficiaries of farm investment support: although 59% of farms are located out of LFAs, 26% in foothills and 16% in mountain areas, the percentages of beneficiaries are respectively 46%, 31% and 21%. This shows that the measure was particularly attractive in LFAs and implies that the higher aid rates contributed to maintaining farming activities and continuing land use, which was a priority objective for these areas. France also provided another example of a detailed framework for improving synergy between RDP measures, in order to optimise the capacity of the measure to contribute to the priority social, economic and environmental objectives. The most sophisticated tool being the "territorial farming contract" (*contrat territorial d'exploitation* - CTE), a contract between the State and the farmer that combined obligatory social and economic components with an environmental component, each contract was a package that combined up to 10 measures from Chapters I and IX of the RDP. In the mid-term period, the first contractual arrangement was replaced by two less complex mechanisms which maintained the high degree of integration between the economic and environmental objectives.

Key-findings from case studies – The case studies provided good opportunities to obtain complementary information about the measure in Finland, France, Germany, Greece, Italy, Portugal, UK, Hungary, Poland and Slovakia. In the EU15, there is generally a reasonably well-balanced contribution to economic, social and environmental objectives: in **Eastern Finland**, where social targets were exceeded (3,486 jobs maintained, compared to 2,400 expected and 1,371 for women) improvements in buildings and structures also "increased the visual attractiveness of rural areas"; in **Campania** (Italy) the measure raised product quality and "bringing the farms' level closer to the European environmental standards"; in **Rhône-Alpes** (France) beyond better farm efficiency, income, employment and working conditions, it has improved society's image of agriculture, thanks to more environmentally-friendly practices, on-farm



welcoming of visitors and direct selling of produce while also changing farmers views of the environment, consumers and city dwellers. In the NMS, where social, economic and environmental issues were all quite challenging during the accession period, there is a positive but more varied picture of the contribution of the measure to priority objectives. In **Hungary**, for instance, although interviewees considered that both the state of the environment and economic situation have improved as a result of the measure, they pointed out some weakness in achievements with regard to social objectives (e.g. smaller farms have more difficulties to finance the private part of the projects) and environmental targets (e.g. only 7% of beneficiaries made environmentally friendly investments in agricultural buildings rather than the 40% planned). In **Slovakia**, while environmental objectives were quite well achieved, that was not totally the case for social and economic priorities, partly because production efficiency remains low despite the investment, as evidenced by decreased economic performance (total output and value added) in modernised farms (source VÚEPP, EuroConsulting 2009). In **Poland**, due to the very limited budget of the program, compared to the needs of Polish agri-food sector, the economic impact of the measure was rather limited and it had more of a demonstration, educational and raising awareness effect.

Key findings from the survey – Contribution to economic priority objectives assessed as medium-high.

Overall assessment – The results of the ex-post evaluation, the case studies and the survey provide a synthetic vision of a high contribution of the measure to economic priority objectives and to environmental objectives, with more varied results for the social objectives.

Start up assistance to young farmers

Key findings from ex-post evaluations – Improving the structure of the agricultural sector, in terms of farm size, farmers' age and qualification, was among the priorities of all RDPs and as such the measure to support the installation of young farmers has certainly been one of the most coherent with the social and economic rural development policy objectives in all countries. But one important key for success of the measure is the link to other measures, in particular Early retirement, Investments in farms and LFAs. Synergy with other measures was not always systematic or successful. Some RDPs provided evidence of rather low synergy with the Early retirement scheme (ERS): 17-22% of the total number of approved installations of young farmers combined with the ERS in **Cyprus**, only 5.7% in **Navarra** (Spain) and even less, 3.4%, in **Valle d'Aosta** (Italy). Beyond the sole issue of complementarity with ERS there is another concern expressed by the ex-post evaluation report of **Luxembourg**, which concludes that due to the whole set of challenges a young farmer has to face in setting up, especially land tenure problems and high average farm costs, there is a need to reconsider the coherence of the whole agricultural policy with regard to young farmers and more generally the type of agriculture suitable to Luxembourg. In other words, what is at stake could be the coherence of RD policies with the challenges faced by young farmers when setting up.

Key-findings from case studies – Available only for Finland, Hungary and Wales; findings from the case studies provide a complementary vision of the coherence of the measure with priority objectives. In **Finland** although up there was less take up than expected (41% of the target) by young farmers, they were the most active in terms of making investments to develop sustainable agricultural holdings. In **Hungary**, the overall situation in terms of age structure did not improve and, according to interviewees, the contribution of the measure to economic and social objectives was rather limited, due to insufficient financial support and the eligibility requirement that agriculture should be the principal activity. Young farmers did not find the financial support a sufficient incentive to engage full-time into agriculture. In



Wales the measure was never programmed since the Managing authority did not consider such support to be real and sustainable and the average age of farmers in the region continues to rise, fast approaching 60 years.

Key findings from the survey – The measure obtains medium scores on average for its contribution to economic (50.81%) and social (50.39%) objectives and much lower for environmental objectives (39.07%).

Overall assessment – Despite its potential importance in addressing key structural issues, the measure has not proved satisfactory in meeting its expected priority objectives. Its major contribution was towards the economic and social priority objectives but, surprisingly, was much less so in its environmental objectives. Improving its synergy with other measures, especially the ERS is another key-issue.

Training

Key findings from ex-post evaluations – The training measure is generally perceived to be coherent with all priority objectives. In **Austria**, for instance, the ex-post evaluation report concludes that it has contributed considerably to the implementation of other measures of the rural development programme and thus constitutes, with a share of only 0.6 % of the whole RDP expenditure, a very important and efficient measure. In Italy, in **Valle d'Aosta**, training activities related directly to the implementation of other measures, for instance, monitoring data presented in the ex-post evaluation shows that 89% of participants in the Start-up assistance for young farmers measure and 65% of participants in the Investment in farms measure participated also in the training measure. The most important complementarity was observed with the two measures to support the installation of young farmers and investments in agricultural holdings, with respectively 89.6% and 65.3% of their beneficiaries taking part in training actions. In **France** training actions supported by the measure clearly contributed to the development of sustainable agriculture and in particular have played a noticeable role in changing the views of the agricultural world towards environmental issues. However, the contribution to priority objectives is not reported as positively in all ex-post evaluations. In **Luxembourg**, for instance, training entities had a list of environmental issues to address with no explicit links to the programme objectives, but even in this case 2/3 of training opportunities offered were closely linked to other measures.

Key-findings from case studies – The case studies provided complementary information from Eastern Finland, Alentejo in Portugal and Hungary. In **Finland** training helped people preparing entrepreneurial projects and was successfully attended by 35,000 trainees instead of the 10,500 planned. In **Portugal**, training was the least positively valued measure, by only 1 out of 7 interviewees who mainly reported that training courses were not attended by the right people and was lacking in complementary solutions for rural development (e.g., advisory assistance for entrepreneurship, adult education, socioeconomic promotion ...). In **Hungary** training contributed significantly to environmental priorities in half of the training sessions concerned.

Key findings from the survey – Training obtained a medium-low average value (44.75%) for all questions about coherence.

Overall assessment – In spite of the lower scores obtained from the survey, ex-post evaluations and case studies provide positive assessments of the measure. In summary, the Training measure appears to have contributed significantly to priority rural development objectives.

Early retirement

According to its intervention logic, the Early retirement measure was intended to contribute to competitiveness, by providing opportunities for earlier retirement with a view to creating more viable farm structures through transfer of farms and renewal of the farming population. The measure was not implemented in all countries. In the EU 15 it was only implemented in Ireland, France, Greece, Italy and Spain, while in the EU10 was implemented in all countries except Malta.

Key findings from ex-post evaluations - In terms of earlier transfer of farms, the measure seems to have achieved more significant results in Southern countries and Ireland than in other countries where it was applied. In **Spain** it is estimated that the support has accelerated early retirement by 5.56 years. In Ireland, the measure came close to the desired transfer targets in terms of the ages of those involved and the average difference in age, between transferor and transferee, of 28 years matched the programme indicator target, but uptake and the area concerned was low. In other countries, especially in NMS, the measure was not as successful, at facilitating an earlier retirement and transfer, as expected. In **Latvia**, the average age of transferee was still high and thus the average difference in age between transferors and transferees rather low, while in **Lithuania**, the average age of beneficiaries was exactly the same as the retirement age for men (62,5 year for men and 60 for women) and percentages of farms or land transferred were rather low compared to the objectives.

In relation to complementarity between measures there is a strong potential with start-up assistance for young farmers, but little evidence of successful attainment. In **Ireland**, for instance it was envisaged but never formalised. The early retirement scheme was part of the RDP/TRDI while in Objective 1 areas the support scheme to young farmers was part of the Structural Funds' programme. In the **Czech Republic**, for instance, the target number of early retirement agreements within the TRDI was set in relation to the start-up assistance for young farmers within the SF Operational Programme. But the ratio of the number of beneficiaries from the setting-up aid who replaced beneficiaries from early retirement aid compared to all supported cases of early retirement was 0.024, showing a low level of synergy between the two aid schemes. In **Lithuania**, only 0.5% of young farmers assisted for start-up in the SPD were farm transferees in relation to early retirement in the RDP.

Key findings from the survey – The measure's coherence was assessed as low (36.93%).

Overall assessment – Due to the limited potential of the measure to actually promote earlier retirement and transfer of farms, as evidenced by both ex-post evaluation synthesis and the survey, ERS did not contribute significantly to improving competitiveness of farms and rural areas or restructuring. The expected synergy with Start-up assistance for young farmers was low.

Less favoured areas and areas with environmental restrictions

The main aim of the LFA support scheme is to provide economic compensation for permanent natural handicaps to farmers in less-favoured areas or in areas with environmental restrictions, in order to ensure continued land use and thereby contribute to a viable rural community, maintain countryside, promote sustainable farming systems and ensure environmental requirements (Article 13, Council Regulation (EC) n° 1257/1999).



Key findings from ex-post evaluations – In most countries the measure has proved to be successful, at least partly, in providing economic compensation for handicaps to farmers in less-favoured areas, ensuring continued land use and contributing to a viable rural community. The situation with regard to areas with environmental restrictions (AER) does not seem as satisfactory as for LFAs. In **Lithuania** for instance, only 11% of the planned number of farmers applied for and used the aid in Natura 2000 areas. The main reasons identified to explain this failure relate to the lack of administrative capacity for responsible institutions to designate the areas concerned in due time (this was a prerequisite for inclusion of the measure in a programme) and their management rules; insufficient attention given to informing and raising awareness of potential applicants with regard to eligible areas, submission of applications and insufficient economic incentives for farmers.

Although there is no actual complementarity in terms of measure design and implementation between LFA and AEM, it must be noted that, due to the fact that most LFAs are also areas of high natural value, there was a geographical co-incidence of the two measures in many LFAs and beneficiary farms: in **Poland** and **Slovenia**, farms located in LFAs more often implemented agri-environmental measures than those located in other areas; in the **Czech Republic**, where traditional livestock grazing on permanent grasslands is the dominant agricultural activity in less-favoured areas, applicants in LFAs could also apply to maintain permanent grasslands under the AEM, with both measures contributing to maintaining sustainable farming systems; in **Austria**, in 2006, 91% of agricultural holdings receiving compensatory payments from LFA also participated in the Austrian agri-environmental programme (ÖPUL).

Key findings from the survey – The contribution of the measure to ensure farm viability and maintain activity in the countryside was considered as medium (scores of just over 50%).

Overall assessment – LFA is thought to have contributed to maintaining farms and farming in the less-favoured areas, through its very important contribution to farm incomes in these areas. The maintenance of farms has also contributed to maintaining continued land use, landscapes and the countryside. Its contribution to priority objectives was more in social and economic cohesion, for balanced territorial development across the EU, than competitiveness. When applied in geographical co-incidence with AEM, the mutually supporting contribution to environmental priorities must also be noted, i.e. LFA was vital to maintain farms and thus ensure the population of applicants to implement AEM.

Agri-environment and animal welfare

According to Article 22 of Council Regulation (EC) n° 1257/1999 agri-environmental measures (AEM) provide “support for agricultural production methods designed to protect the environment and to maintain the countryside” and in particular: ways of using agricultural land which are compatible with the protection and improvement of the environment, the landscape and its features, natural resources, soil and genetic diversity; an environmentally-favourable intensification of farming and management of low-intensity pasture systems; the conservation of high nature-value farmed environments which are under threat; the upkeep of the landscape and historical features on agricultural land.

Key findings from ex-post evaluations – the AEM provided a contribution to the overall need for sustainable development of agricultural and rural areas, in all national and regional contexts and as such were coherent with the environmental priority objectives of rural development policies. The measure and the large range of sub-measures were adaptable to a wide variety of environmental issues and contexts throughout the EU. In **Malta**, for instance the measure was mainly used for very specific purposes such



as maintaining rubble-walls, a typical element of the countryside landscape, critical for soil conservation and providing an important wildlife habitat. The objectives of the measure were in full accordance with two short-term priority objectives of the RDP, to limit soil erosion and to limit environmental degradation and one medium-term objective, to maintain cultural landscapes to generate positive externalities, all being important for the conservation of land resources and the multi-functionality of agriculture, which are key-factors in the sustainable development of Malta as a whole. Thus the measure had a primary contribution to the protection of the environment and development of the islands, in terms of agriculture and tourism. The participation of agricultural holdings in agri-environment measures was very high in all countries. Thus, the measure has a very high potential to contribute to the achievement of the environmental priority objectives. In the **Czech Republic**, as in many countries, AEM contributed to a number of environmental achievements and objectives, i.e. organic farming, soil conservation, extensive grasslands management, conversion from arable to grasslands, biodiversity, reduced use of fertilizers, manure and phyto-sanitary products.

Key-findings from the case studies – Case studies provided very good illustration of the contribution of the measure towards environmental priority objectives, in Austria, Czech Republic and Wales. In **Austria**, it was an important objective of the Austrian agricultural policy to achieve a high acceptance of the 32 AEM sub-measures among farmers by an adequate design and implementation: in fact 75% of farmers participated in AEM and a majority of interviewees declared the high importance of AEM in contributing to priority environmental objectives of the RD policy. However, some interviewees made contradictory statements about the contribution of AEM to environmental objectives, e.g. it was not successful enough in preventing the negative environmental effects of the intensification of agriculture, such as bigger fields, loss of habitats and reduced species diversity - especially for some bird species. In the **Czech Republic**, 82% of farmers confirmed the improvement of water quality and 55% of soil erosion. However, criticism was expressed about environmental objectives that were vague and not well targeted in terms of biodiversity enhancement. Surveyed farmers and ecological experts even indicated insufficient influence on intensive farming and negative tendency in biodiversity conservation. In **Ireland**, growing uptake of AEM during the 2000-2006 period increased its impact on environmental protection, i.e. water quality, habitat conservation and overall benefits to the landscape (source: interviews and MAPP).

Key findings from the survey – The contribution of AEM to meeting environmental objectives was assessed as medium, while the contribution to social and economic objectives was assessed as low.

Overall assessment – According to the evidence from ex post-evaluations and the case studies in particular, the AEM obviously has a high potential and actual contribution to priority environmental objectives, much less so for social and economic objectives.

Improving the processing and marketing of agricultural products

Key findings from ex-post evaluations – There is a lack of information in the ex-post evaluation report to deliver a satisfactory assessment of the contribution of this measure to the internal coherence of the RD programmes, although it is clear that complementarity should exist with training, investments and food quality and that it certainly made a significant contribution to economic and environmental objectives.

Key-findings from case studies – The case studies provided useful information, to fill the information gap in ex-post evaluations, about the contribution of the measures to priority objectives; Andalucía (Spain), Rhône-Alpes (France), Thüringen (Germany), Hungary and Slovakia, delivered quite positive findings. In



Andalucía, the measure made an important contribution to economic, social and environmental objectives, leading to considerable improvements in terms of meeting national environmental standards, which in many cases contributed to better quality of life. In complementarity with adaptation measures it has given a holistic impulse to employment creation in the agro-industry. In **Thüringen**, where positive contribution is reported for all priority objectives, it is also stated that while working conditions improved some jobs were reduced by rationalisation. In **France**, at the level of beneficiary enterprises, the measure had a significant impact locally for their economic survival, a social impact in terms of employment and an environmental impact through specific requirements attached to this measure, but its impact was limited at regional level. According to interviewees in **Hungary** the measure had a beneficial impact on the environment, as specific environmental requirements were part of the eligibility criteria and on the economy of beneficiary firms, but there were also contradictory statements from interviewees about its contribution to social objectives, some considering it has preserved jobs, others that the new processing firms were relocated to other areas and therefore the long-term impact was not guaranteed. In **Slovakia**, according to interviewees the measure contributed to all priority objectives, improving income (e.g. 10.3% increase of value added), creating new jobs (increased by 2.45 %, secured 10.14 %) and preserving the environment, including animal welfare, through new technologies (source: interviews, Ministerstvo poľnohospodárstva 2009).

Key findings from the survey – The measure contributed to a medium extent to economic objectives (54.34%) and less to social and environmental objectives (scores of less than 45%).

Overall assessment – The measure contributed principally to economic priorities, then to social and lastly environmental issues: it mainly improved competitiveness, then employment and less so the environment.

Afforestation

Key findings from ex-post evaluations - In spite of some good descriptions of exemplary implementation of the measure, as in Lithuania, information available from the ex-post evaluation reports is insufficient for a detailed assessment of the actual contribution of the measure to the priority objectives of rural development policies, which appears to be rather low due to a limited uptake.

Key findings from the survey – The survey did not differentiate between Afforestation and Other forestry measures so it is difficult to use this as a source of information.

Overall assessment – Insufficient information is available to enable the assessment of the contribution of the afforestation of agricultural land measure to overall objectives, although the limited uptake of this measure would tend to imply that its overall impact would be low.

Other forestry measures¹⁸

Key findings from ex-post evaluations – Designed to promote the economic, social and ecological functions of forests in relation to rural development, the measure potentially contributes to all priority objectives. A good illustration of this is provided by the **Netherlands**, where it is considered that, with its three sub-measures (improvement of forest structure; biodiversity and coppices; promotion of the wood material, outlets for the wood sector), the measure corresponds to the three priorities established

¹⁸ The source of information for Afforestation was only the ex-post evaluations, while Other forestry measures were analysed in more depth during the case studies.



for forests in the RDP, in line with EU-wide criteria for sustainable forest management, namely: conservation and improvement of forest resources and maintenance and improvement of its protective function (environmental priority objective); maintenance and support of the social and economic functions of forests (social and economic priority objectives).

Key-findings from case studies – Case studies provided good examples and information, about the contribution of the measure to priority objectives for forestry and rural development, from Andalucía (Spain), Thüringen (Germany) and Wales (UK). In **Andalucía** it primarily contributed to the environmental objectives, particularly critical issues such as forest fire prevention, conservation of forestry areas, restoration of degraded ecosystems, while the social and economic aspects of these topics continue to be a challenge. In **Thüringen** the measure contributed to all three priority objectives: incomes were increased, for example, through forestry road construction which improved and benefitted sustainable forest management, quality of life was enhanced through afforestation of non-agricultural lands and jobs were secured, particularly in the processing and marketing of timber (access to new markets, e.g. fuel wood). **Wales** provides an exceptionally successful example of synergy between measures, with the adaptation measure Encouraging tourist and craft activities, through cleaning of high natural and recreational value woodlands, followed by the development of nature-based tourism activities in the forest. The link between the outcomes of the Forestry measure and agri-tourism suggests clever forward planning which results in the local communities feeling they have far greater control over their destinies than previously.

Overall assessment – Other forestry measures contributed significantly to all priority objectives, but primarily to the environmental and economic objectives. The contribution to economic objectives is significantly enhanced when applied in synergy with other RD measures, especially adaptation measures, as is exemplified in Wales.

Promoting the adaptation and development of rural areas

Key findings from ex-post evaluations – Due to its wide menu of measures, addressing a number of issues relating to many aspects of rural development, Promoting the adaptation and development of rural areas is considered to be multidimensional in character and has a high potential to contribute to all the economic, social and environmental priority objectives of rural development. Most ex-post evaluation reports illustrate its coherence with social and economic objectives. In the Netherlands, for instance adaptation measures were found to be fully coherent with the objectives of the RDP, “with their emphasis on the social and economic revitalisation of rural areas”.

Key-findings from case studies – The case studies provide an appreciable opportunity to augment the limited information available from the ex-post evaluation reports about this important group of measures, providing concrete examples of its contribution to priority objectives, as is shown for the measures below:

- Land improvement: in **Slovakia**, the measure is reported to be coherent with environmental and economic objectives. Contribution to economic objectives is achieved through reduced land management costs, thanks to improved land parcel organisation and increased field size. It also decreases transaction costs associated with the land market;
- Re-parcelling: although important for farm structure improvement, the measure is not limited to agricultural production aspects and contributes to overall rural development, meeting the social, economic and environmental objectives of rural development policy. In **Rhône-Alpes**, it contributed mainly to social priority objectives, giving farmers the possibility of better working conditions and



thus maintaining employment, as well as changing the attitudes of farmers and land owners in favour of exchanges of land by mutual agreement and thus, above all, creating links between people. In **Thüringen**, apart from creating more viable farm structures it clearly contributes to environmental priority objectives, through practical implementation of nature conservation projects, resolution of conflicts between agriculture and nature conservation, maintenance of valuable areas such as wetlands and bogs and thus improving biodiversity;

- Setting up farm relief and farm management services, setting up and provision of advisory and extension services: the measure contributed principally to the achievement of social and economic objectives and indirectly to the environmental objectives;
- Marketing of quality agricultural products: in **Rhône-Alpes**, focusing on support for collective actions to obtain official quality labels was essential to meet the economic and social objectives, maintain or improve employment and revenue and to facilitate important qualitative change i.e. improve market access and society's image of farmers;
- Basic services for the rural economy and populations: the measure contributes mainly to social or economic rather than environmental objectives. In **Rhône-Alpes**, with its two very different sub-measures (support to employers' groupings and cooperatives for investments in machinery and animation and close assistance for local development projects) it consolidated social and economic links between beneficiaries and thus contributed to meeting social as well as economic priority objectives;
- Renovation and development of villages and protection and conservation of the rural heritage: the measure contributed principally to the social priority objectives of rural development, as well as the economic and environmental objectives. The combination of this measure with other rural development measures, especially Chapter IX measures, was critical to improving its capacity to contribute to priority rural development objectives. In **Thüringen** for instance, where it contributes to economic objectives by helping create and maintain villages providing livelihoods for the population, together with the measures Re-parcelling and Developing and improving infrastructure connected with the development of agriculture, it formed a group of synergic measures with cross-sectoral impact that contributed to all priority objectives; in **Rhône-Alpes**, it contributed to social priority objectives, improving social links and quality of village life, but with little contribution to economic or environmental objectives;
- Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income: the measure was clearly aimed primarily at achieving economic priority objectives (new jobs) and secondarily social priority objectives (female employment). It was also used in some countries and regions to develop new services relating environmental purposes. In **Rhône-Alpes**, it contributed to economic, social and priority objectives through support to pluriactivity, created new job opportunities, environmentally friendly practices and collective promotion of organic farming; in **Slovakia**, according to interviewees, it is considered to have a relatively high potential for coherence between social, economic and environmental objectives, being nearly the only measure which could effectively support the creation of new jobs in rural areas and, when well embedded to local culture, also support local products or traditional management of natural habitats;
- Managing agricultural water resources: where implemented, as for instance in **Alentejo (Portugal)**, **Campania (Italy)** or **Thessaly (Greece)**, the measure contributed to economic and environmental objectives, such as: promoting new techniques to develop water management benefitting agriculture; improving the organisational capacity, technical skills and working conditions of farmers; environmental constraints on the use of water in agriculture, in particular the Water Framework



Directive and installed infrastructure to reduce risks from natural hazards, creating safer environmental and living conditions;

- Developing and improving infrastructure connected with the development of agriculture: where implemented, as in **Thüringen (Germany), Campania (Italy), Hungary or Poland**, the measure contributed principally to first priority economic objectives for farmers and social objectives for the rural population;
- Encouraging tourist and craft activities: the measure was intended to contribute to priority economic objectives of rural development policy, but in spite of good examples of such a contribution being reported by some regions, such as **Wales**, there is limited evidence of a significant contribution, probably due to low usage of the budget. In Wales, in combination with Other forestry measures, it has provided a decisive contribution to priority economic objectives;
- Protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare: the measure was primarily coherent with environmental priority objectives of rural development policy, but also made a significant contribution to social and economic objectives. In Rhône-Alpes, it mainly contributed to environmental and social objectives, raising awareness of environmental issues among farmers and local communities and developing social links relating to economic projects; in **Thüringen** (Germany) the measure met several environmental, economic and social objectives by contributing to the sustainable protection of a natural basis of living, increased environmentally-friendly focus of production procedures, increased farm competitiveness through cost reduction, as well as improved acceptance of agriculture by the rural population;
- Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention mechanisms: the measure is coherent with environmental objectives, e.g. preventing wildfires in **Andalucía**;
- Financial engineering: the measure design is in theory coherent with economic priority objectives since it was meant to improve the financial viability of farms, however there is no evidence relating to this measure in the ex-post evaluation reports and it was not included in the programmes in any of the case study areas.

In conclusion, fieldwork has provided a wide variety of case study evidence of the coherence of Adaptation and development of rural areas measures, to economic, social and environmental priority, most Adaptation measures are themselves multi-dimensional in character, contributing to more than one priority objectives. The fieldwork also provided concrete examples of how the coherence of each measure can be significantly increased when applied in synergy with other rural development measures.

Key findings from the survey – The contribution of the measure to economic objectives as well as to social and environmental objectives was assessed as medium.

Overall assessment – Promoting the adaptation and development of rural areas contributes to economic, social and environmental priorities of rural development policy, most measures being themselves multi-dimensional in character and contributing to more than one priority objectives. The fieldwork also provides illustration of how the coherence of each measure could significantly be increased when applied in synergy with other rural development measures, e.g. Renovation and development of villages and protection and conservation of the rural heritage together with Re-parcelling and Developing and improving infrastructure connected with the development of agriculture.



Implementing demanding standards

Key findings from ex-post evaluations - In the NMS, the measure was perceived to be very coherent with the environmental objectives of the rural development policy. In **Hungary** for instance, the measure was considered to be closely connected to the general and specific purposes of the national RDP. But what is important is the extent to which it really contributed to meeting the priority rural development objectives, which does not always appear to be the case. In **Lithuania**, for instance implementation of the measure did not achieve the objectives in terms of equipment needed to satisfy the water or milk quality community standards. The indicator of constructed dung storage facilities/liquid manure reservoirs to comply with the Nitrate Directive was achieved by one third of recipients. In addition, it was expected that all beneficiary dairy farms would install both milking machines and milk refrigeration equipment, but the majority invested in milking machines and only 7% installed milk refrigeration equipment as well.

Key findings from the survey – Implementing demanding standards and Use of farm advisory services connected with meeting standards, were grouped together in the survey and obtained a medium score for their contribution to environmental objectives (55.79%).

Overall assessment – The measure contributed to priority environmental objectives, but the available information is limited and its contribution appears to be lower than expected.

Specific additional measures for the new Member States

Semi-subsistence farmers undergoing restructuring

An annual lump sum payment was provided to semi-subsistence farms as income support for five years with the intention of helping them become more economically and - hopefully commercially – viable. The support was expected to increase the incomes of semi-subsistence farmers and improve liquidity, and to support the farm households through the period of restructuring, to increase competitiveness and promote the market-orientation of the farm.

Key findings from ex-post evaluations – In **Lithuania**, for instance, support to subsistence farmers was considered very important for meeting RDP objectives. The aim stated in the RDP was to provide investment funds for farmers wishing to invest in improvement of machines, buildings and land quality as well as contribute to strengthening farmers' capacities i.e. provide them with practical experience for taking part in investment schemes and development of business plans in particular. In terms of achievements, however, only one fifth of the anticipated number of farms benefited from the scheme. Results were therefore more limited than expected across the whole agricultural sector.

Overall assessment – The measure is coherent with social objectives and contributes to the achievement of economic objectives.

Producer groups

Key findings from ex-post evaluations – The contribution of the measure to economic objectives was rather uneven in the 7 countries where it was applied, mainly due to low uptake. In the **Czech Republic** for instance, the ex-post evaluation concluded that the measure contributed to the economic stability of primary producers and to the improvement of their competitiveness in the EU market. However, the impact was lower than originally expected (due to low uptake) and synergy with other RDP measures was quite weak. In **Malta**, the measure was intended to promote producer groups in order to improve the marketing capacity of Maltese farmers. However, the measure failed to meet targets, in terms of budget



used, due to the reticence of Maltese farmers to work together and because of slowing down of the creation and development of Producer Groups. In this respect the TRDI was useful in encouraging farmers to assess and discuss the different market scenarios that they faced post-accession. When applied in complementarity with the measure to support semi-subsistence farmers undergoing restructuring, as was the case in **Latvia**, the two measures facilitated a dynamic development of the rural economy, ensuring improved living standards among the rural population.

Key findings from the survey – The measure obtained a rather low value for questions about coherence.

Overall assessment - The variable results recorded in the 7 countries implementing this measure appear to be related to the level of uptake rather than the intrinsic coherence of the measure with policy objectives. Implementation of the measure did appear to have a positive impact on competitiveness and farm viability but few producer groups were supported. Low uptake appears to be due to the reluctance of farmers to work together, lack of awareness of potential benefits and possibly the time required to fulfil the administrative requirements for eligibility for support.

Technical assistance

Key findings from ex-post evaluations – The measure was positively perceived, especially in the Baltic States, for its contribution to priority objectives through improved capacity for programme management. In **Lithuania** three projects were implemented under this measure, which directly encouraged cooperation and exchange of information between administrative authorities, socioeconomic partners and other interested stakeholder institutions. In **Latvia** it has “significantly improved local capacities” with respect to the management, monitoring and evaluation of the RDP. In **Estonia** it provided important support for: the implementation of the main measures; promotion of cooperation between different parties and an increase in awareness. Also, in **Malta** where this measure was aimed to ensure Malta’s RDP was successfully implemented and its targets achieved, it is seen as “fully coherent” with the rural development plan's objectives.

Key findings from the survey – The measure obtained a rather low value for questions about coherence.

Overall assessment – As for other specific additional measures the uneven results among the countries explain the low average scores obtained from the survey and thus a limited coherence with priority objectives at the level of all NMS, although higher coherence is reported in some countries.

5.2.3 Summary assessment at EU and programme level of the actual contribution of measures to contribute to the priority objectives for rural development

This EU level summary assessment is based on the overall assessments for each measure and on the use of the combined value for coherence, which is calculated by taking into account results from both the survey and analysis of findings from the ex-post evaluation reports and case studies (see Table 10).

Table 10- Summary synthesis of findings from desk- and case studies per measure about Coherence between the measures available and the objectives of the policy

a/a	Measures	N° of countries	Synthesis from ex-post evaluations and case studies	Survey Average ¹	Combined value ² (1 to 4)
1	Investment in farms (Chapter I)	5	High coherence with economic, also environmental and social objectives – Good complementarity with other measures	51.56%	4
2	Start-up assistance for young farmers (Chapter II)	19	Coherence with economic, also social objectives – Good complementarity with other measures, but also examples of low internal coherence	47.89%	3
3	Training (Chapter III)	20	Coherence with all priority objectives	44.75%	3
4	Early retirement (Chapter IV)	14	Low coherence with economic, also social objectives – Low complementarity with start-up assistance for young farmers	36.93%	1
5	Less Favoured Areas and areas with environmental restrictions (Chapter V)	25	Most coherent with social objectives – Needs better targeting to improve coherence	49.01%	4
6	Agri-environment and animal welfare (Chapter VI)	25	High coherence with environmental objectives	46.32%	4
7	Improving the processing and marketing of agricultural products (Chapter VII)	23	High coherence with economic, also social and environmental objectives –	47.36%	4
8	Afforestation of agricultural land (Chapter VIII)	21	Insufficient information available to assess coherence	48.02%	
9	Other forestry measures (Chapter VIII)	22	High coherence with environmental and economic objectives		4
10	Land improvement (Chapter IX)	8	Good coherence with economic objectives – But applied in only 8 countries	47.45%	3
11	Re-parcelling (Chapter IX)	12	Good coherence with either social, economic or environmental objectives according to the local context – But applied in only 12 countries		3
12	Setting up farm relief and farm management services (Chapter IX)	9	Coherence with economic objectives – But applied in only 9 countries		3
13	Marketing of quality agricultural products (Chapter IX)	13	High coherence with economic and environmental objectives – But applied in only 13 countries		3
14	Basic services for the rural economy and populations (Chapter IX)	12	Limited coherence with social and economic objectives – Applied in only 12 countries		3
15	Renovation and development of villages and (...) rural heritage (Chapter IX)	17	Good coherence with social and economic and environmental objectives – Evidence of good complementarity with other Ch. IX measures		4
16	Diversifying agricultural activities and activities close to agriculture (Chapter IX)	22	Good coherence with economic, environmental objectives – Evidence of good complementarity with other Ch. IX measures		4
17	Managing agricultural water resources (Chapter IX)	10	Good coherence with economic and environmental objectives – But applied in only 10 countries		3
18	Developing and improving infrastructure connected with agriculture (Chapter IX)	14	Coherence with economic and social objectives – But applied in only 14 countries		3
19	Encouraging tourist and craft activities (Chapter IX)	13	Coherence with economic objectives, but low implementation – But applied in only 13 countries		3
20	Protecting the environment in connection with agriculture (...) (Chapter IX)	13	Coherence with environmental and social and economic objectives – Applied in only 13 countries		3



21	Restoring agricultural production potential damaged by natural disasters (Chapter IX)	8	Coherence with social objectives, improvement of working and living conditions – But applied in only 8 countries		2
22	Financial engineering (Chapter IX)	3	No information – very limited implementation		
23	Management of integrated rural development strategies (Chapter IX:EU15)	1	No information – very limited implementation		
24	Implementing demanding standards (Chapter Va)	10	Limited coherence with environmental objectives	48.95%	3
25	Use of farm advisory services connected with meeting standards (Chapter Va)	4	No sufficient information – Very limited implementation		
26	Farmers' voluntary participation in food quality schemes (Chapter VIa)	3	No sufficient information – Very limited implementation	41.17%	
27	Producer group activities related to food quality (Chapter VIa)	2	No sufficient information – Very limited implementation		
EU10					
28	Semi-subsistence farms undergoing restructuring (Chapter IXa: EU10 only)	7	High coherence with social and economic objectives -	48.35%	4
29	Producer groups (Chapter IXa:EU10 only)	7	Contributed to first economic, social and environmental objectives, but to a lesser extent than expected -	41.86%	1
30	Technical assistance (Chapter IXa:EU10, plus Guidance funded programmes)	12	Coherence with priority objectives in a small number of countries	41.86%	1
31	Provision of advisory and extension services (Chapter IXa:EU10 only)	4	No sufficient information – Very limited implementation	49.72%	

¹Overall average value from the survey (all countries and questions) for all measures for coherence is 46,05% (45,33% for those applicable only to NMS)

² Provides a summary of all findings, with the overall assessment for each measure transformed into a quantitative value combining the results of the survey with those from the synthesis of ex-post evaluations and fieldwork, as follows: giving priority to the results of the survey, coming from a scoring made by more than 200 MAs and MCs representatives throughout the EU, if the average value obtained from the survey for one measure is above the average value for all measures – making a distinction between the two groups of measures applicable either in the EU25 or the EU10 only – and if the findings from the desk- and fieldwork are fully positive, then the "combined value" is 4, otherwise it is 3; similarly if the average value from the survey is below the average value for all measures, the combined value is either 2, or 1

Summary assessment at EU level for measures predominantly contributing to promote the competitiveness of rural areas

The most coherent measures, from the priority economic objectives, are Investments in farms and Improving the processing and marketing of agricultural products: they were the driving measures for promoting competitiveness, restructuring activities, generating employment and capacity for conversion and adaptation to rapidly changing environments.

Coherence is enhanced by their potential to develop synergies with other rural development measures.

There is evidence of synergy between Investment in farms, Start-up assistance with young farmers (e.g., Austria, France, Luxembourg, Netherlands) and LFA (e.g., Austria, France) with the adaptation measure Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income (e.g. Rhône-Alpes, in France, where farmers were eligible for support under



Investments in farms for diversification, other local actors were eligible for support under Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income. All beneficiaries were part of collective actions to promote diversification in the same area and to stimulate coherent territorial development).

There is also evidence of synergy between Improving the processing and marketing of agricultural products and the adaptation measure Marketing of quality agricultural products (e.g. in Andalucía, in Spain, where combined use of the two measures “made the regional foodstuff industry highly competitive, having allowed it to modernise at the right moment and create a foundation for future improvements”; also in Rhône-Alpes, in France where the two measures were used by different types of beneficiaries with convergent aims within area- or sector-based collective strategies which beneficiaries adhered to).

Among the other important measures for coherence with economic objectives, Start-up assistance to young farmers did not provide as much coherence as expected in contributing to improved competitiveness. Developing synergy between these measures and other rural development measures is a way of promoting their coherence with priority objectives (e.g. in Austria, among the 9,725 holdings benefiting from the setting-up support for young farmers, 5,322 participated simultaneously in the investment support, 1,848 in the training support, 1,349 in the forestry support and 445 in the Art.33 measures for promotion and adaptation of rural areas. The ex-post evaluation report stressed that “the advantages of a combination of measures could be further increased, particularly if participation in educational measures could bring a bonus for the participation in other measures: studies have shown that holdings with participants in educational measures tend to have a more favourable cost structure and profit situation”).

In the NMS, Semi-subsistence farmers undergoing restructuring and Producer groups show uneven results between countries and thus limited coherence at Programme level with priority economic objectives. There are examples of synergy developing between Semi-subsistence farmers undergoing restructuring and other rural development measures, especially Implementing demanding standards (e.g. in Lithuania where, seeking to ensure complementarity of support under different RDP measures, the programming documents provided opportunities for beneficiaries of the measure ‘semi-subsistence farms undergoing restructuring’ to take part in some other support schemes; almost half of them took part in other measures and Implementing demanding standards involved 40% of all applicants from Semi-subsistence farmers undergoing restructuring and AEM 7%).

Summary assessment at EU level for measures predominantly contributing to promote the sustainable development of rural areas

The measures most coherent with the priority environmental objectives are AEM and Other Forestry measures: these were the driving measures to promote sustainable rural and forest development, more environmentally friendly farming and forestry practices.

There is evidence of actual synergy between AEM and Investments in farms (e.g. in France through the Territorial farming contracts (*Contrats territoriaux d’exploitation*) or the Sustainable agriculture contracts (*contrats d’agriculture durable*)) and between Other forestry and adaptation measures (e.g. with Encouraging tourist and craft activities in Wales there was a particularly successful synergy with the



important economic development in nature tourism generated, in a very limited period of time, by new management initiatives for high value woodlands).

The adaptation measure Protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare also provided a noticeable contribution where it was applied, but due to limited implementation in only 13 countries, its contribution at overall EU level is more modest.

Summary assessment at EU level for measures predominantly contributing to promote social and economic cohesion

The most coherent measures with the social and economic cohesion priority objectives were LFA and Renovation and development of villages and protection and conservation of the rural heritage: they were the driving measures for promoting social and economic cohesion and development of rural areas in general, with particular attention to regions and target groups in need of more equal development opportunities, including less-favoured areas.

There is evidence of actual synergy between LFA, Investments in farms and Start-up assistance to young farmers, with higher aid rates in less-favoured areas (e.g., France, Austria) and between Other forestry and rural development measures, especially adaptation measures (e.g. with Encouraging tourist and craft activities in Wales).

There is evidence of important synergy between Renovation and development of villages and protection and conservation of the rural heritage and many other rural development measures, especially adaptation measures (e.g. with Re-parcelling and Developing and improving infrastructure connected with the development of agriculture in Thüringen).

In the NMS, Semi-subsistence farms undergoing restructuring provided an important contribution to social and economic cohesion.

Assessment of the coherence of the menu of measures with priority objectives at programme level

In most EU15, as well as EU10 countries, the menu of measures was considered to be coherent with the economic and environmental objectives of rural development policy for the region and the country, but with strengths and weaknesses reported in some cases. In Baden-Württemberg (Germany) for instance, evaluators found that the programme measures supported each other mutually and worked together to achieve a balance in pursuing the overall goals of the programme. There were however limiting factors or tensions between some measure objectives e.g. between the AEM and re-parcelling measure which promotes increased productivity (source: ex-post evaluation report). In Cataluña (Spain), the evaluation is partly positive. The menu of measures was coherent with the Objectives of "improved competitiveness in rural areas" and "maintenance and improvement of the environment and sustainable management of forests". However, in relation to the objective "adaptation of the agricultural and agri-food sector to market conditions" the evolution of certain context indicators reveals that coherence has not been adequate; some indicators even showed a trend opposite to that foreseen in the strategy. The menu of measures in that programme did not sufficiently address (either due to limited funding or to lack of focused actions) objectives related to improving the productivity of the agriculture and forestry sectors,



raising the proportion of female occupation and reversing the decline in the number of small agri-food industries: e.g. the level of productivity in agriculture (GVA/employed person) remained at levels below the regional average; the relative weight of forestry production was reduced while productivity remained low; and the declining trend in small (less than 20 employees) agri-food industries was maintained (source: ex-post evaluation report).

Some positive examples of overall coherence of the menu of measures at a programme level have been provided by the case studies. In Andalucía for instance, interviews revealed a general consensus with respect to the positive effects that the measures have had on the social, environmental and economic sustainability of rural areas. In Wales, the socio-economic objectives of the measures were very well met achieving the twin objectives of halting (if not reversing) migration from rural areas as well as creating rural employment. This confirmed findings from the ex-post evaluation report in this region, where beneficiaries reported a considerable range of positive effects including increased sustainability of jobs and improvements in the quality of outputs and the general environment, which would most likely not have occurred without RDP support.

5.2.4 The potential of measures to contribute to objectives in relation to the levels of details provided in the legal framework

The level of detail provided in the legal framework is considered as sufficient for the measures defined in Council Regulation (EC) No 1257/1999, amended by the Council Regulation (EC) No 1783/2003, as well as the additional measures established specifically for the NMS, after the Treaty of accession, 3 April 2003, in its Annex II, 6. Agriculture.

No particular consideration regarding this issue arose from the synthesis of information from ex-post evaluation reports and it was considered sufficient by interviewees, in all case studies, for all measures. Finally, according to the survey, the level of detail provided in the legal framework was considered to be sufficient, with the related questions obtaining some of the highest scores.

Some problems reported in this respect principally relate to insufficient adaptation of the legal framework at national or regional level, in particular, inappropriate definition of some thresholds and financial ratios. For instance problems of insufficient adaptation were reported for Start-up assistance to young farmers (Hungary) or LFA (Hungary, Spain, Italy and France), of inappropriate thresholds or ratios for LFA (e.g., Hungary, where "LFAs were not defined appropriately", according to the ex-post evaluation report; Estonia, the Netherlands and Spain) and AER, for which the "need to provide an incentive" is not as explicit in the legal framework as it is for AEM (see Articles 16 and 24 of Council Regulation (EC) n° 1257/1999¹⁹). The latter implies that it would have been more effective if the legal framework had clearly specified the scope for an incentive in AER.

5.2.5 Complementarity and synergy between the various rural development measures

It is possible to identify groups of measures showing particularly successful complementarity for specific purposes, since they are linked in a coherent chain: the efficiency of measure A is enhanced by a joint

¹⁹ Article 24 for AEM states explicitly "the need to provide an incentive", while Article 16 for AER does not state this need.



(passive or active) co-implementation with measure B, the efficiency of which is enhanced by co-implementation with C and so on. These groups can be understood to be “synergy chains”.

The potential for complementarity and synergy emerges from consideration of the definition of measures and their intervention logic, but the deskwork and case studies have identified groups of measures for which there is evidence of actual, positive synergy.

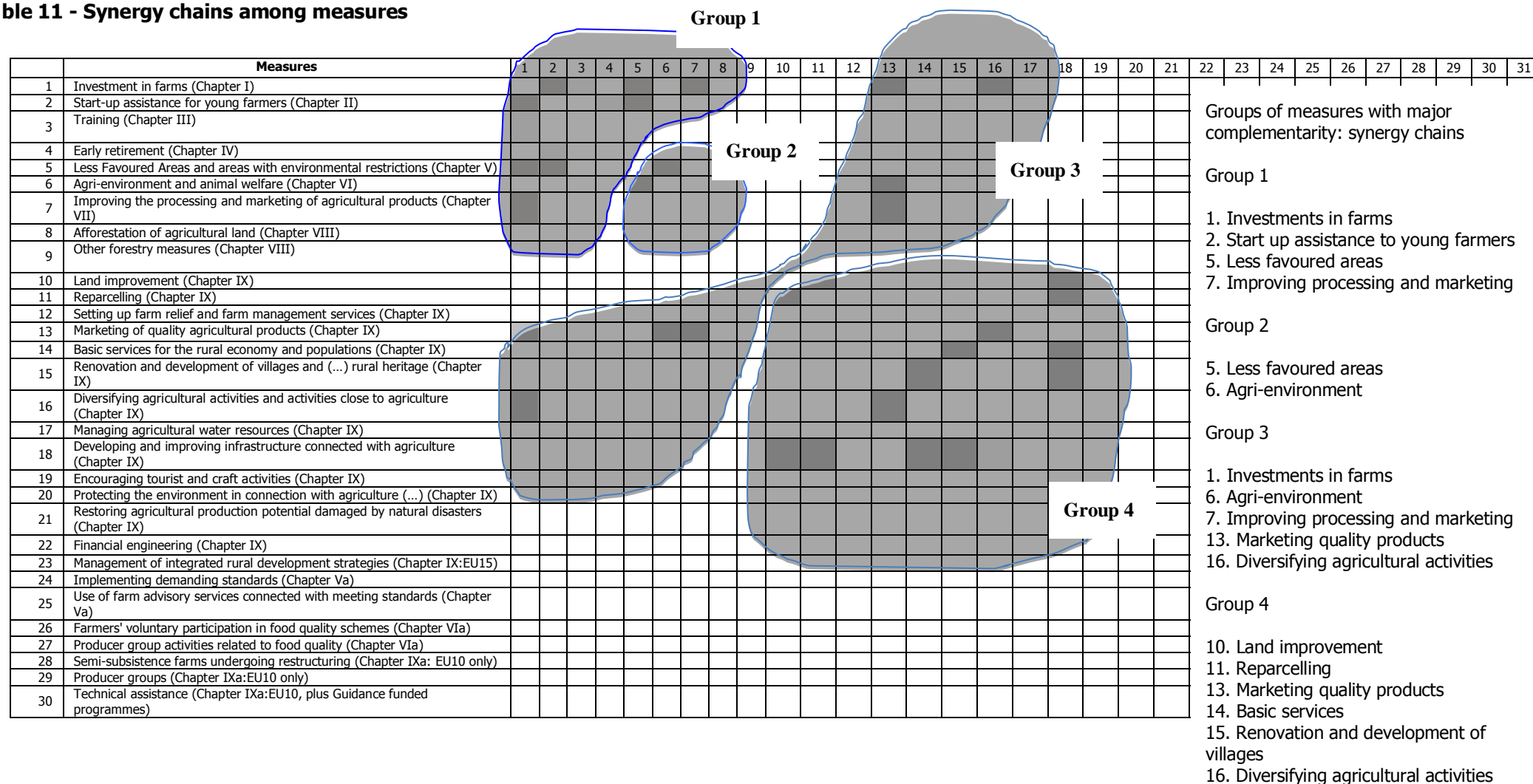
As a synthesis summary of findings from the deskwork and case studies, about actual complementarity among the 31 rural development measures reported in previous sections of this chapter on coherence, four main groups are presented, as follows (see ble 11 - Synergy chains among measures):

- group 1: “Investments in farms”, “Start up assistance to young farmers”, “Improving processing and marketing” and “Less favoured areas”; when applied in a complementary manner these measures can significantly promote the modernisation, innovation and rejuvenation of the agricultural sector for improved competitiveness and can be critical in ensuring that the LFA scheme actively stimulates development in less-favoured areas;
- group 2: “Less favoured areas” and “Agri-environment”; these measures can be considered as a single synergy group, since their combined effect can be powerful in contributing to priority environmental, economic and social objectives in less-favoured areas, especially when taking account of their important weight in the RDP budget;
- group 3: “Investments in farms”, “Agri-environment”, “Improving processing and marketing”, “Marketing of quality products”, “Diversifying agricultural activities”; when applied in a complementary manner these measures are powerful instruments to boost farmers’ incomes and the rural economy through the improved efficiency and organisation of producers, processors and territories and improvements in the quality of their typical products;
- group 4: “Land improvement”, “Reparcelling”, “Marketing quality products”, “Basic services”, “Renovation and development of villages”, “Diversifying agricultural activities”; all these Chapter IX measures address the promotion and adaptation of rural areas and have proved to be particularly efficient when implemented in complementary ways, so as to stimulate the renovation process of rural areas, reverse depopulation trends and make the most of rural heritage and local resources. This enables the areas concerned to develop a vision for their sustainable future, especially those facing particular difficulties, backwardness or handicaps.

To sum up, group 1 is the flagship group of synergic measures for competitiveness, group 2 is focused on sustainable development, group 3 combines competitiveness and sustainable development and group 4 is a driver for social and economic cohesion (see ble 11).



ble 11 - Synergy chains among measures



5.3 Complementarity between rural development programmes and other support instruments

The objective of this section is to assess the complementarity, synergy and potential for overlap of 2000–2006 rural development policy interventions with those implemented through other policy instruments, in particular the Community Structural Funds (e.g. ERDF for measures affecting the wider rural economy, ESF for training and FIFG for aquaculture and the protection and development of aquatic resources) in the same programming period. Particular consideration is given to the impact of the institutional and programming framework (within and outwith Objective 1 regions, integration of measures into Objective 2 SPDs) on the level of complementarity and synergy observed.

Preliminary comment on the different sources of information about complementarity

There is a difference between information obtained from desk and field work for this evaluation that has an influence on the analysis of complementarity at different levels and must therefore be clarified first.

On one hand, the main source of information for the deskwork was the analysis of existing ex-post evaluation reports, which concerned, exclusively, the EAGGF-Guarantee co-financed programmes, i.e. these were the only programmes for which such evaluations was made. These programmes included accompanying measures plus the four new measures introduced through the 2003 CAP reform, and outside Objective 1 regions potentially all other rural development measures. The only compulsory measure was the AEM.

On the other hand, the fieldwork obtained information from a comprehensive survey that included all types of programmes, and 14 regional case studies, based on interviews and the MAPP technique: 3 concerned only the AEM and the remaining 11 covered the EAGGF component of Objective 1 or Objective 2 programmes, managed either as Single programming documents (SPDs in: Eastern Finland, Wales and Rhône-Alpes) or Operational Programmes (OPs in: Thessaly GR, Thüringen DE, Campania IT, Alentejo PT, Andalucía ES, Hungary, Poland, Slovakia).

This difference in coverage of the deskwork, case studies and the survey has two consequences:

- firstly, information on complementarity for non-accompanying measures is better covered than for the accompanying measures, because detailed information on the latter, except for AEM, could only be obtained from the desk work and survey, and a real information gap about complementarity was found in the individual ex-post reports. For this particular reason, findings about complementarity at measure level are presented separately for accompanying and non-accompanying measures;
- secondly, the 11 case studies of Objective 1 or 2 programmes and the survey offered the only opportunity to analyse complementarity between the various Funds of programmes that were part of the same programming framework, whilst the deskwork or case studies on AEM concerned the situation in which complementarity between funds was considered where there were different programming frameworks. This issue will be further discussed in the analysis of the impact of the institutional and programming framework.

5.3.1 Complementarity at individual measures level

For measures covered only in ex-post evaluations (LFA, early retirement, afforestation) there is limited information available about the extent and way in which the potential for synergy between measures supported by EAGGF and other instruments was considered during the implementation period. Case studies covered all other rural development measures and therefore collected more information. Measures covered by the case studies bridge the information gap from the deskwork, with detailed information collected through interviewees and MAPP participatory appraisal groups of local managers, stakeholders and beneficiaries. The survey of MAs and MC members complements the above and offers a homogeneous source of information about complementarity for all measures (see **Error! Reference source not found.**).

Investment in farms

Key findings from ex-post evaluations- The measure shows good potential, with actual complementarity observed in some Member States, such as Denmark and France, whilst in others it was not always exploited. In Denmark complementarity with other programmes is considered to be higher than the internal coherence of the programme. In France there was complementarity, at three levels, with the SPD (DOCUP) Objective 2 programmes and the other national measures for investments in farms. Thus in this case complementarity does not seem to be related to the programme structure.

Key-findings from the case studies – In Rhône-Alpes (France), there was complementarity between the investment in farms measure and other measures supported by ERDF: water quality improved through investment in farms that contributed to reduce effluents from farms and through ERDF which supported sewage treatment at communal level. Furthermore, some actions under this measure were well combined with ESF: for instance, chestnut producers were supported by investments in a product-oriented collective approach through this measure and benefited from very specific training sessions, through ESF, to improve the efficiency of investments made. There were exemplary coordination mechanisms between this measure and other programmes related to agriculture at regional level, namely the Agricultural development integrated programmes (*Programme de développement agricole intégrés* - PIDAs) driven by the Region in partnership with the State administration, the Chambers of agriculture of different provinces and the professional representative bodies of the sector concerned by each specific programme (wine, poultry, chestnut, traditional cereals, vegetables, organic farming, ...). Connection to the PIDAs framework, as a pre-requisite for support from the SPD (DOCUP) Objective 2 – EAGGF, was absolutely critical to optimising the efficiency and impacts of the programme. Several examples of very good practices, in terms of complementary management of the measure within the agricultural development integrated programmes, can be cited with the above chestnut development programme in Ardèche being a particularly good example of such mechanisms.

Key findings from the survey – The scores obtained for this measure demonstrate a medium complementarity with other Funds, and lower complementarity achieved with ERDF in particular.

Overall assessment – The measure shows good potential complementarity principally through coordination mechanisms related to agriculture and training, rather less so with other Funds, in particular ERDF. Complementarity does not seem to be related to the programme structure. It is rather other factors such as effective coordination and management that help translate potential into actual complementarity (this is further discussed in section 5.3.2 below, paragraph: "Good coordination

mechanisms are essential for Complementarity between funds” – see also example from Rhône-Alpes presented there²⁰).

Start-up assistance to young farmers

Key findings from ex-post evaluations – There is not enough information in the ex-post evaluation reports to assess the complementarity of the measure with measures supported by other instruments.

Key findings from the survey – Scores obtained from the survey reveal a medium-low complementarity with other Funds.

Overall assessment – Although there is a general lack of information, results from the survey tend to infer medium to low complementarity with other Funds.

Training

Key findings from ex-post evaluations – The Training measure has a high potential for complementarity with ESF, and there are some examples of good complementarity in practice. In Spain, for instance the Basque country is providing an example of high complementarity, as it was decided that lifelong training for workers in the farm sector would only be delivered through ESF, whilst EAGGF training would be related only to AEM. In France, the most notable observation was that farm workers who could benefit from training supported by either the ESF or EAGGF through the RDP, showed a preference for ESF training. This was largely because ESF training was tailored to the individual needs and preferences of farmers and farm workers, while EAGGF funded training schemes were related to sectoral needs.

Key findings from the case studies – In Wales, complementarity between EAGGF, ERDF and ESF was ensured through central management and control of the whole of the training programme under the Objective 1 framework. This led to a sharing of resources (making the training component very cost effective) and to the development of synergies between different target groups which assisted in the further development of a strong community spirit in a region that is very much internally resourced and driven.

Key findings from the survey – The measure obtains low scores for questions about complementarity, indicating low complementarity of the Training measure with other Funds and programmes.

Overall assessment – The results from the survey tend to suggest that complementarity with ESF was not as strong as could be expected. However the fieldwork shows that it was achieved in some programmes (e.g. Basque country in Spain, France and Wales) and there were some coordination mechanisms with other programmes. Good examples of complementarity were found both where the training measure was incorporated into Structural Funds programmes and where it was included in RDPs, suggesting that the institutional framework did not have a determining influence on the level of complementarity achieved in practice.

Early retirement, LFA and implementing standards

For the early retirement, LFA and implementing demanding standards measures, apart from the survey results there is very little information available from ex-post evaluations. Thus only the survey results

²⁰ The Rhône-Alpes Objective 2 programme case study revealed that the good partnership between State, regional and provincial authorities and also the definition of clear strategic goals and appropriate policy instruments for integrated collective projects by the Region itself, were all key factors to turn potential into actual complementarity.

could be used to assess the complementarity between these measures and measures supported by other funding instruments.

Early retirement registered a markedly lower score in relation to complementarity with the ESF and a low one for co-ordination mechanisms with other programmes relating to agriculture at national and EU level.

Implementing demanding standards obtains a medium score and LFA a low one in relation to complementarity with other EU Funds. However, the LFA measure registered higher complementarity in relation to synergy with other national programmes. The latter may be explained by the combination of the LFA measure with national level instruments in order to address weaknesses in less-favoured areas, particularly mountainous areas (e.g. there are specific national regulations concerning mountains in France or Italy).

Agri-environment and animal welfare

The agri-environment scheme is the only accompanying measure for which survey respondents reported good complementarity with actions financed by other Funds, i.e. NATURA and LIFE, as illustrated by Austria (source: ex-post evaluation report, case studies) and confirmed by the survey, with the highest average score obtained for all questions (across all measures) about complementarity. There is also good complementarity reported in some countries of AEM with programmes supported by other funds, including national or regional funds, as illustrated by Luxembourg (source: ex-post evaluation report), the Czech Republic and Ireland (source: case studies) but this is not clearly confirmed at an overall EU level, by the average value obtained for the relevant question, suggesting these are more good practices than common usual realities.

In Austria there were no specific AEM for NATURA 2000 areas, but the nature protection measures developed within a NATURA 2000 programme or a LIFE project were often implemented through the activation of AEM. According to interviewees, complementarity between them has gradually improved. In the Czech Republic the AEM was designed to complement national schemes, in particular those available for high nature value farmlands. The AEM also enhanced national schemes for organic farming, supported the promotion of regional products and contributed significantly to rural development. In Ireland the AEM and the Farm Waste Management (FWM) Scheme dovetailed very well in their overall objectives and *modus operandi*. A very high proportion (in excess of 90%) of farmers under the AEM also participated in the FWM. In Luxembourg, agri-environment measures funded by the EAGGF are complemented with measures to protect biodiversity supported by national funding, the so-called "third pillar" of the national agri-environment scheme to protect rare or endangered species, implemented in cooperation with the Ministry of the Environment according to a Grand-Duchy Rule. However, conditions and level of payments are not always coherent and there is a need for improvement in this respect.

Improving the processing and marketing of agricultural products

Key findings from ex-post evaluations- At the EU level there is not enough information available from the ex-post evaluation reports, to assess the complementarity of this measure with other instruments in particular Structural funds.

Key-findings from the case studies – In Rhône-Alpes (FR), there is no real evidence of real complementarity with ERDF, ESF or other Funds, but there was clear complementarity between EAGGF measures implemented through the national horizontal RDP (NRDP / PDRN in French) and the regional Objective 2 SPD (DOCUP). In France the demarcation line for the use of this - and other measures – within either the NRDP or the Objective 2 SPD (DOCUP) was twofold:

- geographical: the DOCUP was applicable only in Objective 2 areas (there were for example some Objective 2 *areas* within Objective 1 *regions*);
- thematic: the measure under the SPD (DOCUP) could support collective and integrated approaches, while it could support only individual projects under the national RDP.

As a consequence, according to the location of the applicant and the type (individual or collective) of project to support, it was either the measure under the NRDP or the measure under the SPD (DOCUP) that was used. This offered a remarkable opportunity for the combination of individual and collective actions within the same region/area that faced structural difficulties.

Therefore, while the national RDP supported individual projects, the Objective 2 SPDs (DOCUPs) complemented the NRDP by supporting foodstuff SMEs in the framework of area (or sector) based collective actions, with emphasis on specific objectives in each region. In Rhône-Alpes in particular, emphasis was put on the modernisation of food SMEs, especially through innovation for improved quality and marketing, with a view to support the collective diversification of agricultural activities through collective transformation and commercialisation, in order to improve farmers and other rural actors income. The measure was implemented in that exact sense, targeting the cooperative sector especially small cooperatives susceptible to meeting the objectives assigned to the SPD (DOCUP), namely to revitalise fragile rural areas; this was the case with support provided in *Savoie* to traditional small cheese-making cooperatives in need of modernisation to survive; in *Ardèche* to a network of small cooperative wineries along the Rhône valley in order to secure access to the market, promote the area and maintain employment; in *Drôme* to olive oil processing cooperatives representing the majority of producers. This case-study illustrates how a satisfactory level of complementarity with a national RDP can help Objective 2 SPDs concentrate on a specific strategy for developing rural areas facing particular structural difficulties.

In Germany, there was good harmonisation with the 'Improvement of Agricultural Structures and Coastal Protection' national programme (GAK). In Slovakia, interviewees were not aware of any coordination mechanism which could lead to complementarity.

Key findings from the survey – The score obtained for this measure indicates medium complementarity with other programmes.

Overall assessment – The limited information tends to confirm good complementarity with other rural development programmes and less so with other support instruments.

Afforestation of agricultural land

Complementarity with other funds is not always detailed in the ex-post evaluation reports and seems to vary greatly between the countries concerned.

Other forestry

Key findings from ex-post evaluations– The Other forestry measure has a high potential for complementarity with national or regional funds in accordance with national or regional forest policies. Support for forestry (other than afforestation of farmland) from EAGGF was an important innovation of the 2000-2006 programming period. However in most Member States aid to forestry also existed through State funds and the new EAGGF measures were thus perceived as a complementary opportunity to provide support to forestry, within the framework of its relationship with rural development. In Austria, the Forestry support measures were targeted at maintaining and improving the multi-functionality of forests. At the same time, they were coherent with other fields of policy. For example, measures related



to the processing and marketing of timber and biomass at the same time supported policy objectives regarding energy, the environment and social concerns in rural areas. In France, the national forest policy is aimed towards maintaining the forest cover at 34% of the national area, improving the health of forests and biodiversity, maintaining and encouraging the social and economic functions of forests and maintaining and improving its protection function. The measure and its three sub-measures (to improve forest structures, protect biodiversity and promote outlets of the wood sector) were fully in line with national forestry policy objectives. Apart from general statements about coherence with national forest policies, which is positive, there is not enough detailed information in the ex-post evaluation reports about actual, operational complementarity between rural development measures for forestry supported by EAGGF and other measures supported by other instruments, in particular Structural funds or national funds for forestry (limited information is available for support to training of forestry workers though ESF in some countries, like France).

Key-findings from the case studies – In Thüringen, there are no specific positive examples of inter-fund co-ordination reported, but no problems were reported in this respect. In Slovakia, there was no complementarity identified by interviewees and the measure was perceived to be designed and implemented “in isolation”.

Key findings from the survey – The measure was merged with Afforestation of agricultural land in the survey and it is therefore difficult to separate it from the joint result.

Overall assessment – Coherence with national forest policies appeared to be good, with the limited information available implying that these measures were able to support the implementation of national forest policies. However there is no evidence of complementarity with other funds and programmes and there are even indications that in some cases the measure was rather isolated.

Promoting the adaptation and development of rural areas

Key findings from ex-post evaluations– As for most measures there is a lack of information on complementarity in most ex-post evaluation reports, which is quite surprising for a measure which by its multidimensional character and links with non-agricultural aspects of rural development should have a high potential for complementarity with other funds and programmes.

Key-findings from the case studies – **Rhône-Alpes** provides a very good example of complementarity with ERDF (see good practice example below) and with other national, regional or provincial programmes related to agricultural and rural development e.g. the Reparcelling measure attracted good co-financing support from Provinces, land tenure issues being part of their traditional competencies; also Renovation and development of villages, another traditional competence of Provinces, was successfully co-managed and co-financed with Provinces, using the exceptional opportunity offered by EAGGF in this period to provide public funding of up to 80%, in a very soft, adaptable manner, allowing financing of projects to the benefit of small villages that otherwise could not have been supported. In **Thessaly**, thanks to good cooperation between the Managing Authority and local development agencies, there was good coordination with other funds and programmes for adaptation measures at programme management level, but unfortunately less so at implementation level. In **Thüringen**, interviews showed that the coordination between funds was not optimal in the 2000-2006 period and currently requires further improvement. Co-ordination is now perceived as more vital in the current period as budgets are lower and it is necessary to combine resources from different funds; however, the existing regulatory framework poses an obstacle to combined funding. More positive experiences are reported in this region for the 2000-2006 period for the Renovation and development of villages, with the implementation of

joint projects funded together by ESF, ERDF and other funds. In **Alentejo**, where the coordination between different programmes was managed quite centrally, in particular between the AGRO national Operational Programme for Agriculture and Rural Development (covering mainland Portugal, Azores and Madeira) and the AGRIS measure of the Regional Operational Programme for the Alentejo region (both Objective 1 programmes), interviewees did not express positive judgements about complementarity between rural development measures and other funds or programmes, except for the adaptation measures (50% of answers being positive) which in fact constituted the largest part of the regionally-managed AGRIS programme, better perceived by local people. In **Slovakia**, although a low level of complementarity was reported for Land improvement, Diversifying agricultural activities was designed to take into account complementarity with other funds while avoiding overlaps with other policy instruments.

Key findings from the survey – The scores obtained for the adaptation measures reveal low complementarity with other Funds. Quite surprisingly complementarity of Renovation and development of villages with ERDF is assessed as particularly low as well as the complementarity of Managing agricultural water resources and Protecting the environment in connection with agriculture with NATURA and LIFE.

Overall assessment – The adaptation measures show much diverse actual complementarity across the menu of 14 measures and the countries, regions and questions addressed in the survey and case studies. The Renovation and development of villages measure appears to complement ERDF in the French and German case studies. The Greek case study highlights complementarity of adaptation measures at programming but not at implementation level. The regional management of adaptation measures in the Portuguese case study appears to have contributed to complementarity with other Funds and programmes.

Good practice example

Complementarity between EAGGF Chapter IX "Promoting the adaptation and development of rural areas" and ERDF in Rhône-Alpes SPD Objective 2 (France)

For most measures of Chapter IX – Adaptation and development of rural areas, there was a complementarity with the ERDF at Programme level, on three aspects:

- on a general level the ERDF supported actions in urban environments and EAGGF rural areas,
- in rural areas the EAGGF supported projects were agricultural or rural in character, while the ERDF could support less rural projects – typically agricultural or rural in character "local innovative enterprises" (LIE/ELI in French: "*entreprises localement innovantes*") were supported by the EAGGF and other types of LIE by the ERDF – particularly basic infrastructure for rural areas: for waste management, transportation,
- in rural areas, tourism was supported by the ERDF in terms of promotion of destinations, improvement of their attractiveness, basic infrastructure for transportation, information, welcoming facilities, while the EAGGF concentrated on support for diversification of agricultural and rural activities towards agri-tourism and rural tourism, with some measures, not connected directly to tourism, also having an important impact on the attractiveness of the areas, such as measures for the renovation of villages, or protection of the environment in connection with agriculture, forestry and landscape management.

[source: case study]

Transitional measures specific to NMS

These measures were not part of the programmes evaluated by the case studies in NMS²¹ thus the main source of information is the ex-post evaluations and the survey. Ex-post evaluations provide negligible information about complementarity with other Funds, stressing instead the coherence between transitional measures and other rural development measures. In brief, it is difficult to draw conclusions about the complementarity of transitional measures with the information available.

5.3.2 Complementarity at programme level

Due to the very distinct institutional framework represented by RDPs/TRDIs analysed during the deskwork and the fieldwork, the presentation of findings on complementarity at programme level is presented separately for these two main sources of information.

Key-findings from the analysis of ex-post evaluation reports of EAGGF Guarantee co-financed programmes and TRDIs - deskwork

The available ex-post evaluation reports provide some analysis of complementarity at programme level, especially in Germany, Portugal and Spain.

A number of the **German** evaluations found that there was external complementarity with other programmes, specifically for policy objectives such as employment creation under Objective 2 and INTERREG; however overall the approach was fragmented and there was little evidence of any consistent approach or priority. In Baden-Württemberg for instance, synergies between the rural development measures supported by the RDP and other funds and programmes concerned employment (Objective 2), income (Objective 2, INTERREG), market position (Regio Activ, HQZ) and environment (LEADER+, SchALVO, PLENUM, MELAP).

In the Region of Madrid in **Spain** the RDP acted in a complementary manner with other programmes/initiatives (Single Programming Document Objective 2, Objective 3 Operational Programme, Leader+, EQUAL, etc.) in order to respond to the needs of rural areas. The interaction of all these programmes contributed to an improvement of the situation of rural areas in the region. In the Region of Catalonia, it is reported that complementarity with other programmes was facilitated by the exchange of information between programme managers, clarity in the definition of objectives and criteria for each programme. In relation to Equal Opportunities (EO), the RDP integrated specific objectives in certain measures (training, basic services) although it did not incorporate a transversal focus on the gender perspective. However, its training measures included eligibility and selection criteria that gave priority to women, while gender monitoring was undertaken to assess compliance with Equal Opportunities.

In conclusion, some examples of complementarity with other funds and programmes are delivered by the analysis of ex-post evaluation reports. However, as for individual measures, the available information from these reports about complementarity with other ERDF, ESF, other Funds and Programmes is quite limited and fragmented which does not allow for a comprehensive vision of the reality. A generally well detailed and documented report such as the ex-post evaluation for the French nation RDP, does not

²¹ Case studies comprised Objective 1 programmes and Objective 2 programmes in France. Transitional measures were part of TRDIs which were not covered by case studies.

contain an analysis of complementarity with ERDF at programme level, but only a rather short assessment of the external coherence with “regional or provincial policies” (see below, importance of the institutional framework).

Key-findings from the analysis of selected Objective 1 and 2 programmes – case studies

In contrast to RDPs/TRDIs analysed during the desk work through the synthesis of their ex-post evaluation reports, the Objective 1 and 2 programmes analysed during the fieldwork were Single programming documents bringing together EAGGF with ERDF, ESF and other Funds within one programme, or EAGGF Guidance funded Operational Programmes operating within the Objective 1 Community Support Framework (CSF).

Several case studies carried out during the field work delivered a wealth of new information concerning complementarity at programme level, especially in Eastern Finland, Thüringen (Germany), Wales (UK), Rhône-Alpes (France), Thessaly (Greece), Campania (Italy), Hungary and Andalucía (Spain).

In **Eastern Finland** the different European funds had important complementary roles in the Objective 1 programme for Eastern Finland. ESF contributed to creating a third sector (NGOs) and supported training on ERDF and EAGGF related interventions. At the end of the 2000-2006 programming period the ERDF had created the highest number of new jobs, the ESF had established the highest number of new businesses and the EAGGF had protected and maintained the highest number of existing jobs.

In **Thüringen** (Germany) the programme’s strategy and objectives were pursued in a cross-fund manner (i.e. ERDF, ESF and EAGGF) with special consideration for the cross-cutting objective of promoting equal opportunities for women and men, the principles of sustainable development and the realisation of the potential of the information society. According to the MTE, the three Structural Funds (EAGGF, ERDF and ESF) were assessed as relevant and complementary to each other with regard to resolving existing structural weaknesses and supporting the strengths of Thüringen.

In **Wales** (United Kingdom), within the Objective 1 Programme (EAGGF, ERDF, ESF, FIFG), the level of complementarity with ERDF, ESF was judged to be extremely good, particularly in the areas of food processing and marketing as well as training. It led to a sharing of resources, making the training component very cost-effective and to the development of synergies between different target groups which assisted in the further development of a strong community spirit in a region that is very much internally resourced and driven. However, the degree of cross-fertilisation between EAGGF measures (i.e. the Objective 1 programme EAGGF measures) and other programmes (EQUAL, Leader+, Interreg IIIA) was minimal in most cases, as illustrated by the Influence Matrix elaborated according to the MAPP method (see Table 12).

Table 12 - Influence matrix, from the MAPP session in Wales

Programmes & key criteria	Objective 1	EQUAL	Leader+	Interreg IIIA	Urban	ΣPassive ⁽¹⁾
New jobs in the agricultural sector	2	0	0	0	0	02
New jobs in the non-agricultural sector	4	3	3	2	1	13
Farm incomes	2	0	0	0	0	02
Incomes from non-agricultural activities	4	3	3	2	2	14

Programmes & key criteria	Objective 1	EQUAL	Leader+	Interreg IIIA	Urban	ΣPassive ⁽¹⁾
Access to services	3	0	0	1	1	05
Tourism	4	2	4	3	1	14
Quality of the environment	2	0	0	0	2	04
Biodiversity	2	0	2	0	0	04
Water quality	2	0	0	0	2	04
ΣActive ⁽²⁾	25	08	12	08	09	

Source: Case study in Wales.

Note: the numbers are defined as follows: 0= no influence, 1= little influence, 2=medium influence, 3=much influence, 4=very much influence.

(1) ΣPassive: describes, how much any criterion has been influenced overall by different programmes.

(2) ΣActive: describes the overall impact of a certain programme on the different criteria.

In **Rhône-Alpes** (France) it is also considered that, for all measures, there was a strong complementarity at the Programme level, since the SPD (DOCUP) Objective 2 programme in France used ERDF, ESF and EAGGF for areas facing critical development problems in a very integrated and coordinated approach (see Good practice example).

In **Andalucía** (Spain) most interviewees agreed that the combination of different EU Funds with their different objectives provided a successful complementary environment for the programme. The fact that the programme was integrated, including the three main EU Funds (EAGGF, ERDF, ESF) in one programming instrument, ensured that overlaps did not occur between them and that their initiatives complemented each other.

In contrast with this quite positive information on complementarity at programme level, other case studies provided less positive assessments, especially Thessaly, Hungary and Campania.

In **Thessaly** (Greece) complementarity between EAGGF, ERDF, ESF and other Funds was quite low, except for Chapter IX measures which linked well with ESF (promotion of employment) and ERDF (infrastructure). In Hungary, there was insufficient coordination between the various Funds and therefore weak complementarity.

From the above examples, we cannot infer that there is any relationship between the type of programme the funding was delivered through (SPD or OP) and the effectiveness of delivery in terms of complementing different Funds. The positive examples of complementarity are found in both types of programmes (SPDs: Eastern Finland, Wales, Rhône-Alpes and OPs: Andalucía, Thüringen). What matters most is the existence of effective coordination mechanisms as analysed in the next section.

Good coordination mechanisms are essential for Complementarity between funds

In general, lack of coordination seems to be the recurrent explanation for insufficient complementarity among EAGGF and other Funds. Case studies offer examples of good complementarity and good coordination mechanisms, as well as examples where complementarity was not particularly high. Good coordination mechanisms ensure both complementarity with other Community Funds, as in Andalucía (Spain) and with different types of funds, including national, regional or local funds, as in Rhône-Alpes (France), as well as across the different types of EAGGF programme (RDP, SF, Leader+) (see Good practice – Complementarity with other programmes related to agriculture in Rhône-Alpes).

In Andalucía (Spain), the management of the 2000-2006 Integrated Programme of Andalucía benefited from close collaboration and coordination between the managers of the three Funds concerned (ERDF, ESF and EAGGF).

Good practice example

Complementarity with other programmes related to agriculture in Rhône-Alpes SPD Objective 2 (France)

For all measures, there were three important co-ordination mechanisms to ensure complementarity with other programmes related to agriculture:

- at national level, there was a clear dividing line between the horizontal national RDP (NRDP) and the EAGGF support within the SPD (DOCUP) Objective 2 in each region, for non-accompanying measures: in general, the NRDP was more targeted towards agricultural development through individual farms support and the SPD (DOCUP) objective 2 programmes towards rural development, through support to product-oriented or area-based collective approach, including support to individual beneficiaries (farms, communes,) provided that their initiative was consistent with a more collective one;
- at regional level, there was a clear articulation, for the EAGGF measures, between the SPD (DOCUP) Objective 2 Programme and other programmes related to agriculture, through specific policy instruments set up for agriculture by the Rhône-Alpes Region, such as the Integrated programmes for agricultural development (PIDAs: *Programmes intégrés de développement rural*). Programmes targeting specific products, or groups of products (wine, poultry, chestnut, traditional cereals, vegetables, ...), to develop well identified regional products, with a view to promoting integrated development in both the production chain and the territorial level, were elaborated in discussions with the Region, State, Provinces and professional representatives of agriculture and included a complementary planning of funds from various sources. These programmes provide a preliminary framework for the definition of product-oriented and area-based approaches which individual beneficiaries must adhere to, in order for them to get support from the EAGGF measures of the SPD (DOCUP) Objective 2 Programme with the insurance of co-financing from other public funds (State, Region, Provinces, ...);
- at each Province level, there was a decentralised management system through the Provincial selection committees (CDI: *Comité départemental d'instruction*), placing the State services in charge of managing the different funds (ERDF, ESF, EAGGF) at the Provincial level and the Chambers of agriculture, commerce and handicraft and representatives of local authorities at the Regional level. It was at this regional level, in these "CDI" committees, that the connection between the SPD (DOCUP) Objective 2 Programme and other programmes related to agriculture was made at each measure level and on a project per project basis. In addition to decisions regarding the selection of projects, in relation to the PIDAs and other regional policy instruments for agriculture, this committee was also an important place to discuss and agree upon complementarity with the PDRN and other national programmes for agriculture managed by the State, as well as support measures for agriculture managed by the Province itself: for several SPD (DOCUP) Objective 2 EAGGF supported measures (e.g., Re-parcelling, Renovation and development of villages, ...) the complementarity with provincial initiatives was decisive.

[source: case study]

5.3.3 Impact of the institutional and programming framework on the level of complementarity and synergy

The main differences between institutional and programming frameworks concern the EAGGF Guarantee co-financed RDPs and the Structural Funds programming frameworks, including EAGGF Guidance co-financed measures, in Objective 1 areas and the EAGGF Guarantee co-financed measures in Objective 2

areas in France. Another important difference between programming frameworks relates to the management of programmes at both national and regional level.

The institutional framework provided by the integration of some rural development measures in Structural Funds' programming documents, i.e. Objective 1 Operational Programmes (OPs) or Single Programming Documents (SPDs) and Objective 2 SPDs in France, could logically be expected to provide more favourable environments for complementarity between Structural Funds than when all rural development measures are included in an RDP/TRDI, although there may be corresponding risks to separating the rural development measures over two programming structures (RDPs/TRDIs and Structural Funds).

For instance, comparative analysis of the situation of the **Objective 2 SPD in Rhône-Alpes** and the **National RDP in France** illustrates the big difference in complementarity between these two frameworks. The good practice examples presented in this section show a remarkable complementarity in the Objective 2 SPD between EAGGF and other Funds and Programmes, at programme and measure level, for adaptation measures in particular. In contrast, the analysis of the well-documented, detailed ex-post evaluation report of the national RDP delivers a totally different vision of rural development where complementarity between funds and coordination with other programmes is totally absent. While ESF appears to have some marginal complementarity in relation to some measures, e.g. Other forestry measures, ERDF is never cited until the final recommendations when improved coherence between EAGGF and ERDF is mentioned as a challenge for the future development of rural areas. The short section analysing the relationships of the NRDP with regional and provincial rural development policies, in the final synthesis section, concludes that "the programming period was characterised by an overall deficit of coherence due to the lack of articulation of policies and a more or less complementary position producing non-optimised, or even contradictory effects." Although complementarity was certainly not perfectly achieved in the Objective 2 SPD in Rhône-Alpes it was clearly much stronger and more positive than with the institutional framework provided by the national RDP.

The results of the survey provide another source of comparison for the complementarity between rural development measures and other funds and programmes according to the programming framework. Results from selected countries and measures that offer a useful insight into the impact of the institutional and programming framework on the level of complementarity include:

- In Greece where the non-accompanying measures were implemented through either the RDP or the Objective 1 OP, depending on the region, the complementarity of both the investment in farms measure, and the renovation and adaptation of villages measure, appeared to be higher when they were programmed as part of the Objective 1 operational programme, rather than the RDP.
- Concerning complementarity of three measures related to the environment (namely, other forestry, managing agricultural water resources and protecting the environment in connection with agriculture) with other environmental programmes (i.e., NATURA, LIFE):
 - overall, complementarity with environmental programmes e.g. NATURA, LIFE, appeared low although,
 - there are a few exceptions (FR for other forestry, DE for managing agricultural water resources, GR for protecting the environment) where complementarity was stronger.

The analysis of the survey results enables us to conclude with two key points:

- Complementarity of programmes containing rural development measures (RDPs or OPs/SPDs) with other funds and programmes was generally considered fairly low – although there were a few specific exceptions.
- These exceptions tended to occur more often in OPs/SPDs than RDPs.

Considering the overall findings from the desk work and case studies in different Objective 1 regions and Objective 2 areas in France plus analysis of relevant results from the survey, the OP/SPD institutional framework appears to have been slightly more favourable to the development of synergies between Funds, encompassing a holistic, comprehensive and integrated approach to the development of rural areas which is key to their longer-term sustainability.

5.4 Coverage, content and consistency of the programmes

The objective of this chapter is to assess how the 2000-2006 rural development policy budget was distributed and how the menu of measures was used across the various rural development programmes. The consistency of measures selected and resources attributed to them, together with the strategy, priorities and quantified objectives set out in the RDPs are analysed. Specific consideration is made of the NMS, taking account the shorter programming period, limited previous experience, of rural development programming and wider range of measures available to them.

5.4.1 Quantitative importance of the measures in terms of budget weight, programme coverage and geographical coverage

Budget distribution among the 31 measures

The distribution of the total public budget among the 31 measures (see Figure 2, Figure 4, Map 2 and Map 3) shows a high concentration of the total public budget into a limited number of measures:

- two measures, the AEM (27.66%) and LFA (21.93%), absorb almost 50% of total public budget,
- when another group of 5 measures are added to the previous two, (Investment in farms (8.99%), Improving processing and marketing (5.74%), Managing agricultural water resources (4.70%), Developing and improving infrastructure connected with the development of agriculture (3.74%) and Afforestation of agricultural land (3.92%)) the budget for these 7 accounts for 75% of public funds,
- finally, when another 4 measures are included, (Early retirement (4.87%), Other Forestry measures (3.86%), Start-up assistance for young farmers (2.99%) and Implementing demanding standards (1.73%)) 90.13% of the public budget is accounted for.

Table 13 - Budget concentration: 11 measures represent 90% of the total public budget

Measures	% of total public budget	Cumulated percentage of total public budget
Investment in farms	8.99%	8.99%
Start-up assistance for young farmers	2.99%	11.98%
Early retirement	4.87%	16.85%
Less Favoured Areas and areas with environmental restrictions	21.93%	38.78%
Implementing demanding standards	1.73%	40.51%
Agri-environment and animal welfare	27.66%	68.17%
Improving the processing and marketing of agricultural products	5.74%	73.91%
Afforestation of agricultural land	3.92%	77.83%



Measures	% of total public budget	Cumulated percentage of total public budget
Other forestry measures	3.86%	81.69%
Managing agricultural water resources	4.70%	86.39%
Developing and improving infrastructure connected with the development of agriculture	3.74%	90.13%

Source: most recent versions of RDPs

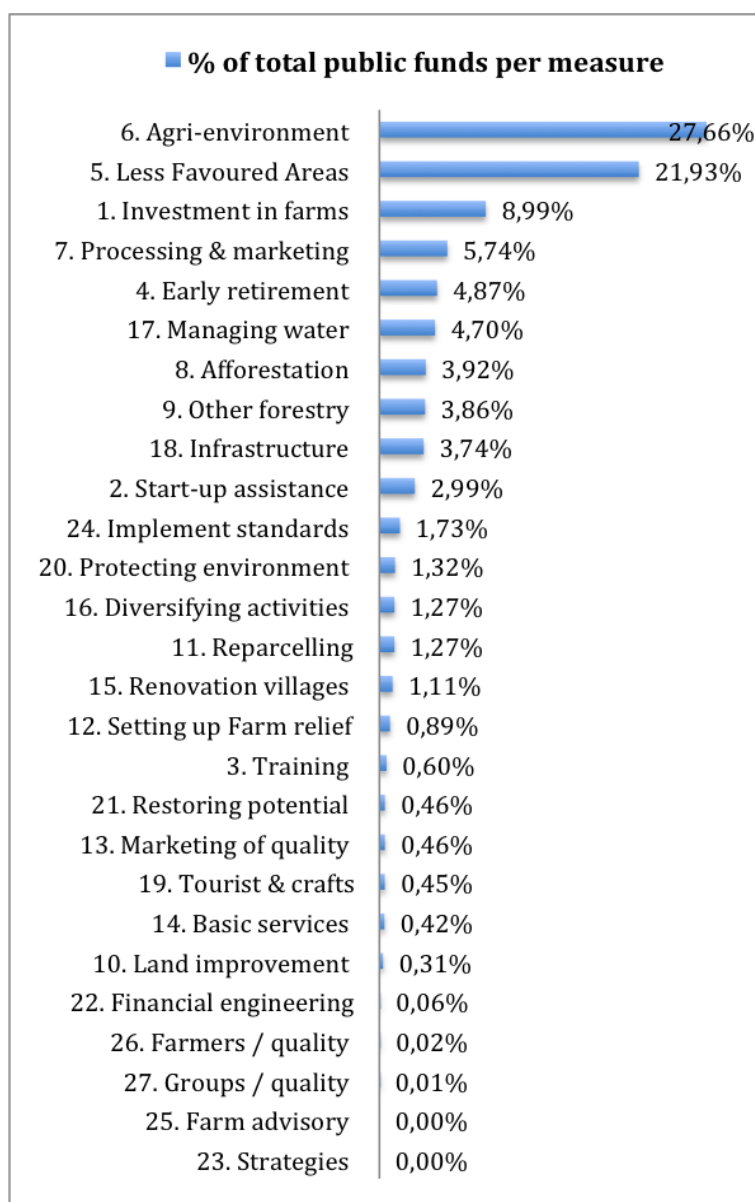


Figure 7 - Participation of each measure in the total public budget (as planned)

Thus, one-third of the measures represent 90% of total public budget. Another four measures enjoy less than 2% of the public budget and each of the remaining measures enjoys less than 1% of the public budget.

Coverage of the different measures

The usage intensity of the different measures is considered in terms of:

- programme coverage: the percentage of programmes in which a measure is applied,
- geographical coverage: the percentage of regions throughout the EU25 in which a measure is applied

The programme and geographical coverage of the different measures show slightly different distributions to that of % of total public funds.

The following table shows the quantitative importance of the different measures, in terms of programme and geographical coverage and percentage of total public funds in the 2000-2006 RDP budget, for the evaluated measures.

Source: most recent versions of RDPs

Table 14 – Importance of measures in terms of programme coverage, geographical coverage and % of total public funds in the total 2000-2006 RDP budget for the evaluated measures

Measures ⁽¹⁾	Geographical coverage ⁽²⁾		Budget share
	Number of regions (NUTS II) each measure was implemented	Geographical coverage of each measure	Participation rate in total public budget
Investment in farms	242	93%	8.99%
Start-up assistance for young farmers	175	71%	2.99%
Training	179	66%	0.60%
Early retirement	113	50%	4.87%
Less Favoured Areas and areas with environmental restrictions	260	100%	21.93%
Implementing demanding standards	40	36%	1.73%
Use of farm advisory services connected with meeting standards	19	12%	0.00%
Agri-environment and animal welfare	260	100%	27.66%
Farmers' voluntary participation in food quality schemes	25	8%	0.02%
Producer group activities related to food quality	14	8%	0.01%
Improving the processing and marketing of agricultural products	230	88%	5.74%
Afforestation of agricultural land	229	83%	3.92%
Other forestry measures	207	77%	3.86%
Land improvement	63	26%	0.31%
Reparcelling	128	35%	1.27%
Setting up farm relief and farm management services, setting up and provision of advisory and extension services	89	24%	0.89%
Marketing of quality agricultural products	159	47%	0.46%
Basic services for the rural economy and populations	132	37%	0.42%
Renovation and development of villages and protection and conservation of the rural heritage	198	60%	1.11%
Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income	206	78%	1.27%
Managing agricultural water resources	162	36%	4.70%
Developing and improving infrastructure connected with the development of agriculture	161	47%	3.74%
Encouraging tourist and craft activities	114	35%	0.45%
Protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare	173	47%	1.32%
Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention mechanisms	75	20%	0.46%
Financial engineering	13	5%	0.06%
Management of integrated rural development strategies by local partners	1	0%	0.00%
Semi-subsistence farms undergoing restructuring	31	70%	0.65%
Producer groups	37	60%	0.13%
Technical assistance	39	89%	0.33%
Provision of advisory and extension services	18	30%	0.10%
Total		50%	100%

Source: most recent versions of RDPs

(1) Semi-subsistence farms undergoing restructuring, Producer groups, Technical assistance and Provision of advisory and extension services were only available in the EU10.

(2) There are 260 regions in the EU25; 42 regions in the EU10.



Geographical coverage

In terms of geographical coverage the table and related graph show a less varied distribution of the importance of the different measures compared to that of their relative weight in the budget.



Figure 8 – Geographical coverage of measures

According to the percentage of regions in which they were applied, the most frequently used measures, up to a minimum of 66%, were:

1. Agri-environment and animal welfare (100%).
2. Less Favoured Areas (100%).
3. Investment in farms (93.08%).
4. Improving the processing and marketing (88.46%).
5. Afforestation (88.08%).
6. Other forestry measures (79.62%).
7. Diversifying agricultural activities (79.23%).
8. Renovation and development of villages (76.15%).
9. Training (68.85%)
10. Start-up assistance for young farmers (67.31%).
11. Protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare (66.54%).

Source: most recent versions of RDPs

Use of measures according to the different types of regions and areas: Objective 1, Objective 2 and other regions

EU25 is divided into 260 NUTS II regions, of which 110 belong to Objective 1 regions, 131 belong to Obj2 regions (regions including Objective 2 areas) and only 19 are outside of the two Objectives. The following table shows the distribution of measure in these different categories of regions.



Table 15 – Use of measures inside or outside Objective 1 regions

Measures	Coverage of Obj1 regions	Coverage of regions outside Obj1/2	Coverage of Obj2 regions of France
Investment in farms	91%	95%	100%
Start-up assistance for young farmers	71%	65%	100%
Training	55%	79%	100%
Early retirement	71%	23%	100%
Less Favoured Areas and areas with environmental restrictions	100%	100%	100%
Implementing demanding standards	35%	1%	0%
Use of farm advisory services connected with meeting standards	15%	2%	0%
Agri-environment and animal welfare	100%	100%	100%
Farmers' voluntary participation in food quality schemes	13%	7%	0%
Producer group activities related to food quality	12%	1%	0%
Improving the processing and marketing of agricultural products	89%	88%	100%
Afforestation of agricultural land	88%	88%	100%
Other forestry measures	68%	88%	100%
Land improvement	28%	21%	100%
Reparcelling	45%	52%	100%
Setting up farm relief and farm management services, setting up and provision of advisory and extension services	33%	35%	15%
Marketing of quality agricultural products	45%	73%	100%
Basic services for the rural economy and populations	34%	63%	100%
Renovation and development of villages and protection and conservation of the rural heritage	63%	86%	100%
Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income	75%	82%	100%
Managing agricultural water resources	64%	61%	100%
Developing and improving infrastructure connected with the development of agriculture	71%	55%	15%
Encouraging tourist and craft activities	33%	52%	25%
Protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare	54%	76%	100%
Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention mechanisms	46%	16%	25%
Financial engineering	9%	2%	5%
Management of integrated rural development strategies by local partners (only for EU15)	1%	0%	0%
Semi-subsistence farms undergoing restructuring (only for EU10)	77%	33%	n/a
Producer groups(only for EU10)	90%	67%	n/a
Technical assistance(only for EU10)	95%	67%	n/a
Provision of advisory and extension services(only for EU10)	44%	33%	n/a

Source: most recent versions of RDPs

Notes: All measures could be applied in 260 NUTS II regions in EU25 (110 Obj1, 131 Obj2, 19 other regions and 20 Obj2 regions in France). Some measures were only available in the EU10 and therefore not throughout the 260 regions (semi-subsistence farms undergoing restructuring, producer groups, technical assistance and provision of advisory and extension services were available in 42 regions in the EU10).

Only two measures (Less Favoured Areas and Agri-environment) were implemented horizontally in all regions of EU25. Investment in farms has the highest coverage in all types of region, amounting to 90.91% in Objective 1 regions, 95.42% in Obj2 regions and 89.47% in other regions. The coverage of other measures depends on the type of region.

Outside Objective 1 regions the measures presenting the highest levels of coverage (over 60%) are the following eleven: Improving the processing and marketing, Other forestry measures, Afforestation of agricultural land, Renovation and development of villages, Training, Diversifying agricultural activities,



Protecting the environment, Marketing of quality agricultural products, Basic services for the rural economy, Start-up assistance and Managing agricultural water resources measure. They were managed within EAGGF-Guarantee co-financed RDPs, except in the 20 Objective 2 regions in France where the non-accompanying measures were integrated into Single Structural Funds programming documents, with ERDF and ESF.

In Objective 1 regions the measures presenting the highest levels of coverage (over 60%) are the following nine: Improving the processing and marketing, Afforestation of agricultural land, Diversifying agricultural activities, Start-up assistance, Early retirement, Developing and improving infrastructure, Other forestry measures, Managing agricultural water resources and Renovation and development of villages. They were managed with EAGGF-Guidance in Single programming documents or Operational Programmes together with ERDF and ESF.

Although the menu of most important measures includes eleven identical measures in both types of region - i.e. Improving the processing and marketing, Other forestry measures, Afforestation of agricultural land, Renovation and development of villages, Diversifying agricultural activities, Basic services for the rural economy, Start-up assistance and Managing agricultural water resources measure, plus AEM, LFA and investments on farms – the regions outside Objective 1 also include, as important measures, Training, Protecting the environment, Marketing of quality agricultural products, Basic services for the rural economy and the Objective 1 regions only Early retirement.

In France, nearly all measures are used in Objective 2 regions, either through the national RDP or the regional SPD (DOCUP), or both (with clear demarcation lines) with the exception of some adaptation measures and additions introduced by the CAP 2003 reform.

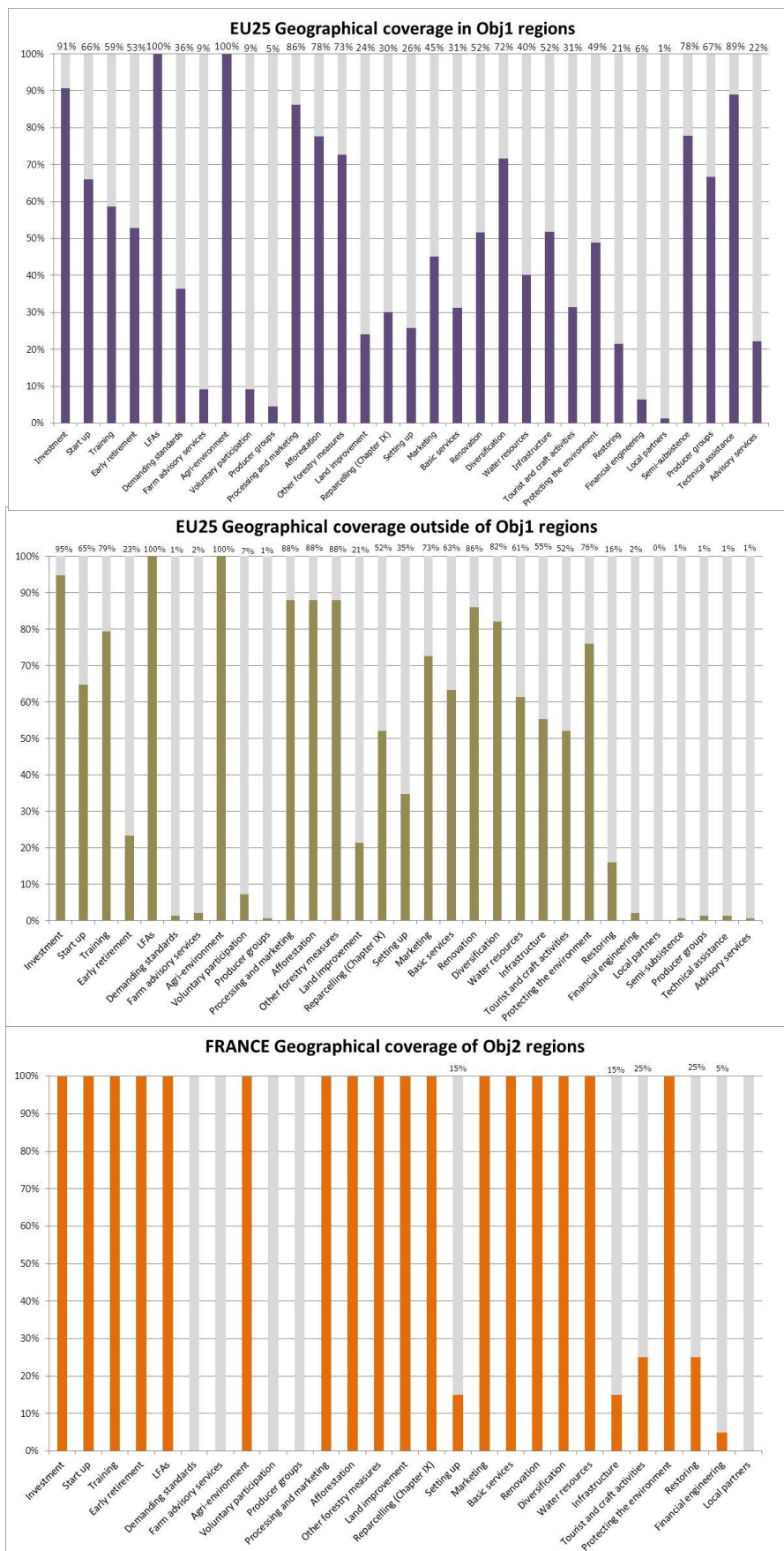
More details on the percentage use of the different measures in the different regions, inside and outside Objective 1 regions, are given in the relevant table and graphs.

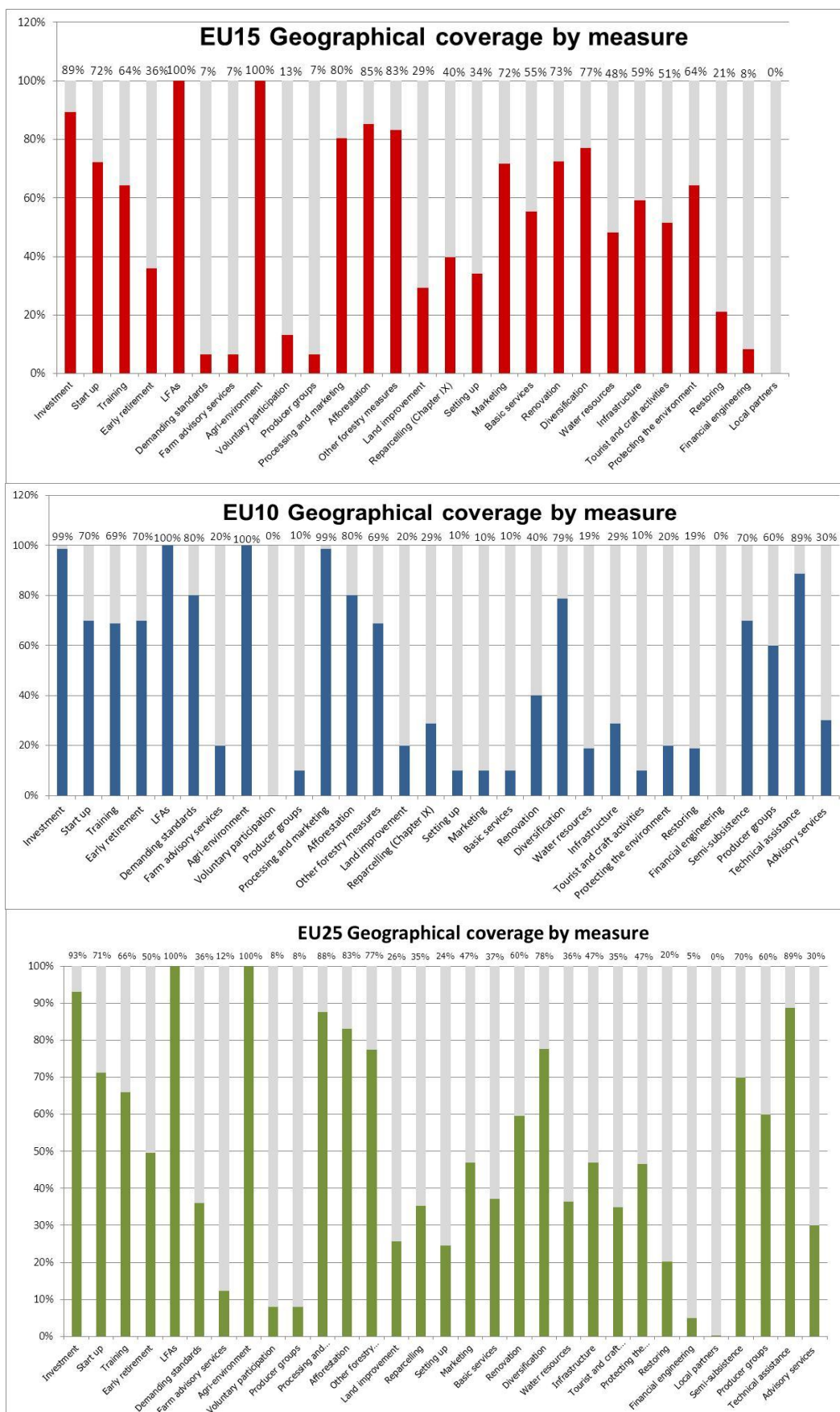
Use of measures in the EU15 and the EU10

Graphs presenting the geographical coverage inside EU15 and EU10 show the main differences to be greater use in the NMS of the CAP 2003 reform measures intended to promote environmental, hygiene and animal welfare standards, which was a critical issue for these countries after accession to the EU, but a more limited use of adaptation measures than in the EU15²².

²² These graphs were developed by breaking down the EU25 into NUTS II regions and calculating the potential and actual presence of each measure in each region. Information on which measures were included in each region comes from the latest versions of RDP programming documents.

Table 16 – Geographical coverage of measures





Source: Most recent versions of RDPS



The most important measures in quantitative terms

Considering all the above criteria, the most important measures, taking account of budget and geographical coverage, were the following six:

- Agri-environment and animal welfare,
- Less Favoured Areas and areas with environmental restrictions,
- Investment in farms,
- Improving the processing and marketing of agricultural products,
- Afforestation of agricultural land,
- Other forestry measures.

5.4.2 Analysis of the consistency of the menu of measures comparing their qualitative value in terms of relevance, coherence and complementarity with their quantitative importance

After reviewing the importance of measures in terms of relevance, coherence and complementarity in previous chapters and analysing, in this chapter, their importance in terms of budget, frequency of use and geographical coverage, there is the possibility of going a step further and making a synthetic contribution to the analysis of the consistency of measures with the priorities for rural development. The guiding line is to assess whether the measures that have the most potential, in terms of relevance to the needs of rural areas, coherence with priority objectives and complementarity with other funds are also those given the most important weight in terms of budget and use in programmes and countries at overall programme level.

To this purpose an evaluation is made (for all measures) of their average value with respect to relevance, coherence and complementarity, using all findings from the desk research and fieldwork, including the survey. This evaluation is made in a semi-quantitative manner, attributing a score from 1 to 4 (according to the Likert scale and methodological footnote). This combined value is an estimation of the capacity of each measure to meet the development needs and policy objectives and create conditions for synergy with other measures and EU Funds. It is an evaluation of the intrinsic quality of each measure with regard to the 3 key-themes for policy-making and the intention is to assess whether this quality is given the appropriate quantitative importance in the programmes. Then the distribution of this average combined-value among measures is compared to that of the importance attributed to them in terms of budget weight, frequency of occurrence and geographical coverage throughout the EU25.

The distribution of measures according to the average combined value (expressed in %) for Relevance-Coherence-Complementarity promotes the following to be the highest quality measures:

- Improving the processing and marketing of agricultural products (92%)
- Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income (83%)
- Renovation and development of villages and protection and conservation of the rural heritage (83%)
- Other forestry (83%)
- Agri-environment and animal welfare (83%)
- LFA (83%)
- Investment in farms (83%).

Table 17 – Average combined value of measures with regard to Relevance-Coherence-Complementarity ⁽¹⁾

Measures	Relevance	Coherence	Complementarity	Average combined value in %
1. Investment in farms (Ch. I)	3	4	3	83%
2. Start-up assistance (Ch. II)	3	3	2	67%
3. Training (Ch. III)	4	3	2	75%
4. Early retirement (Ch. IV)	1	1	1	25%
5. Less Favoured Areas (Ch. V)	4	4	2	83%
6. Agri-environment (Ch. VI)	4	4	2	83%
7. Processing & marketing (Ch. VII)	4	4	3	92%
8. Afforestation (Ch. VIII)	3	3	3	75%
9. Other forestry (Ch. VIII)	3	4	3	83%
10. Land improvement (Ch. IX)	3	3	1	58%
11. Reparcelling (Ch. IX)	3	3	2	67%
12. Setting up Farm relief (Ch. IX)	1	3	1	42%
13. Marketing of quality (Ch. IX)	2	3	2	58%
14. Basic services (Ch. IX)	2	3	2	58%
15. Renovation villages (Ch. IX)	4	4	2	83%
16. Diversifying activities (Ch. IX)	4	4	2	83%
17. Managing water (Ch. IX)	2	3	2	58%
18. Infrastructure (Chapter IX)	4	3	2	75%
19. Tourist & crafts (Chapter IX)	3	3	2	67%
20. Protecting environment (Ch. IX)	2	3	2	58%
21. Restoring potential (Ch. IX)	2	3	2	58%
22. Financial engineering (Ch. IX)	1	2	1	33%
23. Strategies (Chapter IX:EU15)	1	3	1	42%
24. Implement standards (Ch. Va)	3	3	3	75%
25. Farm advisory (Chapter Va)	3	3	3	75%
26. Farmers / quality (Chapter VIa)	1	1	1	25%
27. Groups / quality (Ch. VIa)	1	1	1	25%
Overall average value				63%

⁽¹⁾ The value for each theme is appreciated by giving, first priority to the results of the survey: as each one represents an average value of all evaluation questions per theme and measure attributed by more than 200 people throughout Europe having a good vision of the programme to which they contributed on behalf of either the Managing authority or the Monitoring Committee. The survey value is then confirmed or modified in a second step, taking into account all other findings from the synthesis of ex-post evaluations and the fieldwork case studies.

Taking into account the summary information from both the desk-and fieldwork, as they are reported for each theme in the table 9 "Summary synthesis of findings about (...) from desk- and fieldwork", the attribution of the combined average value for Relevance-Coherence-Complementarity is made systematically, as follows: first, for each theme, each measure, if the value from the survey (1 to 4 according to the Likert scale) is above the average value for all measures, then the combined value is either 3 or 4 according to other findings, from the desk- and fieldwork, or 1 or 2 if it is below the average value and then the average value is calculated for each measure for the three themes and presented in percentage (of maximum 4).

Note: by doing this, the average combined value for each measure does not take into its weight the budget, programme or geographical coverage, but only its intrinsic quality value with regard to the three themes. In other words, a quality measure will obtain a high combined value whether it has a high budget or not; on the contrary a much used measure with a high budget or coverage but of poor quality in terms of relevance, coherence and complementarity will anyhow keep a low combined value.

Comments to Table 17 – Average combined value of measures with regard to Relevance-Coherence-Complementarity

The main purpose of this table is to introduce the combined value of measures with regard to Relevance-Coherence-Complementarity that will be further used to discuss the consistency of the programme at EU level. The combined value for relevance-coherence-complementarity obtained by a measure is, indeed evidence of its intrinsic qualitative value in terms of policy design: it is the expression of the synthetic assessment of how well the measure was designed to meet the needs of farmers and rural areas, contribute to priority policy objectives, favour synergies with other rural development measures and with other Funds and programmes. The interest of the table is also to show at a glance all the values about relevance, coherence, complementarity for all measures and then immediately detect the strong and weak points, focusing in particular on the variability of results per theme.

There are indeed basically three types of results for the three themes per measure:

- some measures show high values (i.e., 3 or 4) for the three themes and then obtain among the highest combined values, as this is the case for Investments in farms, Improving the processing and marketing of agricultural products, Afforestation or Other forestry: these measures are high quality measures in terms of design,
- conversely, some show low values (i.e., 1 or 2) for the three themes and then obtain among the lowest combined values, as this is the case for Early retirement, Farmers' voluntary participation in food quality schemes or Producer group activities related to food quality: the design, or even the maintenance, or the place of these measures really deserve in-depth discussion for the future,
- in between, most measures show high values for some themes, but low ones for others.

Concerning the latter case, it is possible to make a distinction between:

- measures showing high values for relevance, coherence but lower ones for complementarity, as this is the case for Start-up assistance for young farmers, Less-Favoured areas, Agri-environment, Land improvement, Re-parcelling, Renovation and development of villages and protection and conservation of the rural heritage, Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income, Developing and improving infrastructure connected with the development of agriculture or Encouraging tourist and craft activities: all these are good measures, relevant to the needs and coherent with priorities, but their capacity to develop synergies with other Funds and Programmes need particular consideration for future policies. It is really a matter of carefully improving policy design and programming frameworks since all these measures have a high potential for synergy with other Funds and programmes: for instance, diversifying activities is by definition open to develop connections with other funds and programmes, as it is the case for encouraging tourist and craft activities and several case studies have provided good examples of complementarity for this measure,
- measures showing much more contrasted value according to the theme, with generally a high value for one theme, but low value of the others, each measure being specific, as this is the case, for instance for Training, Setting up farm relief and farm management services, setting up and provision of advisory and extension services, Marketing of quality agricultural products, Basic services for the rural economy and populations, Managing agricultural water resources, Protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare, Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention mechanisms, Financial engineering, Management of integrated rural development strategies by local partners: each of these measures need a case by case assessment for improved design in view of future policies.

Among the last group of measures, for instance, Training show high relevance, but low complementarity and even lower coherence, which deserve systematic analysis, relying in particular on the findings, conclusions and recommendations of this ex-post evaluation: its coherence could improve if training priorities are identified in advance, activities are related with other rural development measures and good coordination takes place between programme managers and training delivery entities. At the same time, its complementarity with other funds and instruments can clearly improve order to reap the benefits of synergies with the ESF for instance (e.g.

the ESF lifelong training approach could complement more specialised training on environmental issues under the EAGGF).

Another example of an unbalanced quality profile in terms of measure design is, for instance Setting up farm relief and farm management services, setting up and provision of advisory and extension services, or Financial engineering, both considered as poorly relevant, with poor potential for complementarity, but high coherence, which looks quite contradictory. For such measures, low scores obtained, especially from the survey may have been influenced by low uptake or limited application, tending to support low value judgements for some themes, as this is certainly the case for Financial engineering. In relation to financial engineering in particular, due to the lack of information in the ex-post evaluations and case studies, alternative sources of information were used, primarily from the countries that implemented the measure in order to explain its poor scoring.

Financial engineering measure – why was it not used

A study by “Coldiretti Economic Department” analyses why “there was lack of use of this pivotal measure” in Italy. The objectives of the financial engineering measure comprised to promote new financial instruments, to help and assist agricultural enterprises to talk with banks and to create a new financial environment for farmers. The measure in Italy was available only in 5 out of 21 Objective 1 OPs and only in the Marche Region it was put into action. After the mid-term programme review, in 2004, the measure was inserted in two OPs and cancelled in one. The study concludes that the financial engineering measures faced various difficulties, mainly due to both programme Managing Authorities and to the credit environment at regional level. The main reasons for this were:

- Lack of knowledge of the credit risk subject;
- Lack of knowledge of State Aid rules in agriculture and risk capital;
- The credit environment for the agricultural sector was not well developed everywhere in Italy;
- All the financial engineering measures inserted in rural development programmes financed only the constitution or the integration of guarantee funds.

[Source: Presentation made by Coldiretti in Budapest, “Rural Credit Guarantee Schemes”, 12-13 January 2006.]

But for Setting up farm relief and farm management services, setting up and provision of advisory and extension services the low values obtained for relevance and for complementarity, in contrast with very good examples of application in some countries, e.g. Finland, Latvia, Germany, Italy or Spain, will oblige to reconsider the measure’s design for future policies, especially in terms of objectives, targeting and linkage with other rural development measures and programmes.

5.4.3 Consistency of the transitional measures specific to the New Member States

New Member States could integrate, into their Transitional Rural Development Instrument (TRDI) programmes (10 programmes: one per NMS), specific measures to facilitate the transitional period of their integration into the EU25 which started in 2004, i.e. in the middle of 2000-2006 period. Therefore there was only a three-year period, 2004-2006, for them to implement these programmes, although the TRDI operated with differentiated appropriations so payments could be made up to the end of 2008. The NMS could also integrate the eight accompanying measures into their TRDI Programmes and non-accompanying measures into their Objective 1 programme (where applicable – Cyprus for instance was not designated as Objective 1).

Of the six transitional measures, foreseen in the Act of accession, the so-called Chapter IXa, only four were included in this evaluation:

- Semi-subsistence farms undergoing restructuring (Chapter IXa: EU10 only),
- Producer groups (Chapter IXa: EU10 only),
- Technical assistance (Chapter IXa: EU10, plus Guidance funded programmes,



- Provision of advisory and extension services (Chapter IXa: EU10 only).

As for other measures an analysis of their relative quantitative importance and qualitative value is made.

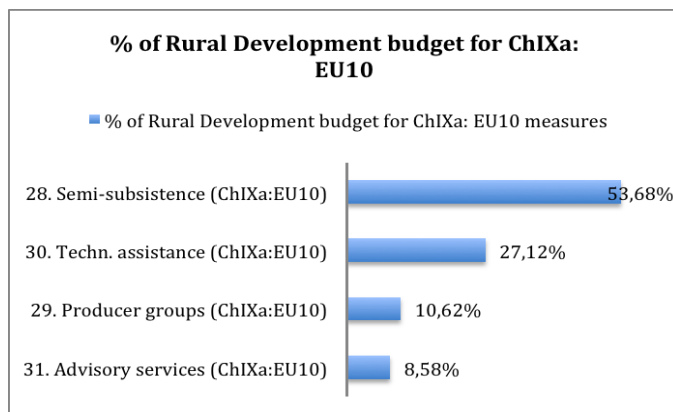


Figure 9 – % Rural Development budget for ChIXa: EU10

In terms of budget, the most important is the measure that facilitates restructuring for semi-subsistence farming, followed by the measure allowing NMS to use technical assistance for programme management, including communication, implementation and monitoring and evaluation.

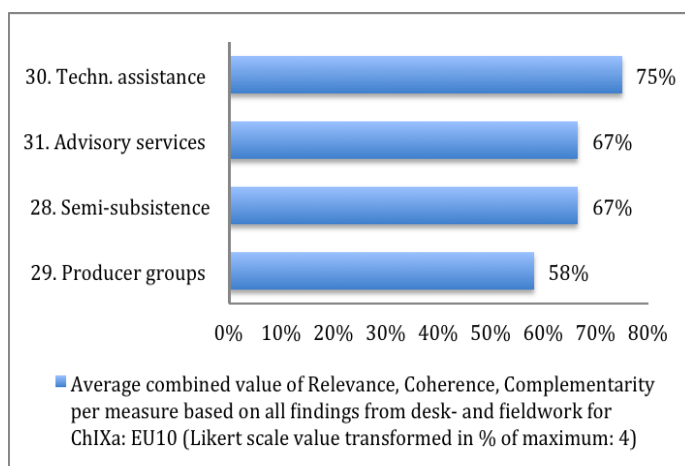


Figure 10 – Combined value for Relevance-Coherence-Complementarity for ChIXa: EU10

In terms of qualitative combined value for Relevance, Coherence and Complementarity the distribution is quite different, with the measures likely to build capacity, at the programme or beneficiary (especially farmers) level, appearing first.

Source: Most recent versions of RDPS

Results concerning Chapter IXa appear to be less consistent than all other Chapters, but this evaluation might be biased by a low number of answers, from the survey and measures, for comparison.

Therefore this comparison of the quantitative and qualitative importance of measures must not be given the same level of consideration as the other rural development measures, but it does provide a fair indication of the - understandable - difficulties faced by many NMS, during this transition, in managing (for the first time) such complex programmes within a short-time frame.

The measure Technical assistance, which was equivalent to that available throughout Objective 1 territories for Guidance-funded programmes, was widely used by the NMS, since it was very helpful for them to implement their different programmes. The Baltic States in particular provide a good example of successful use of this Technical assistance measure.

The best method used by the NMS, to ensure maximum absorption of the budget over a shorter programming period, was to regularly monitor applications and expenditure and proceed with successive requests for reallocating funds from the least to the most demanded measures. However, it is doubtful as to whether this is the best method of meeting the programme's objectives.



5.5 Results, impact, effectiveness and efficiency of the programmes and measures

5.5.1 Introduction

The objective of this chapter is to analyse the results, effectiveness and efficiency of the 2000–2006 rural development programmes as a whole and assess the impacts. In addition to impacts directly related to the economic, environmental and social objectives of the policy, other impacts and unintended effects should also be taken into account, including any cases of conflict between the rural development programmes and other instruments used to finance development policy. Where possible, the different programming approaches are compared and conclusions drawn on their relative merits.

The analysis considers the impact of investments in both human and physical capital, *inter alia* on competitiveness; the impact on employment and income in rural areas, diversification of rural economies, quality of life and sustainability of rural communities, sustainability of natural resources and quality of the environment.

The impact of specific measures is considered both individually and by grouping measures according to the beneficiary/sector addressed e.g. measures for the agricultural or forestry sectors and non-sectoral (i.e. territorial) measures. Appendix III offers a detailed account of the effectiveness, efficiency and impact of each measure, whereas the emphasis here is on impacts, especially at programme level.

5.5.2 Impact of rural development programmes on income in rural areas

Rural development programmes may have a direct and/or indirect impact on the income of farmers and rural communities. There is a group of measures offering compensation to farmers. Such compensation-driven measures belong to the group of so-called accompanying measures (aid for early retirement, agri-environment and afforestation and compensatory allowances for LFAs and AERs).

The accompanying measures have, in general, contributed to the maintenance or an increase of the income of the farm population, although there is little quantitative information available on their specific impact on income, as this is frequently assessed in terms of the compensation rather than increased income from farm activity which is surely influenced by such measures. The agri-environment and LFA schemes stand out as contributing to income (even if this was not their objective) often in a combined manner. More specifically, agri-environment payments are a substantial part of agricultural incomes and in some countries (e.g. Austria, Ireland, Czech Republic) they are the most important rural development financial instrument. Agri-environment measures were shown to have made a significant contribution to incomes as revealed in many RDPs and practically all programmes analysed as case studies in this report.

For measures whose prime objective is to positively contribute to the viability of farm holdings and the continuation of agricultural land use through offering subsidies/compensation (LFAs, start-up, early retirement) the farms cannot solely rely on this support in their effort to be economically viable. They need to achieve a sufficient income level to remain viable.

The other RDP measures ("non-accompanying" ones) have mixed impacts on farm incomes. There is a group of measures which generates impacts on income mostly at the agricultural holding level (notably, the investment and processing and marketing measures). These are measures mainly targeted at

farmers/holdings and entail investments in physical capital that improve productivity. However, the relatively small number of actual number of beneficiaries in comparison to the number of potential beneficiaries and the relatively small share of the sector in terms of economy-wide impact, implies that income improvements apply mainly at the beneficiary level rather than the regional economy as a whole. The table below shows the average % increase of beneficiary gross income found in ex-post evaluations as a result of the farm investment measure. The reported cases are limited, reflecting the scarcity of quantitative information in ex-post evaluations on income effects. Even where data exists they tend to be of very different nature, with some programmes measuring net income, others gross income, percentage increases in profits, variations in net margins, while others report opinions of beneficiaries on their perceived income changes. However, the examples below show income effects from around 10% in Sweden to as much as 43% for crop farms in Cyprus.

Table 18 – Increase in beneficiary gross income (%)

Country	Investment
Belgium	22%
Sweden	10.3%
Cyprus	25-43% ⁽¹⁾
Navarra (ES)	30%
Trento (IT)	15-25%
Emilia Romagna (IT)	22%
Friuli Venezia Giulia (IT)	17%
Veneto (IT)	19.3%
Valle d' aosta (IT)	16.2%

Source: Ex-post evaluations

(1) Cyprus: livestock farms – crops farms

By contrast, several adaptation measures that address (in addition to farmers) municipalities, villages, groupings of rural development actors, etc. and involve structural changes (e.g. rural infrastructure improvements, water management infrastructure, etc.) can have a higher impact on regional incomes. This is confirmed by both the interviews and quantitative analysis (input/output method) – see Table 19. As observed in that table, the income increase estimated through the I/O method was higher for the adaptation measures (except for Poland where all measures led to high income rises, but this is proportional to the amount of expenditure, which was far higher in Poland than in other countries). In France, the farm investment measure was shown to produce very significant effects on incomes of beneficiary farmers in comparison to non-beneficiaries. [see chapter 5.7.3 for a description of this model]

France – Income effects for beneficiaries of the farm investment measure

Beneficiaries of the farm investment measure in the French national RDP are amongst the more dynamic holdings. During the whole programming period they have grown and their standard gross margin and gross operating surplus increased more than the reference population. However, depreciation and financial charges tend to reduce current income before taxes (an indicator, close to the gross operating income, recommended by the EC, but not available in FADN). However, the comparison of trends in basic financial ratios (asset/liabilities) between beneficiary holdings and their reference population (a control group was used in this case) show no degradation, in general, as a result of the investment, suggesting that beneficiary holdings have maintained their economic health and capacity to invest in the future (and improve incomes after depreciation or financial charges will have decreased). [source: ex-post evaluation]



Income improvements also result from productivity improvements in the context of farm investment and the processing and marketing measures. The processing and marketing measure for instance contributed to an increase in production, followed by sales and subsequently income increases.

The adaptation measures, although several of them contribute to improving the income of beneficiaries, do not always have an overall impact on rural incomes. The examples below illustrate the different ways in which the diversification measures affect rural incomes.

Impact of the diversification measure on incomes

Example from Spain – Cataluña (limited impact at regional level)

The diversification measure has improved the income of 46% of beneficiary holdings, but the measure only addressed 0.49% of the total number of agricultural holdings. Therefore the impact at regional level is low. [source: ex-post evaluation]

Example from Germany – Thüringen (significant impact)

Overall, diversification towards agri-tourism proved to be very well-targeted and beneficial as support for farms and rural holiday businesses and thus for strengthening rural areas as a whole. Diversification measures are regarded as an indispensable counterpart to the investment support provided to agricultural holdings within the framework of improving production structures. [source: case study]

Although some individual measures contribute to income improvements, it has been seen - albeit to a limited extent - that an integrated approach combining multiple sources of support including advice, business planning, grant funding and training opportunities can have positive effects on income and employment in rural areas. This approach was followed in the Welsh Objective 1 programme which set up an assistance package for farming families.

Employment creation through synergy – Wales, UK

A two-tier approach was taken in Wales in assisting in the diversification of on-farm activities. These were implemented through the 'Investment in Agricultural Holdings' and 'Processing and Marketing of Agricultural Products' measures. Both measures worked side by side in upgrading primary production facilities and the installation of processing equipment for adding value to meat and dairy output from farms. Activities under both of these measures were supported also through training in the manufacturing of food products (e.g. cheese-making) under the 'Training' measure which focused on services to help farmers adapt and diversify. [source: case study]

Table 19 – Contribution of rural development programmes to incomes – by country

Assessment of impacts of programmes on income in sample of case study countries			
Region/Measure ⁽¹⁾	Qualitative assessment ⁽²⁾	MAPP results ⁽³⁾	Input-Output results ⁽⁴⁾
East Finland (FI)		22%	
Investments	Direct or indirect impact on incomes. Support enabled beneficiaries become more competitive through improved productivity, innovation, etc. Provided incentive to diversity activities and strengthen communities through village renewal, eventually leading to income improvements.		0.99 mil euro (of which 0.62 mil euro will be absorbed by agricultural sector)
Start-up			Households' income increased by 3.06 mil euro.
Adaptation			Household incomes increase by 2.64 mil euro p.a.
Rhône-Alpes (FR)		n/a	
Adaptation	Limited impact from Objective 1. Most impact from RDP.		1.69 mil euro
Thüringen (DE)			

Assessment of impacts of programmes on income in sample of case study countries			
Region/Measure ⁽¹⁾	Qualitative assessment ⁽²⁾	MAPP results ⁽³⁾	Input-Output results ⁽⁴⁾
Investments	Demand related income effects.		3.11 mil euro p.a.
Adaptation			15 mil euro
Thessaly (GR)		52%	
Investments	Improved incomes as a result of increased sales from investments and village renovation actions.		0.40 mil euro
Adaptation			0.28 mil euro
Alentejo (PT)		43%	
Other forestry	Positive impact from structural changes in wine and olive oil sectors and irrigation actions.		0.80 mil euro
Adaptation			0.57 mil euro
Andalucía (ES)		50%	
Processing & marketing	Overall positive effect on incomes.		8.07 mil euro
Other forestry			6.68 mil euro
Adaptation			1.73 mil euro
Hungary		28%	
Investments	Farm incomes could not be improved substantially. Funding was used to alleviate the negative impact of other external factors. Most impact from investment measure.		16.32 mil euro
Processing & marketing			4.31 mil euro
Adaptation			9.26 mil euro p.a.
Poland		45%	
Investments	Mixed results, some regions higher impact on incomes than others.		13.9 mil euro p.a.
Start-up			93.1 mil euro
Processing and marketing			17.2 mil euro
Adaptation			17.6 mil euro p.a.
Slovakia		18%	
Investments	The programme helped to stabilise more than increase income. Mostly corporate farms saw a significant rise in income.		3.22 mil euro p.a.
Processing & marketing			0.72 mil euro
Other forestry			0.40 mil euro
Adaptation			0.89 mil euro
Campania (IT)		48%	
	Measures contributed to diversify sources of income allowing compensation of critical negative situations with positive ones.		n/a
Wales (UK)		68%	
	No significant growth of regional level incomes.		n/a

Sources: Interviews, MAPP and input-output method.

Notes:

(1) Measures covered by Input/Output analysis include: (a) those implemented in the case study region; and (b) those for which NACE2 digit data exists.

(2) Qualitative assessment: from interviews and desk research.

(3) MAPP results (% of beneficiaries that state their income has increased). No answers on this provided in France.

(4) Regional income increase in million euro (national incomes in the case of the EU10). IO analysis was not carried out in Campania and Wales due to lack of relevant data.



From the vast number of examples and experiences, a number of key success factors for the rural development measures can be identified, positively influencing their income-generating capacity (what works best):

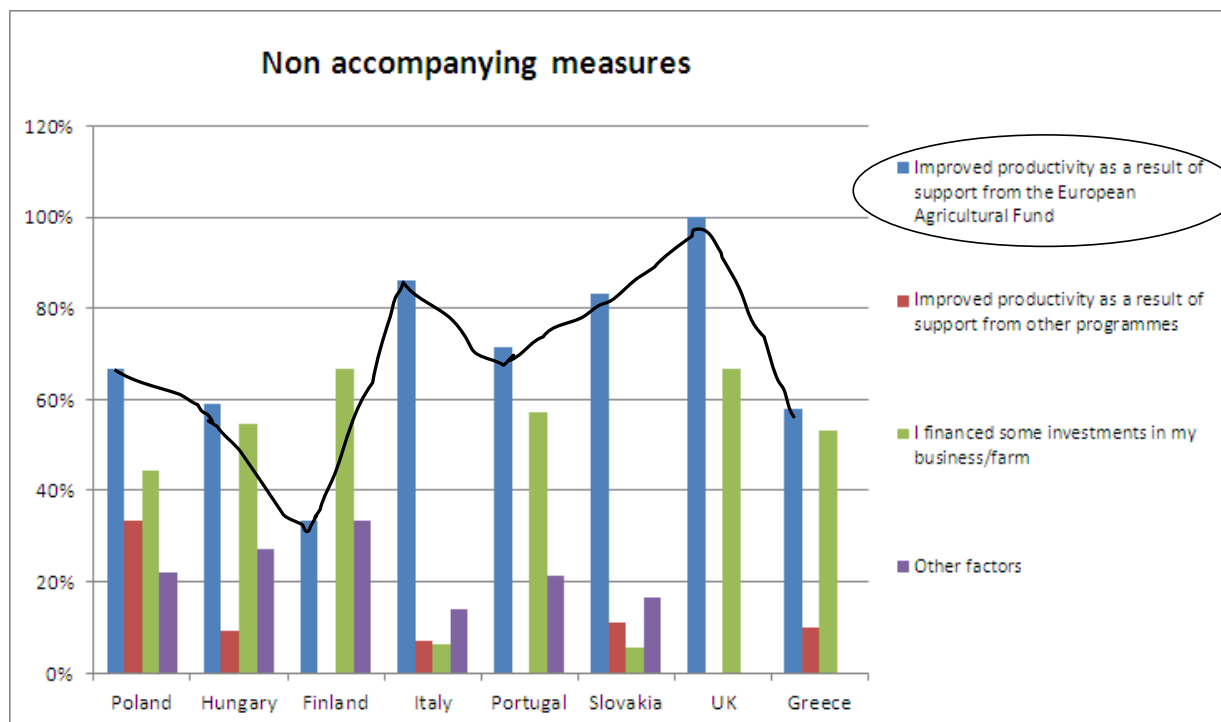
- ☑ Investments in modern machinery and technology that help reduce costs and improve productivity.
- ☑ Accompaniment of investments with training – when necessary/needed - to improve capacities in farm management and new technologies. The combination of measures can therefore be more effective than isolated ones.
- ☑ "Care for quality" – investments with a quality certificate orientation resulted in more competitive products.
- ☑ Investment support is most effective when it is well targeted, for instance towards small holdings which would not have been able to undertake the investment through their own resources or towards sectors that are strategic or present a certain competitive advantage.
- ☑ Compensatory payments are most effective when they reduce income differentials between and within regions. Compensatory allowances need therefore to take into account the income differentials in their design and possibly be of a more-targeted character.
- ☑ Achieving a critical mass (i.e. addressing a significant percentage of agricultural holdings / beneficiaries) is paramount for obtaining regional level impacts – otherwise impacts are limited to individual beneficiaries and wider improvements in local/regional economies are missed. This is valid not only for incomes, but all types of impact.

Assessment of net impacts on incomes

Despite income rises that can be identified within the territories of rural development programmes in 2000-2006, it is not the rural development programmes that are solely responsible (overall economic trends as well as other programmes and European Funds such as the ERDF or the ESF). The MAPP method used for the case studies has proved a valuable tool for identifying and assessing the relative influence of other intervening factors on beneficiary incomes.

The results from the MAPP in the 12 case study programmes that analysed the non-accompanying measures in Objective 1 programmes stress the significance of rural development programmes by prioritising them as key sources of farm income (see graph below). This shows that, for the majority of the case study programmes, support from the EAGGF was considered the most important reason for income improvements in the 2000-2006 period, followed by self-investment by beneficiaries, while the least important source of income was support from other programmes. This is confirmed in the "impact profile" (see Table 26 at the end of this chapter).

Figure 11 – “My income increased between 2000 and 2007 because of...”



Source: MAPP

The influence of other intervening factors was examined and revealed that other programmes and factors such as: fluctuations of international market prices; depreciation and financial charges which tend to reduce income before taxes; weather conditions; animal diseases; as well as local agriculture and food crises (the latter evidenced in Rhône-Alpes in France for example) also play a role in agricultural and rural income trends. Spain and France were found to be least susceptible to income changes as a result of the Objective 1 programme rural development measures. The French MAPP results below clearly illustrate that external drivers were the main reasons for income changes from non-agricultural activities, while the national RDP represented the main part of farm incomes through compensation related measures (e.g. compensatory allowances and herbage premium).

Effects on incomes in the Baronnies area (Drôme), Rhône-Alpes, France

The influence matrix tool shows that the influence of the national RDP in farm incomes was the highest, followed by the ERDF/ESF components of the Objective 1 programme. Non-agricultural activity incomes were mostly influenced by Leader+.

Influence matrix

Programmes and measures	DOCUP Rhône-Alpes EAGGF	PDRN	DOCUP Rhône-Alpes ERDF / ESF	Leader+	ΣPassive
New jobs in the agricultural sector	1	5	5	1	12
New jobs in the non-agricultural sector	1	1	4	4	10
Farm incomes	2	5	4	1	12
Incomes from non-agricultural	1	1	2	4	10



activities					
Access to services	1	1	4	5	11
Tourism	1	1	2	4	8
Quality of the environment	1	4	2	1	9
Biodiversity	1	4	2	1	8
Water quality	1	2	3	1	7
New jobs in the agricultural sector	1	4	1	1	7
ΣActive	11	28	30	23	

The impact profile tool takes the analysis one level further and identifies the reasons why other programmes or factors played a more prominent role in the evolution of incomes. For farm incomes, it was the compensatory allowances and premium differentiation offered through the RDP, while for the non-farm incomes it was the growing tourism attractiveness of the area due to saturation of southern inland Provence destinations and access facilitated by a new TGV (fast train service) station in the nearby Rhône valley.

Impact profile

Programmes and measures	Profile					Remarks	Mainly influenced by:
	--	-	+/-	+	++		
New jobs in the agricultural sector	X	O	O	O	O	LFA scheme indispensable to maintain farming in this area – ESF important for capacity building of young farmers	PDRN - ESF
New jobs in the non-agricultural sector	O	O	O	X	O	Growing tourism is the main external driver, Leader h□s help develop new services	External drivers Leader+
Farm incomes	X	O	O	O	O	Compensatory allowances and herbage premium represent the major part of farm income	PDRN/NRDP
Incomes from non-agricultural activities	O	O	O	X	O	Mainly due □o growing tourism attractiveness	External drivers
Access to services	O	O	O	X	O	New services was the main axis of Leader+, and ERDF has supported infrastructure	Leader+ - ERDF
Tourism	O	O	O	O	X	ERDF has strongly supported tourism pr□motion, ESF capacity building and Leader+ new services	ERDF, Leader+
Quality of the environment	O	O	X	O	O	ERDF investments have improved waste management capacity (recycling, ...)	PDRN/NRDP
Biodiversity	O	O	O	X	O	The NRDP has influence □he change of agricultural practices (respect of good practices conditions)	PDRN/NRDP
Water quality	O	O	O	X	O	ERDF investments have improved waste water treatment	ERDF
Landscape	O	X	O	O	O	Open landscapes maintained by agriculture (but CAP is not sufficient)	PDRN/NRDP

[Source: case study]



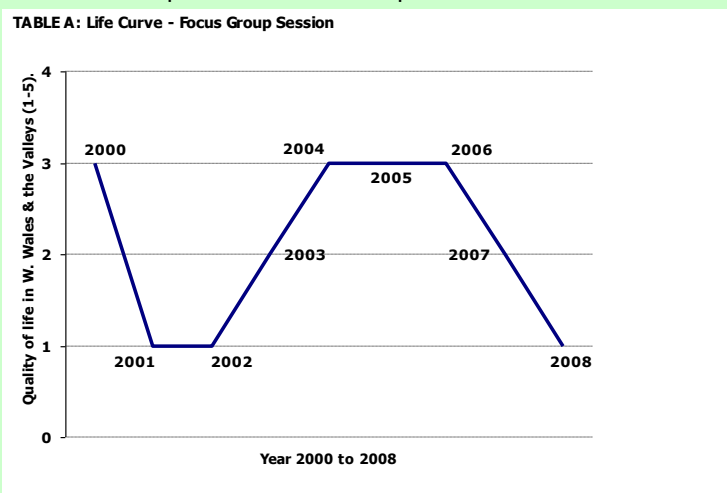
In the New Member States there is a clear value added by rural development programmes. For instance, in Malta it is estimated that income, economic activity and employment levels would have been substantially lower if it wasn't for the RD programme. Even where incomes were affected by rising input prices they were offset by direct payments (as experienced in Poland and Hungary for instance).

Examples of other intervening factors

Example from Wales- UK

In Wales in the UK, the outbreak of the foot and mouth disease brought a dramatic downturn in quality of life in general and in farm incomes in particular. This was corrected in subsequent years with the introduction of additional control regulations on cattle and sheep.

Additional external factors were the aggressive price war among British multiples further depressed meat prices in 2007, followed by another disease in 2008 (the bovine TB across much of the region). As a consequence, incomes and quality of life in rural areas in Wales experienced a second dip.



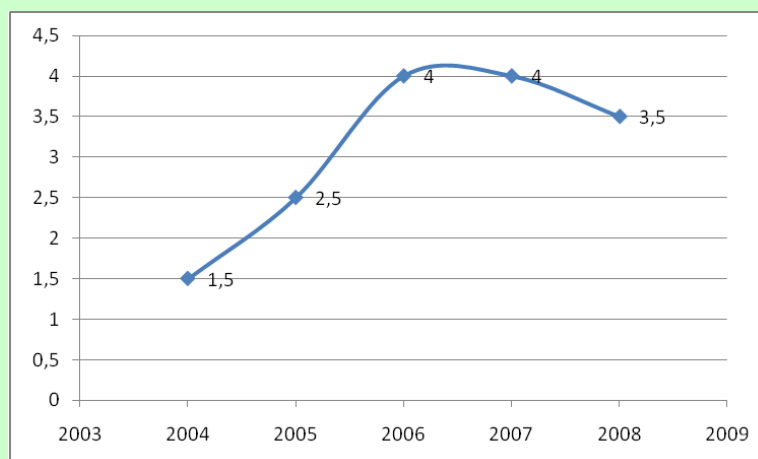
[source: case study]

Example from Poland

During the period 2004-2008, the agricultural sector was benefiting from overall economic improvement of the situation in the Polish economy. Economic growth was the main factor that contributed to higher incomes in Poland (average GDP growth in 2004-2006 of 6%).

The increase in agricultural and food prices accompanied by an increase in agricultural input prices led to lower profitability of agriculture. However, this was offset by direct payments under the 1st Pillar of the CAP. Hence the overall situation is a positive trend in incomes and quality of life (until the outburst of the economic crisis in 2008).

Quality of life curve - Poland



[source: case study]

Transitional measures in the EU10

Transitional measures were mostly successful in building capacity and preparing new Member States for complying with EU standards and competition in EU markets. They contributed to the completion of structural adjustment actions started in the pre-accession period. In addition, the brief implementation period (2004-2006) did not allow for the generation of substantial impacts on incomes, employment or the environment, although it is evident that positive trends were recorded.

Positive results are more evident at the farm level, for instance increased sales or better farm organisation, in the context of the semi-subsistence measures activated in Poland and Lithuania respectively. Furthermore, the RDP measures initiated a process of labour productivity improvements as evidenced in Lithuania, Slovakia and Hungary in the context of the semi-subsistence measure. This is clearly an indication towards more competitive semi-subsistence farms while facilitating a move towards larger farm sizes (e.g. Poland) and supplying the market, rather than producing purely for self-consumption (e.g. Lithuania).

Support for producer groups, where implemented, contributed to better quality of products delivered to the market, helped standardise production and consequently led to expanded outlets and higher production volumes and sales.

Finally, technical assistance was of critical relevance and importance to the EU10 for its contribution to improving the capacity of the institutional system responsible for development and implementation of rural development policies. Poland was amongst the countries that most valued this measure (source: survey).

Table 20 – Contribution of rural development programmes to incomes – by measure

a/a	Measures	Summary synthesis per measure – Extent to which measures improved incomes according to synthesis of available ex-post evaluations and fieldwork (interviews and MAPP)
1	Investment in farms (Chapter I)	Incomes improved or maintained as a result of cost savings and productivity improvements. Net incomes determined by exogenous factors (weather, prices, diseases, etc.). Other effects of investments may be more important than incomes (e.g. viability of farms).
2	Start-up assistance for young farmers (Chapter II)	Income effects mainly due to grant
3	Training (Chapter III)	No direct contribution to income. Impact is mainly improved employability. In a limited number of cases it proved to contribute to improved income.
4	Early retirement (Chapter IV)	Income effects more important for the EU10 than for the EU15 where incomes prior to the payments were higher.
5	Less Favoured Areas and areas with environmental restrictions (Chapter V)	Compensatory allowances offered only partial compensation for income foregone but were effective in narrowing the differential between LFA and non-LFA incomes.
6	Agri-environment and animal welfare (Chapter VI)	Income rise mainly due to compensation payments. Significant impact on incomes in case study countries.
7	Improving the processing and marketing of agricultural products (Chapter VII)	Quality improvements led to income rise.
8	Afforestation of agricultural land (Chapter VIII)	On average a positive impact on incomes, but most significant were the environmental impacts (protective functions of forests).
9	Other forestry measures (Chapter VIII)	A few instances where the income impact is substantial. Most significant were the environmental impacts (protective functions of forests).
10	Land improvement (Chapter IX)	Limited contribution to incomes.



a/a	Measures	Summary synthesis per measure – Extent to which measures improved incomes according to synthesis of available ex-post evaluations and fieldwork (interviews and MAPP)
11	Reparcelling (Chapter IX)	Some isolated cases of increased income, but overall no real consequence on income of rural population.
12	Setting up farm relief and farm management services (Chapter IX)	n/a
13	Marketing of quality agricultural products (Chapter IX)	Low contribution to farm incomes, medium contribution to non-farm incomes (esp. agri-food industry).
14	Basic services for the rural economy and populations (Chapter IX)	Little or uneven impact in income esp. when the measure was social services oriented.
15	Renovation and development of villages and (...) rural heritage (Chapter IX)	Benefits to local companies that take part in renovation works, i.e. non-farm incomes.
16	Diversifying agricultural activities and activities close to agriculture (Chapter IX)	Income of beneficiaries improved, but limited impact on income of rural population overall.
17	Managing agricultural water resources (Chapter IX)	Limited evidence concerning impact on incomes (new irrigated crops appears to bring more income benefits than improvement of existing irrigated surfaces).
18	Developing and improving infrastructure connected with agriculture (Chapter IX)	Limited evidence – appears to contribute to income as a result of better working and living conditions.
19	Encouraging tourist and craft activities (Chapter IX)	Expansion of tourism and craft activities – when they happened – had a positive impact on incomes.
20	Protecting the environment in connection with agriculture (...) (Chapter IX)	Not an income oriented measure (some positive results mentioned however).
21	Restoring agricultural production potential damaged by natural disasters (Chapter IX)	No evidence available in relation to incomes.
22	Financial engineering (Chapter IX)	n/a
23	Management of integrated rural development strategies (Chapter IX:EU15)	n/a
24	Implementing demanding standards (Chapter Va)	Not related to income impacts
25	Use of farm advisory services connected with meeting standards (Chapter Va)	Not related to income impacts
26	Farmers' voluntary participation in food quality schemes (Chapter VIa)	Limited overall evidence. Substantial net income increase in Italy (based on counterfactual assessment).
27	Producer group activities related to food quality (Chapter VIa)	n/a
28	Semi-subsistence farms undergoing restructuring (Chapter IXa: EU10 only)	Mostly closing the gap of income disparity.
29	Producer groups (Chapter IXa:EU10 only)	Positive impact through increased sales volume.
30	Technical assistance (Chapter IXa:EU10, plus Guidance funded programmes)	Not related to income improvements.
31	Provision of advisory and extension services (Chapter IXa:EU10 only)	No information available.

5.5.3 Impact of rural development programmes on employment in rural areas

Rural development measures generated and/or maintained employment in rural areas, even if in many cases this was reported to be more significant at local rather than regional level (France for instance). All sources of information confirm positive impacts on employment and there is consensus that employment maintenance was more significant than the creation of new jobs (Table 21 with data from the final reports and Table 22 – Contribution of rural development programmes to employment – by country with

data from MAPP and the Input/Output method). There are differences though between employment impacts in relation to measures and countries/regions.

It must be noted that in the absence of a common methodology for calculating employment creation there must be some doubt about the comparability of some of the figures cited. Also, some degree of caution should be attached to reliance on assessments of participants in MAPP focus groups (Table 22) given they are beneficiaries of the programme. Overall, it seems clear that rural development measures in Objective 1 programmes did have positive direct effects on employment. Table 21 gives some employment results gleaned from the case studies.

Table 21 - Employment effects ⁽¹⁾

	Jobs created ⁽¹⁾		Budget		Cost per job created
		EAGGF budget	Total public budget		
Andalucía (ES)	10,123	577.442.991	837.812.282	82.763	
Eastern Finland (FI)	4,161	n/a	n/a		
Hungary	15,137	818,453,768	1,867,055,091	123,344	
Wales (UK)	2,328	114,420,000	578,360,000	248,436	
Campania (IT)	4-28%	139,051,313	198,644,734		
	Jobs maintained		Budget		
		EAGGF budget	Total public budget	Cost per job maintained	
Andalucía (ES)	25,095	577,442,991	837,812,282	33,386	
Eastern Finland (FI)	19,250	n/a	n/a		
Hungary	2,473	818,453,768	1,867,055,091	754,976	
Wales (UK)	12,216	114,420,000	578,360,000	47,344	
Poland	60,000	3,395,296,500	7,937,466,500	132,291	
Slovakia	1,321	501,202,264	667,817,008	505,539	
Thessaly (GR)	1,072	118,435,000	150,865,626	140,733	
Thüringen (DE)	10.324	799.395.149	1.878.509.319	181.956	

Source: case study programmes final reports.

(1) Measures covered in each case are:

- Hungary: investment in farms, start-up assistance for young farmers and adaptation measures.
- Eastern Finland: investment in farms, start-up assistance for young farmers, other forestry and adaptation measures.
- Wales: investment in farms, other forestry and adaptation measures.
- Andalucía: processing and marketing of agricultural products, marketing of quality products, protecting the environment in connection with agriculture.
- Thüringen: investment in farms, processing and marketing of agricultural products, other forestry and adaptation measures.
- Thessaly: investment in farms, processing and marketing of agricultural products, other forestry and adaptation measures (managing agricultural water resources, developing and improving infrastructure, tourist and craft activities, protecting the environment in connection with agriculture).
- Poland: processing and marketing
- Slovakia: investment in farms, processing and marketing of agricultural products, other forestry and adaptation measures (reparcelling, diversification).

(2) Campania only provides a % increase in job creation.

Under the Guarantee co-financed rural development measures, a significant share of expenditure went to rural areas in which opportunities to generate a sufficient income from farming to support households and communities were limited. A key reason for the low uptake of the early retirement scheme was considered to be the relative attractiveness of off-farm employment to younger (potential) transferee

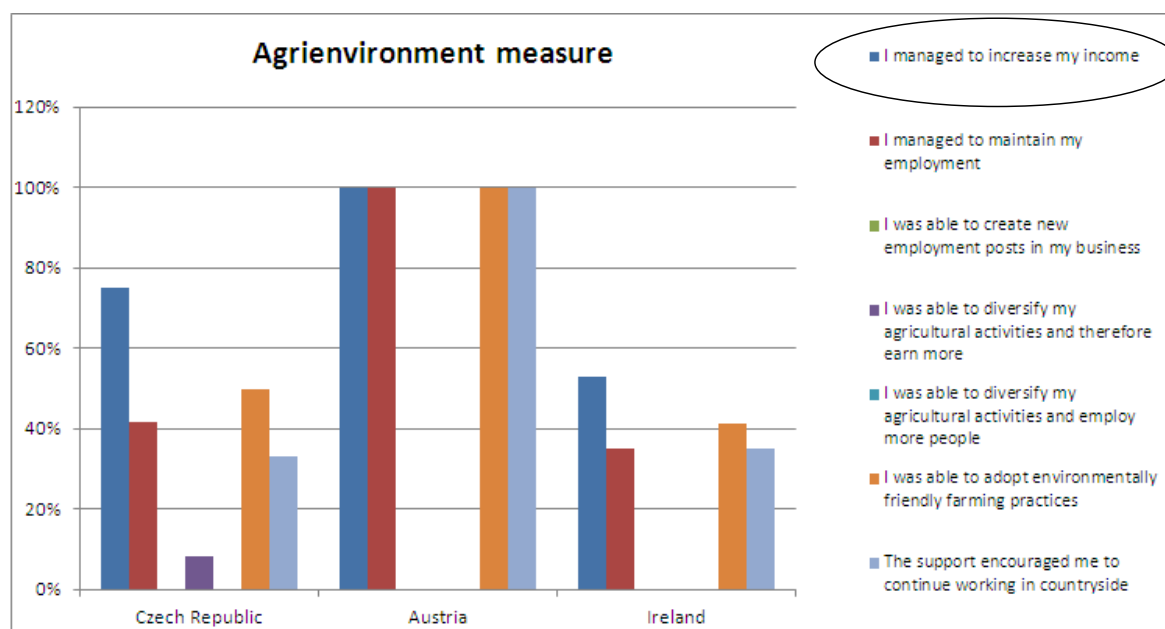


farmers. The early retirement measure has generated employment for transferees, which may have a more sustainable character when the farm stays within the family (transfers to farmers' children).

Many of the employment posts generated by the LFA and afforestation measures are of part-time and temporary character.

The agri-environment measures have more potential for safeguarding employment, since beneficiaries are already established farmers undertaking longer-term environmental commitments. The analysis of programmes where agri-environment corresponded to the bulk of rural development expenditure (namely, Austria, Ireland, Czech Republic, with over 40% share of agri-environment in their RDPs) shows that the most valued effect of these measures was on incomes (their compensation character dominates). This was followed by environmental effects and impact on employment maintenance (Figure 12).

Figure 12 - What do you value most from the RD support received in 2000-2006?



Source: MAPP

Diversification measures have contributed most to employment, in particular off-farm employment. Other measures contributed to securing employment, namely the adaptation measures through improvements in infrastructure and services and the agri-food processing measure by promoting investments, innovation and new technology. In this context off-farm employment creation was achieved by the adaptation measures, either as a result of additional technical work or due to diversification and tourism measures (e.g. France, Belgium, Spain and Germany). Interesting examples from Spain highlight that employment creation was concentrated in holdings that complemented their activity with forestry or diversification (such as tourism and services) or holdings that diversified towards rural tourism and proximity services (in Cataluña and the Basque Country). Two good examples, from France and the UK case studies, of how diversification worked well as a driver for employment are presented below.



Diversification and employment creation

Diversification as an option for adapting to change in Rhône-Alpes in France

Survival has been the main driver for diversification...

In the “poultry of the Drôme hills” development project, cattle livestock breeders decided to diversify instead of exiting farming. They therefore used diversification as a strategy for survival. In another project, the investment measure supported alternative activities to develop on-farm food processing or tourism. The option to diversify enabled both the creation of employment and the sustainability of the farm. [source: case study]

Employment creation through synergy in Wales, UK

Two measures, investment in farms and processing and marketing were combined to upgrade primary production facilities and install processing equipment for adding value to meat and dairy output from farms. A third measure (training) was used to help farmers adapt and diversify. As a result of this synergy between measures new jobs were created in agri-food businesses. [source: case study]

In relation to differences between countries, Table 22 illustrates that employment impacts in agriculture were significant for scarcely populated areas in Finland. Employment creation in Germany concentrated on the agricultural sector due to the high direct and low indirect impacts it creates, while 70% of new jobs in Spain in other sectors reflect the high backward linkages with the food industry.

Assessment of net impacts on employment

The analysis of ex-post evaluations concluded that the extent to which employment impacts are a direct result of rural development measures is not always clear. In several countries overall direct employment effects could not be differentiated or attributed to rural development measures. This is why the case studies attempted to analyse net impacts in more depth through the use of the MAPP and I/O methods.

The impact profile (Table 26) of case study countries attempts to depict the impact of different programmes and measures on rural development indicators, revealing that, in the majority of countries, the impact on employment was net, i.e. stemming from the programmes analysed in the fieldwork. In half of the cases, it was difficult to isolate the impact from Objective 1 programmes and Guarantee co-funded programmes (RDPs in the EU15 or TRDI in the EU10). This finding is confirmed by the quantitative analysis (IO method – see table below) which analyses net impacts (which were not very high in all countries/measures, but in all cases some net impacts can be observed).

There is limited data by gender but where it exists it stresses the importance of the tourism measures for female employment. However, the data needs to be interpreted with caution as the low share of female employment in all rural areas reveals that current imbalances have only been slightly corrected.

Quantifying employment effects provides a difficult challenge which illustrates the importance of monitoring data in this context and in pursuing the identification of the net employment effects of intervention. Generally there is a lack of data to enable reliable country comparisons.

Only a few regions offer specific data in their ex-post evaluations to show impacts on employment. The Basque Country is a good example, indicating the number of direct employment posts created in relation to rural tourism and proximity services and by type of activity (rural tourism, entrepreneurial initiatives related to services and productive activities) and gender. For this reason, we had to resort to another method (the IO method) for quantifying employment impacts of RD measures, but this was not possible

in all case study countries as the requisite data sets do not exist, reinforcing the conclusion that comparison between countries is difficult.

Table 22 shows that, in all case-study countries, rural development programmes were associated with positive effects on employment. The MAPP confirmed that employment maintenance was more significant than employment creation. According to the IO method, job creation is observed in all programmes analysed this way. However it is difficult to draw comparisons between countries, as they did not use the same menu of measures, in particular the menu of adaptation measures. It is however evident that higher job creation is observed in the Investment in farms measure, followed by the Processing and marketing measure (these measures are amongst those with higher budgets – see chapter 5.4). In some regions (Andalucía, Alentejo) the other forestry measures have also played a significant role in the observed positive effects. Qualitative assessment, from the interviews and MAPP, allows us to conclude that, amongst adaptation measures, those that contribute most to employment effects were related to diversification, e.g. diversifying agricultural activities and encouraging tourist and craft activities.

The IO method allows the assessment of cost effectiveness in relation to new jobs created for the “injection” of specific amounts of funding. For instance, in Eastern Finland, an annual spend of €4.26 million was estimated to create 142 jobs, with 128 in agriculture, through the farm investment measure and an annual spend of €6.32 million was estimated to create 88 jobs, of which 67 were in agriculture, through the adaptation measures. Hence, a higher ‘value for money’ in terms of jobs created can be observed in the farm investment measure for Eastern Finland (see last column of table 22 for a similar presentation of the cost of job creation in case study programmes for which data is available).

Table 22 – Contribution of rural development programmes to employment – by country

Assessment of impacts of programmes on income in case study countries				
Region/Measure ⁽¹⁾	Qualitative assessment ⁽²⁾	MAPP results ⁽³⁾		Input-Output results ⁽⁴⁾
		Create	Maintain	
East Finland (FI)		43%	32%	
Investments	Overall positive impact, especially in scarcely populated areas, thus contributing also to the viability of these areas.			142 new jobs of which 128 in agriculture Cost per job: €30,000
Start-up				n/a
Adaptation				88 new jobs of which 67 in agriculture Cost per job: €71,818
Rhône-Alpes (FR)				
Adaptation	Positive impact mainly at local rather than regional level.			46 new jobs of which 26 in agriculture Cost per job: €79,130
Thüringen (DE)				
Investments	Maintenance of employment in agricultural/forestry holdings as well as crafts and construction, the latter benefiting from jobs in the context of RD measures.			238 new jobs of which 195 in agriculture Cost per job: €50,882
Adaptation				625 new jobs of which 361 in agriculture Cost per job: €68,640
Thessaly (GR)		40%	51%	
Investments	Measures that contributed most in order of importance are water management, investments and processing and marketing.			196 new jobs of which 192 in agriculture Cost per job: €20,102
Adaptation				76 new jobs in agriculture Cost per job: €32,632
Processing & mkg				11 new jobs of which 3 in food processing Cost per job: €56,364
Alentejo (PT)		31%	55%	
Other forestry	Small employment effects in rural areas. Increased employment figures in agriculture are largely related to immigrants. There have been			384 new jobs of which 357 in forestry & agriculture Cost per job: €11,875



Assessment of impacts of programmes on income in case study countries				
Region/ Measure ⁽¹⁾	Qualitative assessment ⁽²⁾	MAPP results ⁽³⁾		Input-Output results ⁽⁴⁾
		Create	Maintain	
Adaptation	indirect effects on off-farm employment from processing and tourism activities.			50 new jobs of which 13 in agriculture Cost per job: €25,400
Andalucía (ES)		28%	41%	
Processing & mkg	Most significant impact on employment from diversification of economic activities, including the development of the agri-food sector. Forestry and environmental actions also allowed temporary and fixed employment.			320 new jobs of which 231 food manufacture Cost per job: €96,469
Other forestry				1036 new jobs of which 945 in forestry & agriculture Cost per job: €34,448
Adaptation				78 new jobs per annum Cost per job: €47,051
Hungary		19%	71%	
Investments	Investments contributed to sustainability of farms, thus to safeguard employment. There was some on off-farm employment but not that significant.			1415 new jobs of which 735 in agriculture Cost per job: €47,194
Processing & mkg				343 new jobs of which 282 in food processing Cost per job: €41,633
Adaptation				620 new jobs (construction and tourism) Cost per job: €41,742
Lithuania				
Investments				1369 new jobs of which 1006 in agriculture Cost per job: €7,560
Start-up				n/a
Processing & mkg				96 new jobs of which 50 in food industry Cost per job: €39,792
Adaptation				301 new jobs of which 191 in 32 in tourism sector and 78 to the rest sectors Cost per job: €14,817
Poland		9%	28%	
Investments	Modernisation has not resulted in new jobs but in making existing ones more efficient. Overall, however, the decline in total population working in agriculture implied limited impacts of RD measures on employment. Impact was higher in non-farm jobs.			n/a
Start-up				n/a
Processing & mkg				n/a
Adaptation				n/a
Slovakia		11%	35%	
Investments	Positive impact on employment. Modernisation and diversification are considered to particularly contribute to employment creation. Overall, the main impact of the programme has been on securing jobs that would have been lost otherwise.			409 new jobs in economy of which 256 address to agriculture Cost per job: €31,809
Processing & mkg				87 new jobs of which 43 in food industry sector Cost per job: €66,322
Other forestry				51 new jobs Cost per job: €31,765
Adaptation				177 new jobs of which 85 in construction and the rest in other sectors Cost per job: €20,904
Campania (IT)		29%	38%	
	Diversification of sources of income, to maintain employment in rural areas.			
Wales (UK)		11%	54%	
	Steady increase in employment rates indicating a correlation with activities under the Objective 1 measures processing and marketing and forestry.			

Assessment of impacts of programmes on income in case study countries				
Region/Measure ⁽¹⁾	Qualitative assessment ⁽²⁾	MAPP results ⁽³⁾		Input-Output results ⁽⁴⁾
		Create	Maintain	
	More than 70% jobs performed by women.			

Sources: Desk research, interviews, MAPP and input-output method.

Notes A: (1) Measures covered by Input/Output analysis include: (a) those implemented in the case study region; and (b) those for which NACE2 digit data exists. (2) Qualitative assessment: from interviews and desk research. (3) MAPP results (% of beneficiaries that state employment has increased or has been maintained) (4) Job creation, i.e. how many jobs were created in the regional/country economy and of these how many are in agriculture.

Notes B: The effects estimated by the IO have the following identities:

a) They are specific to the shocks, i.e. in this case policy shocks. So if a farm investment project of 1 ml EUR is found to generate 5 jobs, these 5 jobs are strictly attributed to this investment and to nothing else.

b) However, because in the real world there are a lot of countervailing factors influencing (e.g.) actual job creation in an area (such as macroeconomic conditions, a new taxation policy, prices, labour market rigidities, etc.) it is not possible to say that the actual effect (of the above investment example) is 5 jobs. This because in the real world this investment might have created 5 new jobs, but other developments might have resulted into the loss of 5 jobs, so in this case the total effect is 0. For this particular reason it is considered "accurate" to argue that these 5 jobs would have not been existed if this project was not materialized. In other words if the actual regional employment is x then the "absence" of this project would mean that employment would have been x-5.

5.5.4 Impact of rural development programmes on the sustainability of natural resources and the quality of the environment

Due to the lack of reliable quantitative data (baseline data and monitoring data) the main method used to quantify impacts on the environment was the MAPP method for impact assessment. MAPP tools were used to quantify opinions and information provided by participants.

The measures that contributed directly to the conservation and protection of the environment are, by definition, the accompanying measures which have environmental sustainability and improvement as an important part of their objectives. The synthesis of ex-post evaluations found that these measures were generally seen to have contributed positively to the protection and improvement of the environment. This is largely because of their environmental focus and mutual complementarity, in particular the agri-environmental schemes and the LFA-support.

The measures with the most positive impact are the agri-environment and afforestation measures, not only because of their objectives to this end but also because of criteria set for their implementation. Agri-environment measures target the rural environment most directly and are reported to have significant effects in many countries. This has arisen largely through reduced inputs, most markedly in relation to organic production methods, but a long term perspective is needed if this is to be sustained. The extent of geographical coverage achieved is a major positive contributory factor in the overall level of benefits secured. Agri-environment measures have contributed to soil quality, water quality and quantity, landscapes and cultural identity of rural areas. These measures are governed by requirements for input reduction which benefits the above environmental aspects. Specific farming practices such as organic farming and intensification, soil management practices (nutrient management, crop rotation, fallow, pastures management, etc.) and measures that include the preservation of genetic resources are conducive to the protection of the rural environment. Further, agri-environment measures contribute to recovering cultural identity mostly due to the opportunity to apply traditional agricultural activities (pasture, transhumance, etc.). Impact on landscapes is positive as long as the measures maintain the characteristics of the traditional agricultural landscape.

Case studies in programmes whose agri-environment budget exceeded 50% of their total budget, found that, after incomes, the most valued effect of the measure were environmental improvements. The most

important impact of agri-environment measures was on water and soil quality (70% of respondents in MAPP sessions).

Table 23 – Contribution of agri-environment measures to the environment – by case study country

Region/ Measure	Qualitative assessment ⁽¹⁾	MAPP results ⁽²⁾
Austria	<p>Here The measures were structured in the form of interdependent modules, with the aim to ensure a basic ecological orientation in the whole country which was supplemented by specific measures, tailor-made to individual topics or regions.</p> <p>As regards the participation of agricultural holdings in agri-environment and the development of the area covered by these measures, between 2000 and 2006 an increase was observed especially with respect to the more ambitious measures: The arable land managed according to organic farming criteria has doubled since the year 2000. Nature conservation measures, erosion control measures and groundwater protection measures were also applied successfully.</p> <p>As regards assets to be protected (soil, water, biodiversity, diversity of habitats, genetic diversity, landscape, socio-economy), several positive effects were proved by evaluation studies.</p> <p>In general, the agri-environment concept was considered successful, but there were regional differences as regards the acceptance and the effect of measures.</p>	45%
Ireland	<p>Probably the single most significant achievement of the agri-environment schemes is that they have succeeded in fundamentally changing attitudes towards the rural environment, they have also had a social benefit which, in itself complements the environmental improvements which are clearly visible on the Irish landscape.</p>	41%
Czech Republic	<p>Agri-environment measures fully achieved the objective of including 25% of Czech agricultural land in the nationwide sub-measures (with the exception of organic farming). It also partly fulfilled the objective of making 8% of agricultural land subject to organic farming and the objective that 30% of the area of valuable habitats would be managed under agri-environment measures.</p> <p>The most popular schemes included the farm wide sub-measure "Grassland Maintenance" (13,165 agreements/708,948 ha), the scheme "Growing of Catch Crops" (3,139 agreements/200,897ha) and "Conversion of Arable Land into Grassland" (1,378 agreements/33,825 ha).</p>	50%

Sources: Desk research, interviews, MAPP.

Notes: (1) Qualitative assessment: from interviews and desk research. (2) MAPP results (% of beneficiaries that state they were able to adopt environmentally friendly practices).

The afforestation measures have benefited the environment by contributing to lower emissions.

The afforestation measures also had an impact on improving the environment as far as previously intensively farmed areas were concerned. A common pattern is observed in Southern countries where, for example, the use of inputs (e.g. fertilisers, pesticides, etc.) was eliminated in most cases, or was significantly reduced. In this way the use of nitrogenous fertilisers and nitrogenous emissions to the atmosphere diminished. At the same time through new forests, the fixed carbon quantity was increased, thus reducing the amount of CO₂ in the atmosphere. The quality of landscapes was also improved in terms of afforestation (with a few exceptions, for instance in some areas in Spain where afforestation took place in steppe areas).

The environmental focus of the LFA scheme was in many countries the main factor that contributed to positive effects. In many programmes the LFA measure has a strong environmental focus (e.g. ES, IE, FI,



SE & UK). The LFA measure generates positive environmental effects through: the continuation of active farming, particularly in sensitive areas; the use of benign agricultural practices (e.g. organic farming, integrated production, etc.); extensification of livestock and through actions targeting water. In Ireland and Greece, the LFA has maintained active farming and farming populations in remote areas, together with cross-compliance criteria this has produced environmental benefits. In Sweden, there were marked effects in pesticide reduction in the LFA and support for environmentally friendly grassland albeit on a small scale (i.e. by a small amount). In the horizontal programme of Spain (source: ex-post evaluation) benign farming practices were applied to at least 60% of hectares in LFAs (the most frequent practice was extensive livestock - applied in 52% of UAA).

The perceived emphasis of non-accompanying measures was more on productivity and competitiveness improvements and less so on environment. Some measures with a directly environmental scope, such as water management and protecting the environment, had a relatively lower financial weight in the RD programmes and hence a lower impact potential.

On the other hand, the direct importance of investments, agri-processing and marketing (financially significant in most cases) on the rural environment should not be neglected. New machinery and equipment combined with improvements in processing and marketing processes introduced technologies that were both modern and “cleaner”. Therefore, even though environmental improvement was not the main focus of these measures in most programmes²³, positive impacts in this respect can be expected. Evidence (mainly qualitative) suggests a moderate impact on the environment from the non-accompanying measures but also some significant incorporation of environmental objectives. The Spanish horizontal RDP in non-Objective 1 regions (source: ex-post evaluation) illustrates that: 22.16% of investments introduced environmental improvements; 73.14% of investments were in new machinery and even if not targeted at the environment, they introduced indirect benefits due to energy or water savings, less erosion, etc; 35.29% of beneficiaries applied techniques for soil protection through integrated production processes; and 18% of holdings claimed to have reduced water consumption as a result of the investments. A four-fold increase in the value of support for green investments is reported in Aragon (ex-post evaluation), while 2% of total public expenditure in Cataluña went to cleaner technologies in the agri-food industry, while actions on landscapes affected more than 30% of agricultural and forestry surface in the same region (ex-post evaluation).

Environmental impacts vary across countries, with the case study countries showing a range of effects from awareness raising (Poland, Italy) to environmentally friendly investments (Portugal, Hungary), water management actions (Slovakia, Portugal) or forestry measures (Spain, UK) - Table 25 – Contribution of Objective 1 RD programmes to the environment – by country. However, as highlighted by Table 25, environmental indicators in some countries have continued to deteriorate in spite of the positive impacts of rural development measures. This brings us to the question about net effects of rural development upon the environment.

Assessment of net impacts on the environment

The trend analysis from the MAPP (Table 24 – Trend analysis of rural development indicators) shows how the overall quality of the environment, biodiversity and water quality has improved in most countries over the 2000-2008 period. However, when looking at the factors that determined this trend (Table 26 – Impact profile (assessment of the impacts of different programmes /measures on indicators), a variety of programmes and other factors can be identified that affected environmental conditions (and thus

²³ In NMS specific direct environmental improvement was an explicit measure objective achieved through the financing of environmental investments such as slurry storage in the context of the investment in farms measure.

indicators) depending on the country were identified, such as the environment operational programme in Greece, the TRDI programme in Poland, both Objective 1 and RDPs in Slovakia and Portugal, the RDP in France and Portugal, the ERDF in France and Spain, the latter being justified by the larger amount of funds allocated to the regions for environmental projects.

Table 24 – Trend analysis of rural development indicators

	Trend 2000-2008										Average Trend
	PL	HU	FI	GR	IT	PT	SK	ES	UK	FR	
New jobs in the agricultural sector	+	-	+	+	-	-	--	+	+/-	--	--
New jobs in the non-agricultural sector	+	+	++	+	+	+/-	+/-	+	++	+	++
Farm incomes	-	+	-	+/-	-	-	+	+	-	--	--
Incomes from non-agricultural activities	+	+/-	+	+	+	-	+/-	+	++	+	++
Access to services	++	++	-	++	++	+	+	++	+	+	++
Tourism	+	+/-	++	+	++	++	+/-	++	++	++	++
Quality of the environment	++	++	++	++	++	+	++	++	+	+	++
Biodiversity	+	+	+	+/-	++	+/-	+/-	+	+	+	++
Water quality	++	+	+	+	++	+/-	++	++	+	++	++

Source: MAPP in case study programmes.

Note: These are the results of the case study programmes only and country names depict the country where the case study took place. MAPP results are only associated with the case study region and not the country as a whole.

Key success factors that were identified to contribute to the protection and improvement of the environment:

- The proportion and scale of measures with an environmental component within a programme.
- The breadth of geographical coverage achieved is a major positive factor in the overall level of benefits secured;
- The limits and conditions set by the targeting of the measure (for instance, limits to stocking densities or the requirement to have a nutrient plan beforehand or the maintenance of extensive farming in sensitive areas). Therefore, the contribution is improved when the measure is better-targeted to the beneficiary needs and RDP objectives;
- Land use changes have been critical for measures like afforestation which involved a switch from agricultural use to forestry use. As a result new wooded areas are more beneficial to the environment (for instance in mitigating emissions) than “previous” non-wooded areas were. In agri-environment, land use, changes such as from intensive to extensive crops, mono-cultures to mixed crops, etc., benefit the environment through improved soil quality.
- Institutional activities outside rural development programmes are necessary complements to rural development measures, in order to offset negative impacts on the environment from some measures (e.g. more regulation in relation to limits of fertilisers that can flow into rivers).



Example - Protection and improvement of the environment in Austria

In Austria, many measures were environment oriented. It was estimated that 63.6% of the total RDP budget were dedicated to measures fully/mostly pursuing the objective of environmental protection; and 25.5% to measures with a positive side effect on the environment.

53.3% of the total RDP budget was dedicated to measures leading to favourable changes in soil use or avoiding negative ones: agri-environment measures were of special relevance in this respect.

63.6% of the total RDP budget was dedicated to measures with an impact on landscape protection: relevant accompanying measures in this respect were those concerning LFAs (crucial), agri-environment (many sub-measures with in-/direct impact) and forestry. [source: *ex post evaluation & case study*]

Table 25 – Contribution of Objective 1 RD programmes to the environment – by country

Region/ Measure	Qualitative assessment ⁽¹⁾	MAPP results ⁽²⁾
East Finland (FI)	All Objective 1 measures contribute to the environment in different degrees. Quality of the environment, followed by landscapes, scored highest in the MAPP sessions. 56% of participants claimed that their quality of life improved thanks to a cleaner environment, while the vast majority considered the contribution of EAGGF to have had a significant impact on soil quality. The second most important impact was on water quality as a result of less pollutants from agricultural activities.	44%
Rhône-Alpes (FR)	Objective 1 rural development measures had a limited impact on environmental indicators. Other programmes, namely the national RDP were by far more significant.	n/a ⁽³⁾
Thüringen (DE)	A range of positive impacts arising from the areas of animal husbandry, optimisation of plant protection and flood control, while these measures were combined with concerns of biotope networks and the protection of natural resources (water, air, landscape). Forestry measures enhanced the ecological value of forests (deciduous forest). Reparcelling substantially contributed to improvement, e.g. through safeguarding the availability of areas for the implementation of nature conservation measures and through harmonising the interests of agriculture and nature conservation.	n/a ⁽⁴⁾
Thessaly (GR)	Small contribution of Objective 1 measures to the environment. Measures with most impact are related to actions in Natura 2000 areas and interventions in forest areas. Indirect contribution of the processing measures through promotion of food quality standards. Water quality is continuously deteriorating due to flow of fertilisers into rivers.	21%
Alentejo (PT)	Only 5,3% of programme costs in Portugal and less than 4% in Alentejo were focused on the environment (but this region with very low density – about 24 inhab/sqr Km – irrigated areas where intensification is possible, still correspond to less than 15%). It is worth noting that 32% training courses had environmental objectives. Nevertheless, most of the field work stakeholders stated positive effects on the environment from the combination of measures and actions of the programme, especially investments related to water management in the farm and organic production of organic products.	31%
Andalucía (ES)	Measures in the Objective 1 programme include environmental criteria related to more efficient use of water resources, reduction of waste, protection of the environment and forest protection. A reduction in pesticides and fertilisers is evident. However, except the forestry and environment measures which are purely environment oriented the main motives for justifying supported projects were related the economic performance and production improvements and less so to the environment.	59%
Poland	The Objective 1 programme was important for the awareness raising element of supported actions on environmental protection. Over time, environmental indicators improved (water, soil, air), but it was the TRDI that had a higher impact on the environment.	45%
Slovakia	Despite quite low evidence of real impacts, the programme has considerably contributed to the improvement of environment through investments into water treatment mechanism, manure management facilities, alternative energy resources, new technologies (e.g. savings of energy), improvement of hygienic standards, etc.	12%
Hungary	Environmentally friendly technology in investment projects was the most significant source of improvement.	29%
Campania (IT)	Minimum environmental compliance was included in eligibility criteria. The programme had	28%



Region/ Measure	Qualitative assessment ⁽¹⁾	MAPP results ⁽²⁾
	an important awareness raising effect.	
Wales (UK)	Improvements in woodlands from forestry actions and improvements in watercourses, boundaries and other natural resource management actions.	54%

Sources: Desk research, interviews, MAPP.

Notes: (1) Qualitative assessment: from interviews and desk research. (2) MAPP results (% of beneficiaries that state they were able to adopt environmentally friendly practices. . (3) No quantitative response provided in Rhône-Alpes. (4) No MAPP carried out in Thüringen.

5.5.5 Impact of rural development programmes on quality of life and sustainability of rural communities

A recent paper by the European Evaluation Network²⁴ considers three dimensions of quality of life: a) the socio-cultural and services dimension; b) the environmental dimension and c) the economic dimension. The first dimension includes soft factors such as buildings or other infrastructures, in the context of village renewal, as well as the supply of basic services for cultural and leisure activities and for the rural population in general. The second dimension encompasses human well-being arising from the conservation and upgrading of the environment and rural heritage. The third dimension takes into account the provision of new economic opportunities for rural households, from activities such as tourism, crafts and rural services, which offer opportunities for on-farm diversification beyond agriculture and the development of micro businesses in the broader rural economy.

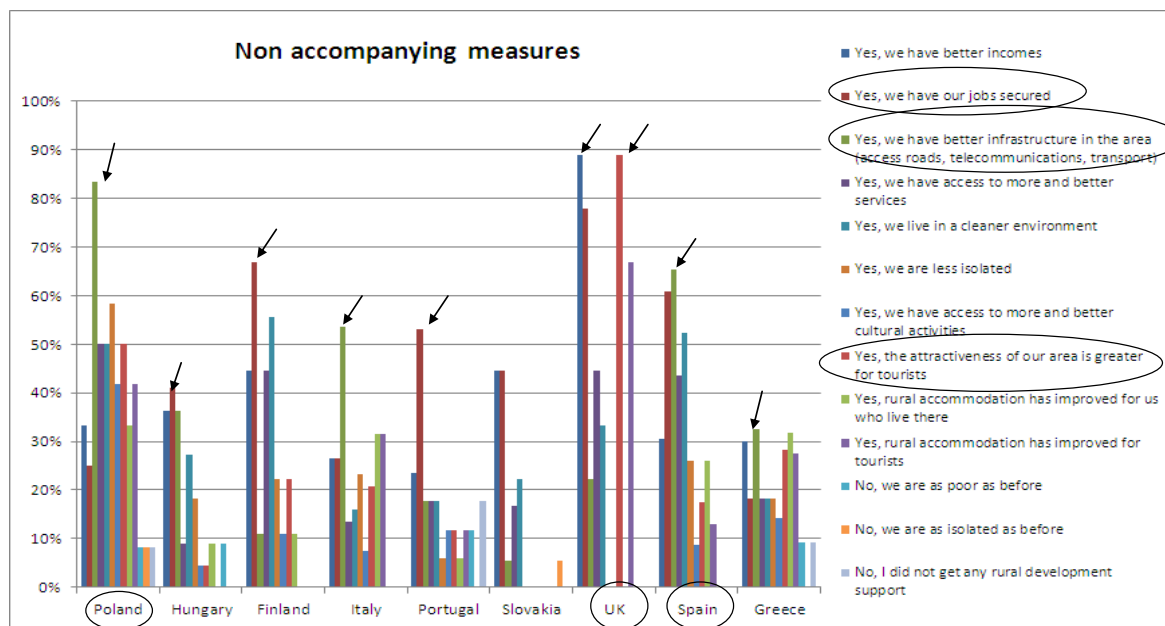
Using this as a basis, it appears that the performance of all measures included under Adaptation (Chapter IX) determines the impact of rural development on the quality of life and sustainability of rural communities.

The results of the MAPP session that attempted to assess impacts on (amongst others) quality of life, revealed that overall trends relating to access to services and diversification into tourism were overall positive in the 2000-2008 period (Table 24). At the same time, when asked about the reasons why their living conditions improved as result of rural development support in 2000-2006 (Figure 13), the overwhelming majority of respondents particularly stressed that key factors were: the improvement in incomes; availability of more and better infrastructure (access roads, telecommunications & transport) and that the attractiveness of the areas had increased for tourists. There are wide differences between case study countries, with Spain, the UK and Poland, presenting a better overall picture of most of the indicators assessed qualitatively.

²⁴ Working paper on Capturing impacts of Leader and of measures to improve Quality of Life in rural areas, EEN, July 2010



Figure 13 – Reasons why living conditions improved as a result of RD support



Source: MAPP

In relation to the net impact of rural development measures on these improvements, it is evident that it was the adaptation measures (net impact of these measures in this case) as well as Leader+ that were mainly responsible for the improvements in living conditions, through the provision of better services, access to infrastructure and diversification of rural economies.

The multi-dimensional character of quality of life includes the idea of "liveability", i.e. the services, environmental quality and social networks that make rural areas places in which people want to live. Liveability can be assessed by demographic trends so that when rural areas become attractive places to live, they contribute to the stabilisation of the rural population and reduce/reverse depopulation, which some of programmes of the 2000-2006 period aimed to address explicitly. This ex-post evaluation includes this demographic trend/aspect as one of its key questions.

The impact of rural development programmes on the stabilisation of the rural population

There is no overall picture for the EU25 of this aspect since there are considerable variations between countries and regions. In some regions there have been population movements into rural areas, sometimes as a result of the migration of city population into municipalities on the outskirts of larger city centres. However, only rural areas near cities were affected by this trend. In France and some Spanish regions this trend has been observed in more remote areas, where attractiveness was improved by a variety of somewhat contradictory factors, not always influenced by the RDP: e.g. the search of quiet unpopulated natural countryside or; contrarily, the attraction of lively populated areas open to touristic activities; the availability of modern transportation infrastructure which "kills" distance, etc. The attractiveness of rural areas for these "new residents" can be determined by rural development measures (which increase the provision of services and/or improve infrastructure and landscape characteristics) but also by many other diverse factors (e.g. the overall socio-economic context, while in some countries public authorities offer financial incentives to new settlers in rural areas).

Overall, rural development programmes seem to have had a limited impact on stabilising the rural population and when they did it was often overshadowed by other (rather many) factors which play a



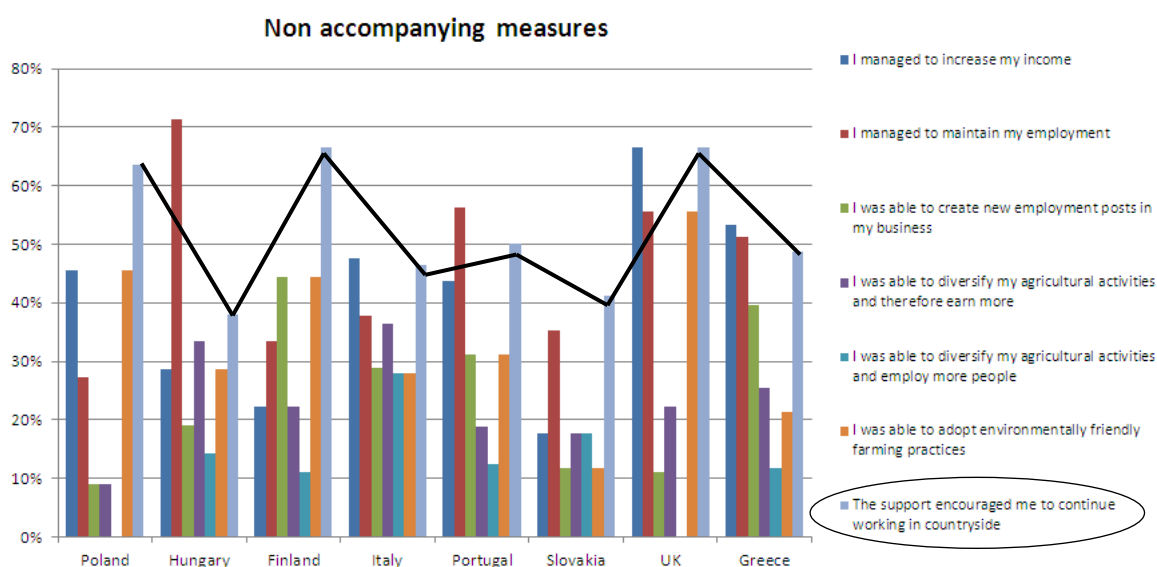
determinant role in population movements. The direct effects of rural development measures in stabilising the rural population have on average been limited. There are multiple factors that affect population movements (often determined by the overall socio-economic context rather than the specific situation of the rural sector or the cultural identity of rural areas, as a result of supporting traditional systems and practices), therefore rural development measures, in the best cases, managed to slow down rather than reverse depopulation trends²⁵.

In some countries and regions, rural development measures appear to have a limited, generally positive effect on the stability of the rural population, at least in terms of decelerated rather than reversed depopulation trends. The effects on the target groups of women and young people are marginal. This is not surprising, since the measures have been largely age and gender neutral. The exceptions are the support of early retirement and installation of young farmers which are specifically age-related. However their impact was marginal in many countries due to limited take-up and, most importantly, limited financial incentive.

Adaptation measures such as local infrastructure investment (conversions of public spaces, renovations, connection with environmental routes, access to remote areas), diversification of economic activities, investments in agri-food industries and improvements in agricultural holdings together with direct and indirect services offered to the rural population are all rural development measures that contribute to the attractiveness of rural areas, although not sufficiently to reverse depopulation trends in the face of greater external pressures.

The main impact of rural development support on the stability of the rural population, has been in the contribution it has made to the quality of life and cohesion in rural areas. The benefits achieved appear to arise through factors that contribute to the enhanced attractiveness of rural areas, especially through the adaptation measures that particularly promote accessibility and services in rural areas (see Figure below).

Figure 14 - What do you value most from the RD support received in 2000-2006?



Source: MAPP

²⁵ Though taking into account the very low share of RDP funds in terms of (e.g.) GDP in rural areas, such an achievement should definitely not be underestimated.



In the EU10, rural development programmes did not manage to stabilise rural population; the support provided was unable to stop emigration from rural areas to cities and to other EU countries. Only two countries showed positive population trends in rural areas: in Poland, an overall population decrease was recorded between 2004 and 2006 (with important emigration trends, particularly towards the EU15) but rural areas registered a slight increase (+0.3 %); and in Cyprus the rural population is higher than in the pre-2004 period. In Poland beneficiaries reported that access to the programme encouraged beneficiaries to stay and work in rural areas.

In terms of structure, the farming sector continues to be ageing and male dominated. There are exceptions that demonstrate a more dynamic role being gradually played by women: in the Basque Country (Spain) women represent 40% of beneficiaries from the set up measure. This region offers an interesting example of stabilisation of the rural population and demonstrates an unusual population movement: from urban to rural areas (see box below).

Example - Stabilisation of population in the Basque Country, Spain

The RDP measures contributed to improve quality of life and stabilise population in rural areas through the promotion of infrastructure and services. Key initiatives to this end include improvements in social, educational and health services, combined with rehabilitation and/or new housing and improvements in rural roads. According to statistics, there has been a significant increase in population in rural areas between 1999 and 2006: the population in rural areas rose by more than the total population of the region (15.37% as opposed to total 1.49%). In the 2001-2006 period this trend is confirmed (11.28% increase of population in rural areas and 2.24% in the total region).

The main reasons for movements from urban to rural areas is the improvement in quality of life thanks to the various initiatives in terms of improvement of services and infrastructure promoted by the RDP.

[Source: ex-post evaluation]

5.5.6 Impact of rural development programmes on the market situation and competitiveness of basic agriculture and forestry products

Rural development programmes did not have a great impact on improving the market situation for basic agriculture and forestry products. There are limited effects reported and no robust findings can be drawn from existing evaluation material. It is also difficult to assess productivity improvements at the programme level, which is more appropriate at measure level. In order of importance, the measures that contribute to productivity improvements include farm investments, processing and marketing, early retirement.

Quality improvements resulting from innovation and investments in new technology and infrastructure have increased the value added of agricultural products but not their market situation (e.g. reduced costs, increased sales), due to external factors such as changes in the structure of the food industry and supply chain, as well as price fluctuations. Portugal illustrates how for producers, directly exposed to exogenous market strategies, tactics and procedures (large wholesale, retail/distribution companies), the supported investment has worsened their situation, since their level of indebtedness increased in the process of obtaining rural development support. There are however also examples of investments in quality improvement that act as a driver for the local primary sector – see the example of pull-effects in the Basque Country in Spain below.

Example - Dynamic agri-food businesses and pull effects in the Basque Country, Spain

As a result of the processing and marketing measure a positive evolution and development of the agri-food sector was reported which is increasingly more modern and professional with regulated and quality products. According to available statistics, the sector generated 5.7% of employment and 5.1% of GVA of the industrial sector in 2006, superior to 2000 (5.3% of employment and 4.7% of GVA in 2000). The beneficiary enterprises of this measure have demonstrated high investment capacity and dynamism. In some cases the volume of investment supported by the EAGGF represented as much as 50% of annual investment carried out by the sector. Beneficiary enterprises represent close to 18% of the sector, which gives an idea of the business effort realised.

The investment projects contributed significantly to the introduction of more efficient processes and improved product quality. In addition, the Basque agri-food industry has played an important "pull" effect in the local primary sector since the processed raw material comes basically from the local market. Therefore there is a direct relationship between primary production and processing industry, at least in the sectors that benefited from the measure, which is translated into increased quantity and quality demanded.

[Source: ex-post evaluation]

Diversification and processing and marketing measures are the ones that contribute to the improvement of the market situation of basic agricultural products, principally through quality (Greece, France, Germany, UK & Finland), creation of new markets and increased value of local production, but this was only achieved to a limited extent in some cases (Netherlands & Belgium). At the same time, attractiveness of rural areas to visitors has been improved, thus offering new market opportunities to safeguard the market situation of basic agricultural products, especially through short distance delivery systems, but this remained quite limited, modest and uneven across regions and territories. Germany and the UK provide simple illustrative examples of how an intervention could positively reduce costs and improve the position of products in the market by enhancing their competitiveness.

Producers' associations drive down costs and improve competitiveness in Thüringen, Germany

The food industry is at the centre of the regional economy in Thüringen. Investments in basic products are often not profitable for individual holdings. The formation of a producers' association has therefore contributed to reduce transaction costs and create products with a clear profile.

As a result, the Objective 1 programme was evaluated to have made a vital contribution to the strong growth of regional food supply going along with the trend towards regional food that has been developing for the last 10-15 years. *[Source: case study]*

How food processing SMEs entered the market in Wales, UK

One of the principal difficulties encountered by farmers in Wales is that the market options are contracting with the large multiples having a virtual monopoly (cartel) role. More than 70% of butcher shops have been closed down due to the expansion of multiple outlets and their pricing policies. The dairy industry is slightly more independent but also suffers from multiple purchasing power.

It would have been unreasonable to have expected the Objective 1 measures to fully deal with this situation and tilt the balance back in favour of the farmer. However, improvements have come about as a result of EAGGF measures including the establishment of alternative markets in the shape of new and existing food processing SMEs in the region. Additionally, support to farmers in developing on-farm processing has meant that some farmers are now producing products such as cottage cheeses and processed meats for sale to consumers. As these activities grew in size, other surrounding farmers began to supply raw materials to the local processor, established under the programme. This in turn led to the establishment of local farmers' markets where the farmer sells direct to the consumer. These activities and direct actions have assisted in relieving the market situation created by the multiples in the region. *[Source: case study]*

In the EU10, the emphasis was on improved quality and through this, better positioning of food products in the market. For instance, in Poland under the farm investments measure and in Slovakia under the processing and marketing measure, investment projects focused on improving the quality of agricultural products as well as increasing the added value of production. As a consequence, products became more competitive and accessed the markets. By contrast, in Hungary despite the measures having the same objectives as in Poland and Slovakia, similar improvements failed to counterbalance the negative impact of increased competition from the EU after accession.

In the EU10 measures such as support to semi-subsistence farms and support to producer groups helped increase quality and improve the value-added retained at farm level.

For afforestation, new more efficient techniques introduced for afforestation and maintenance/forestry treatments are expected to contribute, in the long-term, to cost reduction, however it is too early to assess them, as it takes many years to obtain results from investments in forestry. Additionally, forestry products are subject to variations in supply and pricing which makes it even more difficult to reach conclusions.

Agri-environment measures have improved the quality of production factors through the protection or enhancement of soil and water quality. These are expected to lead to productivity improvements, however it is too early to assess this.

Table 26 – Impact profile (assessment of the impacts of different programmes /measures on indicators)

	Mainly influenced by (programme or measure)									
	France	Spain	Finland	Greece	Italy	Portugal	Wales	Slovakia	Poland	Hungary
New jobs in the agricultural sector	RDP, Obj 2, ERDF, ESF	RDP	Obj 1 (start-up)	Obj 1, Leader+	Obj 1	Obj 1, RDP	Obj 1	RDP	Obj 1 (processing and marketing)	Obj 1 (investments, direct income support)
New jobs in the non-agricultural sector	RDP, Obj 2, ERDF, ESF	RDP	Obj 1 (training)	Obj 1, RDP Leader+	Obj 1	Obj 1 (other forestry, water management)	Obj 1	RDP	Obj 1 (processing and marketing)	Obj 1 (processing and adaptation)
Farm incomes	RDP (national)	Regional RDP and horizontal RDPs	Obj 1 (start-up)	RDPs	Obj 1	Obj 1 (other forestry)	Obj 1	RDP	TRDI Obj 1 (start-up)	Obj 1 (investments, infrastructure development)
Incomes from non-agricultural activities	Leader+	Obj 1, ERDF	Obj 1 (adaptation)	Obj 1, RDP, Leader+	Obj 1	Obj 1 (start-up and investments measures)	Obj 1	RDP	Obj 1	Obj 1 (processing and adaptation)
Access to services	Leader+	ERDF	Obj 1 (adaptation)	Obj 1, RDP, Leader+	Obj 1, Leader+	RDP Projects funded by other (non EAGFF) sources	Obj 1	RDP Obj 1	Obj 1	Obj 1 (infrastructure)
Tourism	Leader+	Leader+	Obj 1 (adaptation)	Obj 1, Leader+	Obj 1	RDP Projects funded by other (non EAGFF) sources	Obj 1, Leader+	RDP Obj 1	Obj 1	Obj 1 (expansion of rural income opportunities)

	Mainly influenced by (programme or measure)									
	France	Spain	Finland	Greece	Italy	Portugal	Wales	Slovakia	Poland	Hungary
Quality of the environment	RDP (national)	ERDF, Obj 1	Obj 1 (investment)	OP Environment	Obj 1	RDP and Obj 1 (other forestry)	Obj1, Urban	RDP SAPARD	Obj 1 (processing and marketing) & TRDI	Obj 1 (investment, processing)
Biodiversity	RDP (national)	POIA	Obj 1 (adaptation)	OP Environment	Obj 1	RDP	RDP, Obj 1 Leader+	RDP Obj 1	TRDI	Obj 1 (investment, processing)
Water quality	Obj 1, ERDF, ESF	EFRD	Obj 1 (investment)	OP Environment	Obj 1	Obj 1 (other forestry, water management) and RDP	Obj 1, Urban	RDP Obj 1	TRDI	Obj 1 (investment)
Dominant	Obj 1, ERDF, ESF	Obj 1, Horizontal RDPs	Obj 1 (adaptation)	Obj 1, RDP	Obj 1	RDP	Obj 1	RDP	Obj 1	Obj 1 (investment, processing, adaptation)

Source: MAPP

5.5.7 Effectiveness of identifying priority beneficiaries

There are examples of some programmes and measures that targeted particular beneficiary groups or projects through focused eligibility and/or selection criteria. There is however also concrete evidence of weaknesses associated principally with failures to take into account the financial constraints of small size farms/rural businesses and the broad definition of target groups that often favoured more experienced/ economically stronger beneficiaries over those most needing support. The lack of administrative experience/ capacity in new Member States was responsible in some cases for the ineffectiveness of reaching priority beneficiaries.

This section analyses the extent to which the implementation of each measure successfully reached priority beneficiaries or projects. The analysis of RDPs [see chapter 3], the ex-post evaluations (specific evidence found in 25 of them) and the case studies offer evidence of how targeting/eligibility criteria facilitated or impeded programmes to reach priority beneficiaries and projects.

Findings from the RDP summaries and ex-post evaluations

A. Positive experiences in relation to targeting

Key factors that contribute to effective targeting towards priority beneficiaries and projects include: a) the focus on disadvantaged groups; b) territorial delimitation; c) clarity in the formulation of criteria and d) local knowledge and proximity to target groups.

a) Focus on disadvantaged groups. The **Eastern Finland** programme explicitly targeted women and young people as target groups. Effective targeting in this respect is evident in the fact that job creation and maintenance for these groups exceeded targets (e.g. for the investment measure, 118 jobs created for women against 80 foreseen; or the adaptation chapter which created 509 female businesses against a target of 400). The programme is characterised by overall success in terms of reaching and even exceeding its targets (e.g. overall job creation by the programme exceeded the target by 45%; more

than one third of jobs were in scarcely populated areas; the target for the creation of new businesses for women was reached) [*source: final report Eastern Finland*].

b) Territorial delimitation. Austria offers a good example of territorial targeting through the development of a GIS technology to identify priority beneficiaries as described in the box below. This can offer a solution to problems associated with the zoning system in France (see below under 'weaknesses').

Austria – how technology can complement eligibility criteria to help reach priority beneficiaries

Austria is a good example in terms of using technology to effectively target compensatory allowances. A national cadastre and GIS technology were used to identify priority beneficiaries and ensure that mountain farms with high and/or extreme handicaps and thus higher production costs and lower income per eligible hectare and per holding, received a considerably higher compensation than non-mountain farmers or farmers with lower handicap. [*source: ex-post evaluation*]

c) Clarity in the formulation of criteria. In **Austria** the agri-environment measure led to a high participation of farmers (75% of all agricultural holdings took part in the agri-environment scheme), although there were regional differences. Eligibility criteria for this measure in Austria facilitated the participation of holdings with the greatest environmental needs; both beneficiaries (case study focus groups) and managing authorities (survey) confirm this. A key factor was clarity of the eligibility criteria in the formulation of the preconditions for obtaining support and the cultivation requirements. It must be stressed that it was not just the eligibility criteria but a range of factors that facilitated the participation of priority beneficiaries, including the provision of information and advice to farmers (shown also above under 5.5.7 "Information and publicity"). In fact the whole measure was designed as a set of interdependent modules, tailor-made to individual topics or regions with the aim of ensuring basic ecological orientation in the whole country. [*source: case study*]

There is evidence that early involvement of those who directly undertake delivery activities in strategy specification, the design of actions and definition of eligibility and selection criteria, brings real benefits in the formulation of clear criteria. In **Cataluña** (ES) this was reflected in the processing & marketing measure where sectoral agents had intervened in all phases of the programme (ex-post evaluation). [*source: ex-post evaluation*]

d) Local knowledge and proximity to target groups. The importance of local knowledge at the regional level to effective targeting and delivery was highlighted in Denmark, Finland, Portugal and France. In **Denmark** this was thought to be important in implementing Chapter IX (adaptation) measures which tend to be more locally focused, while in **Eastern Finland** the overall approach was more locally targeted through delivery through regional strategies perceived to be quite effective [*see also chapter 5.6.2 about institutional arrangements in Finland*]. In **Alentejo** (PT) the identification of priority beneficiaries was achieved by the proximity and close relationship of the Alentejo management authority with the farmers' organisations. In **Rhône-Alpes** (FR) the provincial monitoring and selection committees were "on the ground" structures that facilitated the identification and selection of priority beneficiaries. This was considered essential for achievement of positive results by the programme in terms of securing employment at local level and improving the market situation for basic agricultural products. [*source: DK ex-post evaluation, FI, PT & FR case studies*].

In relation to specific measures, there are several examples where focused eligibility criteria contributed positively to reaching priority beneficiaries and projects. A few of these are offered below:



Examples of focused targeting that helped reach priority beneficiaries

Investment in farms	<p>Young farmers through reduced minimum investment thresholds (LU, DE), funding rates up to 10% higher than those specific to other beneficiaries as provided for in the legal framework (FI, FR, UK, CZ, PL, SK).</p> <p>Focus on small size farms (FR)</p> <p>Priority for farmers engaged in a “territorial farming contract” (TFC), an agreement between the state and the farmer to implement a package of measures [see example from France for details about the TFC under chapter 5.2]</p>
LFAs and AERs	Higher compensation per hectare to small farms in mountain areas (PT)
Processing and marketing	<p>Targeting key sectors of the regional economy (all Objective 2 programmes in FR, Thessaly in GR, HU)</p> <p>Targeting small size (Rhônes-Alpes, FR):– a strategic choice to target the measure to small and medium size cooperatives in fragile rural areas for which increased value added is the only possibility to develop.</p> <p>Priority given to small remote areas and mountain areas (Friuli Venezia, IT).</p>
Marketing of quality agricultural products	Priority given to small producers (4 Spanish programmes, 2 German programmes) and to collective actions (most Objective 2 programmes in France).
Renovation of villages	Priority given to rural areas with most environmental potential (4 Spanish programmes)
Protecting the environment	Priority to specific hunting areas and hunting societies (Rioja, ES).
Diversification	In Thüringen (DE) eligibility criteria stated that “funding shall mostly go to rural municipalities with a local development concept and an agri-tourism focus” stemming from the need to support municipalities with higher needs and potential for tourism development.

[Source: most recent versions of RDPs, ex post evaluations & case studies]

B. Weaknesses

Based on the evidence, weaknesses associated with the capacity of programmes to successfully reach priority beneficiaries can be grouped in three categories: a) lack of self-finance; b) broad definition of target groups and c) lack of administrative experience and/or capacity. These are analysed below.

a) Lack of self-finance. One commonly reported weaknesses in eligibility criteria was the lack of self-finance (i.e. private contributions) for some of the most disadvantaged beneficiaries, such as small farms or businesses. This was mainly reported for investment related measures, for instance in **Eastern Finland** for the farm investment measure and in **Thüringen** (DE) for the processing and marketing measure (case studies). Smaller holdings had difficulty in applying for these measures since they lacked own start-up capital.

The lack of self-finance was an issue in **Hungary**, where eligibility criteria did not differentiate in favour of small farms in the farm investment measure. Analysis of the situation at the programming stage revealed that 40% of the productive land area was occupied by very small production units, most of which fell within subsistence farming. The Hungarian Objective 1 programme aimed to address the self-financing issue, by including some specific features to allow SME farm businesses to benefit from soft loan arrangements. So, although the eligibility criteria for the farm investment measure did not single out small farms, other targeting was provided, to enable them to access the measure.

For agri-environment measures in the **Czech Republic**, despite a large number of small farms, eligibility criteria did not differentiate in their favour. Small farms were considered priority beneficiaries since they

apply extensive traditional farming practices and contribute to species and biodiversity conservation. However, payments per hectare to these small-scale beneficiaries could not offset high administration costs.

b) Broad definitions of target groups. This was the second most reported weakness. It was common for programmes (in 66 of 75 ex-post evaluations) to use the standard eligibility criteria without specific differentiations. In fact, one of the main criticisms was the “broad” definition of target groups which stemmed from the lack of specific eligibility criteria to differentiate in favour of priority beneficiaries.

This is clearly illustrated in the **Andalucía** (ES) case study, where the processing and marketing measure targeted “businesses of the agricultural sector”. This was criticised by beneficiaries and other regional stakeholders for being “too broad” and making support available to any enterprise or cooperative that met the standard eligibility requirements. In the case of the olive sector and the fruit and vegetable sectors, the implementation of the measure resulted in overcapacity in terms of processing infrastructure: “there are towns in Andalucía where there are 3 or even 4 cooperatives that produce olive oil in the same street, competing with each other and suffering the fall in prices of the past years, which is partly due to the lack of concentration of the sector”.

c) Lack of administrative experience/capacity to address the needs of potential applicants. This was a third weakness, most common in the EU10 where applicants were generally inexperienced and this resulted in poor quality of applications. In Hungary for instance, where priority beneficiaries included women and Roma people, there were high proportions of rejected applications (e.g. 59% for the start-up measure, 41% for the training measure, 48% for the renovation and development of villages). Lack of administrative capacity was reported as a key reason for limited support to potential beneficiaries at the application stage. Other priority beneficiaries such as semi-subsistence farms did not receive assistance in time, this was due to the late provision of information regarding this measure [see also chapter 5.6.1 under “information and publicity”].

d) Other weaknesses in eligibility criteria. These are associated with aid intensities, territorial differentiation, facilitation of links with other measures, adaptability to local contexts. Representative examples are offered below:

Examples of weaknesses in targeting that reduced the capacity to reach priority beneficiaries

Start-up assistance for young farmers	In Poland , eligibility criteria for the start-up assistance to young farmers’ measure did not include any specific objectives to be met by the beneficiary and did not promote links with the early retirement measure. As a consequence, the overall structural effects (i.e. increased number of farms run by young farmers) were lower than anticipated.
LFAs and AERs	Lack of territorial or handicap intensity differentiation: the designation of LFA did not reflect the actual situation, i.e. there were LFA farmers that could not receive support despite their disadvantaged status (LT, HU, ES, FR, IT)
Processing and marketing	In the Slovakia case study, eligibility criteria did not target specific groups of beneficiaries. The strict application of the criterion “economic health” implied that larger farms were able to obtain support more easily than small farms. A further criterion of “minimum revenue from farming of 35%” excluded small farms that use their machinery to provide services but did not consider that to be revenue from farming.

[Source: most recent versions of RDPs, ex post evaluations & case studies]



The LFA measure merits attention as several weaknesses in relation to targeting are observed. They further elaborated below:

- In **Lithuania** the LFA measure did not necessarily benefit priority beneficiaries. It also reached city residents who regained land and were registered in the Agricultural and Rural Business Register. This weakness was corrected, but not before the 2007–2013 period, when beneficiaries were required to maintain the land in good agrarian condition and to engage in farming.
- In **Spain** LFA support is granted on the basis of land owned by the beneficiary. One example from the North of Spain is livestock farmers who inherited land not officially registered under the farmer's name. This land remains outside the eligibility area and support is therefore inferior to their actual needs. The same occurs when livestock farmers use common grazing areas (not under the livestock farmer's ownership).
- In **France** the zoning system takes into account only administrative limits, consequently farmers in adjacent communes may be treated differently as regards LFA support even if they both live and work in similar disadvantaged areas.

5.6 Delivery Systems

This chapter analyses the delivery systems established at EU level that are designed and implemented at programme level by the managing authorities. In particular it assesses the different institutional, programming and financing requirements in and outside Objective 1 regions, the French Objective 2 regions and the new Member States. Special consideration is given to the capacity of programmes to reach priority beneficiaries through the eligibility criteria and targeting applied. Additionally, for the new Member States, the level of preparation and administrative capacity for the implementation of post-accession rural development programmes is assessed.

5.6.1 Extent to which different implementing arrangements contributed to maximising the intended effects of the programme

Administrative burden and bureaucratic procedures was the most frequently reported weakness of delivery systems. This was evident through high transaction costs, lengthy and demanding application procedures, limited staff capacity and compatibility issues of data gathering and reporting. There are however examples of corrective actions taken to reduce this burden. There is evidence that implementing arrangements have contributed to maximising the intended effects of programmes through information and publicity. However, information flows have not always been optimal in effectively reaching beneficiaries, both positive and negative experiences stress the critical role of such flows in promoting the uptake within programmes. The effects of premium differentiation may be offset by lack of competition for funds. Finally, there is little evidence leverage effects but facilitating and impeding factors for the maximisation of leverage effects have been identified.

A. Administrative burden and bureaucracy

The administrative burden and associated bureaucratic costs and delays stand out as the most frequently-reported factors that act as an impediment to the participation of beneficiaries and the achievement of programme objectives. Twenty-three (23) ex-post evaluations offer direct evidence for this, as well as all the case studies.

Findings from the ex-post evaluations and case studies

There are five categories of aspects associated with the administrative burden and bureaucracy analysed here: a) high transaction costs; b) lengthy and demanding application procedures; c) limited staff capacity and high turnover; d) compatibility of data gathering and reporting burden and e) legislative aspects, relevant for the EU10. It is also interesting to note that in the regions where bureaucracy was identified as an implementation constraint, it (the level of bureaucracy) has become increasingly dysfunctional in programmes and schemes currently under implementation (from 2007 onwards).

a) High transaction costs. The transaction costs involved in complying with complex regulations and lengthy procedures can have a negative impact on the implementation of measures and on the number of potential beneficiaries coming forward, particularly when the available support is relatively small in comparison to these costs.

There is evidence from nine countries, Austria, Belgium (1 region), Germany (4 regions), Spain (1 region), Slovakia, Latvia, Hungary, Czech Republic and Malta that high transaction costs discouraged beneficiaries' participation; particularly in the case of smaller enterprises, such as in **Wallonia** (BE). In some cases this problem was specific to particular measures. The afforestation measure in **Germany** provides a clear example of the high bureaucratic burden being compounded by high opportunity costs that were only partially offset by the afforestation premium. As a result, limited uptake resulted in negligible effects for this measure (e.g. only 500 ha afforested in Hessen – compared to 895,000 ha of total forest area; only 1,861 ha afforested in Lower Saxony and 296 ha in Nordrhein-Westfalen). In some Spanish cases compliance with environmental regulations, such as requirements to prepare an environmental impact assessment report deterred beneficiaries from applying (the case of the **Madrid** RDP).

The high administrative burden also deterred potential beneficiaries in **Slovakia** and this was compounded by misunderstandings between beneficiaries, administration and ill prepared systems (limited data availability, partially developed information system) as identified in other new Member States (**Latvia, Hungary**). In **Malta** financial assistance for some agri-environment measures was too low in relation to the bureaucratic burden (amount of paper work and time involved). There is evidence (from the fieldwork of the Maltese ex-post evaluation) that beneficiaries might be deterred from applying in the future because of high transaction costs. For other measures, issues arose due to the volume and complexity of data relating to land holdings and support and the administrative burden that this caused e.g. in Malta with the relatively large population of farmers and many small and fragmented holdings. In the **Czech Republic** demanding administration requirements was a problem for small farmers, who faced problems such as limited access to information and lack of capacity to invest in order to meet the administrative requirements and high bureaucratic costs.

b) Lengthy and demanding application procedures. Complicated and demanding application procedures are a relatively common issue. **England** reported evidence that the application process was burdensome and payment schedules too long. **Spanish** evaluators (horizontal programme, Baleares, Cataluña and Basque Country) commented on the length/volume and complexity of required documentation and its impact in causing programme managers to focus more on management and administration issues, instead of advice and support to beneficiaries. A particular issue here is that where personnel resources are restrained by heavy administrative duties, this also constrains their ability to provide advice and support beneficiaries. In **France**, in the case of the processing and marketing measure the lengthy time period between application and approval delayed the implementation of several important projects

beyond 2006, while in **Saarland** there was a long waiting period between application and approval/rejection.

In **Greece** the issue of delays was more common, as implementation and monitoring procedures were marked by bureaucratic requirements, requiring several layers of approvals in a context of rigid hierarchies. Similarly in **Poland** the accreditation process of the Paying Agency was a costly, demanding and time consuming process. As a result, applications were collected but in order to pay money to beneficiaries the Paying Agency had to be accredited, this resulted in an elapsed time between applications and first payments of between 175 days for agri-environmental measures and 366 days for afforestation.

The case studies highlight examples of lengthy and bureaucratic application procedures leading to lower uptake by the target groups with the highest needs:

Case study examples of bureaucratic impediments to effective implementation

Austria: Bureaucratic procedures are criticised by farmers. Especially mandatory documentation of farming practices (fertilisation) are considered too time-consuming. Excessive bureaucracy might be discouraging and lower the high rate of participation.

Thüringen, Germany: A kind of self-selection process of beneficiaries due to the overly high bureaucratic effort related to obtaining funding, is reported to pose a problem. That is, those potential beneficiaries with a higher level of engagement/capacity and support experience from previous funding, are more likely to apply, although they might not be those with the highest need of support. Overly high bureaucratic effort is regarded as a severe obstacle, especially with regard to the farm investment measure. The situation is assessed to have exacerbated in the 2007-2013 period as compared to 2000-2006.

Hungary: Both interviews and focus groups showed that highly bureaucratic requirements discouraged many beneficiaries (especially small scale ones) from applying for support.

c) Limited staff capacity and high staff turnover. In a small number of cases, limited staff capacity and high staff turnover were due to high administrative requirements. This was reported in Spain, Malta, Germany (2 programmes) and Portugal. **Spain** highlighted an increase in administrative tasks for existing staff. In **Malta** these issues were considered to constitute a threat to the progress of both the 2004-2006 programme and future programmes. One specific element identified was that the EC audits mentioned deficiencies in spot checks process. **Berlin and Saxony** in Germany reported on the lack of staff and high amount of manual work. In **Portugal**, it appears that successive government changes, during the programming period, imposed changes in government structures that resulted in frequent staff turnover within the management authority of the Objective 1 programme.

d) Compatibility of data gathering and reporting burden. There are clearly issues relating to the compatibility of different data gathering and reporting mechanisms. These may arise from organisational differences (e.g. data systems), cyclical factors (e.g. financial years) or production factors (e.g. growing seasons). In **Saxony** (DE) there were considerable difficulties in preparing the programme through poor coordination between departments and their sources/systems/data etc. **Mecklenburg-Western Pomerania** (DE) reports that difficulties associated with the lack of coordination of the various financial periods caused great complexity, delays and increased administrative burdens. In **Greece** new beneficiaries were added to programmes at various times, while inspections took place outside the growing season therefore missing some beneficiaries.

e) Legislative aspects. In the new Member States legislative aspects sometimes caused delays. The ex-post evaluation of the **Czech Republic**, demonstrates that the early retirement measure uptake (74%



against 100% foreseen) was due to a long delay in the approval of the relevant legislation. At the same time, the producer groups' measure suffered from an unclear legislative framework (no agreed list of commodities for the measure). The case study in the Czech Republic identified that, in addition to what is mentioned in the ex-post evaluation for TRDI measures, beneficiaries of Objective 1 programme measures were burdened with inconsistencies in the land registry and information systems. Some beneficiaries had to return subsidies since their initially approved land area changed status after updates to the system. In an effort to correct this, the Czech Republic developed electronic access to the land registry and electronic registration of livestock. In **Poland** the prolonged process of preparation of legal acts caused delays in the assessment of applications.

Corrective actions taken to reduce the administrative burden. In **Germany** the evaluators report few real administrative difficulties. In some cases administration procedures were simplified, e.g. in Bavaria a tier of administration was removed in the 'other forestry' measure. In the same case, the costs and duration of the administrative procedure for the land reparation measure were also reduced. **North Rhine-Westphalia** tightened their application procedures for processing and marketing, in order to address concerns over deadweight, which resulted in a stronger performance of the measure. In **Northern Ireland**, the integration of the application and payment processes for LFAs into the existing payment mechanisms of the Ministry made the scheme easy to apply and administer.

Lithuania offers a good example of simplification in administrative processes, including reduced number of documents to be submitted, decentralisation of application submissions and single application form for LFAs and direct payments. The latter resulted in high popularity of the LFA measure and led to the adoption of a similar simplified procedure under the 2007-2013 RDP. In one, apparently effective, approach to reduce the burden the **Maltese** Paying Agency issued Manuals of Procedure (addressed to the delegated bodies responsible for the implementation of the programme) for each specific scheme (or for procedures relating to the administration of such schemes) guiding the procedural requirements and quality aspects of the delegated tasks. These manuals were continuously updated over the course of the programming period.

Findings from the survey

Bureaucratic procedures have on average reduced the efficiency of RDPs to reach those with the greatest needs (a score of 43%, i.e. a medium/low assessment). This gets worse for some countries that reported more severe aspects of bureaucracy, such as Malta (37%), Spain (33%), France (32%) and Poland (20%). In the Czech Republic, the effect of bureaucratic procedures is assessed as being rather unfavourable (score of 29%), despite the corrective actions taken. Interviews followed up on this to show that the low score must be attributable to the high transaction costs incurred by beneficiaries (payments per hectare was very small in relation to the high administration costs for the beneficiary).

B. Information and publicity

There are two aspects analysed here: the extent to which the flow and content of information was adequate for efficient management and for effective implementation of programmes/measures. Information provided towards target groups/beneficiaries as well as towards implementation bodies is assessed. Good quality evidence and examples are found in 12 ex-post evaluations from ES, GR, IT in the South, DE, BE, FI in the North and LT, LV, CZ, HU in the EU10. These findings were enriched through the case studies.

Findings from the ex-post evaluations and case studies

What positive experiences have in common is the commitment of responsible authorities to raising awareness through various means such as training and advice, publication of leaflets and manuals. The importance of sufficient and detailed information provision is supported by representative examples presented below:

- The smooth implementation of the agri-environment measures in **Ireland** is a result of (amongst other factors) training programmes which raised awareness of farmers, thereby increasing their interest and subsequent participation in the scheme. In fact one of the, unanimously stated, most significant achievements of the agri-environment measures is that they have succeeded in fundamentally changing attitudes towards the rural environment, they have also had a social benefit which, in itself, complements the environmental improvements that are clearly visible on the Irish landscape. [*source: case study*]
- In **Bavaria** (DE) where the information flow in the other forestry measure was improved in response to a recommendation by the MTE while training events were offered to prepare beneficiaries of the diversification measure. [*source: ex-post evaluation*]
- The importance of a strong communications approach in ensuring a good flow and dissemination of advice and information towards potential beneficiaries is highlighted in the **Baleares** and **Basque Country** ex-post evaluations from Spain, with the use of multiple information channels being important here. [*source: ex-post evaluation*]
- The Objective 1 programme in **Poland** was centrally managed, however it offers a good example of central as well as regional level provision of information. The Agency for Restructuring and Modernisation of Agriculture (ARMA) was the largest implementing body (80% of the budget allocation was consumed by measures implemented by ARMA). It offered, upon request, information to beneficiaries on the implementation and paying procedures. In addition, the implementation process was strongly supported by the agricultural extension centres which are present in all Polish regions. The extension centre employees were active in both the process of training activities and advisory services for beneficiaries of the Objective 1 programme. [*source: case study*]
- Methodological materials such as manuals for the LFA measure in **Latvia** increased its efficiency. [*source: ex-post evaluation*]
- In the **Czech Republic** information and publicity activities to promote the RDP measures, educate and raise awareness of their value to rural communities and the environment were taken forward with national level funding; this facilitated the timely implementation of several RDP measures, especially agri-environment, as illustrated in the Czech case study:

The provision of information in the context of the agri-environment measures in the **Czech Republic** underwent a gradual improvement, as the first phase of the RDP implementation was characterised by lack of publicity and information on individual measures (including AEM). Since 2005, publicity activities improved and farmers and other land managers were provided with a variety of information leaflets and brochures on AEM. The positive effect of these publicity actions is evident in the growing interest of farmers in the majority of sub-measures and schemes during 2004–2006. Nearly 75% of the farms benefiting from payments (surveyed within the ex-post evaluation), argued that the AEM had a positive effect on their farm operations. This positive appreciation corroborates the findings from the ex-post evaluation above. [*source: case study*]

What negative experiences have in common is: a lack of awareness raising activities; lack of specificity on the requirements that applicants had to fulfil; lack of, or limited, advice offered to beneficiaries and the late provision of information. The provision of adequate and timely information was particularly relevant

in the new Member States where several measures were novel and potential beneficiaries lacked previous experience. This is illustrated clearly in the examples below:

- In **Lithuania**, there was a need for more awareness raising on eligible territories among potential LFA applicants operating in Natura 2000 areas. Information to applicants on the implementing demanding standards measure lacked specificity concerning requirements to be fulfilled for compliance with the Nitrate Directive, while regional environmental departments did not take a proactive role in providing environmental information. The novel character of the agri-environment measure coupled with limited information to potential beneficiaries resulted in low interest and consequently low uptake of most sub-measures: more than three quarters of applicants and 98.5% of funds under AEM corresponded to organic farming, which was the only component where experience already existed. [*source: ex-post evaluation*]
- In **Hungary**, there was insufficient information provision on the meeting standards measure. Late publication of information leaflets on the semi-subsistence farms measure was amongst the reasons that only 1,140 beneficiaries benefited from the measure. On the other hand, the producer groups measure was the most successful in terms of effectiveness (number of final beneficiaries exceeded targets) thanks to good preparation of applicants who were pre-selected and timely informed by the Ministry. [*source: ex-post evaluation*]

Case study examples from the EU15 also highlight weaknesses in the provision of information:

- In the Objective 2 programme in **Rhône-Alpes** (FR), a major weakness identified by several interviewees was the lack of sufficient animation (information, communication and advice to beneficiaries) for many measures. This may be attributed to the fact that although support for communication and advice was planned under Technical Assistance for ERDF and ESF, this was not the case for EAGGF.
- From the interviews and focus groups in **Austria** different views emerged. On one hand, beneficiaries considered that advice and consultation offered by the local farmers' association on the agri-environment measure at the application phase was crucial for increasing their awareness on the environmental aspects of farming. On the other hand, interviewees from farmers' associations expressed the view that education about nature protection and ecological issues can still be improved. Both perspectives however point towards the importance of timely and specific information and advice.

Findings from the survey

According to survey results, publicity and information activities addressed the needs of beneficiaries to a medium extent, i.e. by 50%. Scores were higher for some countries mentioned above which offer examples of using information and publicity more effectively, e.g. Austria (56%), Latvia (63%). In France it was confirmed that animation was insufficient (30%), while the low score for the Czech Republic (42%) can be explained by the slow improvement of information activities.

C. Premium differentiation

The allocation of sufficient funding for everyone by MAs may reduce the effectiveness of delivery through premium differentiation. This is well illustrated in the case of **Lithuania**, where the premium differentiation in Lithuania (for LFAs and areas with environmental restrictions, Agri-environment, Afforestation of agricultural land and Meeting standards measures) was designed to target the funds more effectively. The amount of premiums was established on the basis of several criteria, depending on

the type and objectives of the measure: land use by beneficiaries per plot of land; type of beneficiary (e.g. farmer, association); area of farming activity and assisted activities. However, due to the lack of competition for the grants, priority criteria were not used and everyone who applied received support. This impacts negatively on delivery since it negated the establishment of any priorities or targeting.

D. Leverage effects

There is very limited evidence on this issue, coming only from 5 programmes (4 of them in Spain). In the **Spanish horizontal** programme and **Baleares**, there was more than 50% private contribution in most measures requiring a private contribution particularly: improving the processing and marketing of agricultural products; marketing of quality agricultural products and diversification. Rioja reports leverage effects for the forestry measure, which targeted private forest owners, but no quantification is provided. In **Wallonia** (BE) the leverage effect was 33% (for every €1 of public expense, beneficiaries spent €0.33) for measures involving investments.

Despite the limited evidence at EU level, Cataluña (ES) demonstrates high leverage effect overall and offers useful insight into the factors that both facilitate and impede leverage effects.

Good example of identification of factors that facilitate and impede leverage effects – Cataluña, Spain

Factors that facilitated leverage effects:

- administrative facilities (extension of the application process deadlines, flexibility and adaptation of the period of certification of expenses, clarity in project selection);
- increase and adaptation of real costs in the last years of the programme (for some measures);
- better adjustment of calls to the reality of the actions (in other forestry, calls are bi-annual avoiding excessive demand by workers and enterprises and adapting to seasonal aspects).

Factors that impede leverage effects:

- for some measures maintenance of maximum support levels reduces investment motivation, e.g. in the 'other forestry' measure the increase in labour costs and the devaluation of the price of wood was not taken into account;
- administrative procedures (narrowing application or certification deadlines, increase of required documentation, lengthy legal procedures for sub-contracting).

[source: ex-post evaluation]

5.6.2 Effectiveness of the institutional arrangements

5.6.2.1 Differences in institutional, programming and financing arrangements

Comparison of the different institutional, programming and financing arrangements in the variety of implemented programmes revealed differences between the types of programmes (RDPs, Objective 1 operational programmes and SPDs, Objective 2 SPDs and TRDI programmes), institutional/administrative contexts in which the programmes operated and the prevailing governance and administration cultures in each country.

Categorisation of the programmes was carried based on the delegation of programming and implementation tasks. Within this framework there are a range of cases where management, implementation and payment responsibilities for the delivery of programmes are devolved to subordinate agencies or bodies. This ranges from a low level of delegation in more centralised programmes to a high level of delegation in more decentralised programmes.

In centralised approaches, the MA has a leading role in the shaping and delivery of rural development programmes and measures. In decentralised approaches, the MA delegates some of the elements of programme design as well as day-to-day delivery of measures to other bodies (usually at regional level). Some programmes fall between these two categories, by combining a degree of centralisation of management with more decentralised implementation. Some examples from different programmes are used below to depict the characteristics of each of these categories. Representative examples from RDPs, Objective 1, non-Objective 1, Objective 2 and TRDI programmes are presented (EU15 and EU10 Objective 1 programmes are distinguished).

Table 27 – Examples of programmes according to the level of centralisation

	Centralised	Semi-centralised	Decentralised
Simple management/implementation structures (one or few players)	IE RDP GR RDP	GR Obj.1 FI Obj.1 LT TRDI	Andalucía (ES) Obj.1
Complex management/implementation structures (multiple players)		ES RDP within Obj.1 ES RDP outside Obj.1 PL Obj.1	Cataluña (ES) RDP Rhônes-Alpes (FR) Obj.2

Source: ex-post evaluations, case studies, programming documents

Centralised models

Centralised models were typical in small countries with relatively slim administrative structures (e.g. Ireland) as well as in the EU10.

Ireland: RDP (EAGGF Guarantee) - centralised

The MA was the Structural Funds Division of the Ministry for Agriculture, Fisheries and Food. Ireland was divided into two regions for implementation purposes. These were (i) The Southern and Eastern Region headquartered in Waterford on the south coast and (ii) The Border, Midlands and Western Region headquartered in Ballaghaderreen in the North West.

Greece: RDP (EAGGF Guarantee) – centralised

The MA of the Greek RDP was a special management unit established within the General Secretariat for the Programming and Implementation of the Third Community Support Framework of the Ministry of Agriculture. The MA was responsible for programme management and implementation. The Paying Agency was an independent organisation (Paying Organisation) common to all programmes (both central and regional ones).

Semi-centralised approach

This approach was more typical in Member States with a decentralised administrative structure where national horizontal programmes were implemented (e.g. Spain, Germany and Italy). It was also the case for countries where the regional character of Objective 1 programmes entailed regional level implementation but with limited delegation to sub-regional structures (Greece) or with central management but more delegation to sub-regional structures (Finland).

Spain: Horizontal Objective 1 Operational Programme – EAGGF Guidance – centralised management and delegated implementation

The MA of the Objective 1 horizontal programme was the Directorate General of Rural Development of the Ministry of Agriculture, Fisheries and Food that implemented its functions either directly or through the Vice-Directorate General of Relations with EAGGF Guidance in a framework of cooperation with the Autonomous Communities. The Paying Authority was the Administrative Unit of EAGGF-Guidance of the Ministry of Agriculture, Fisheries and Food.

The autonomous regional administrations of Objective 1 regions (Andalucía, Asturias, Canarias, Castilla-La-Mancha, Castilla y León, Extremadura, Galicia, Murcia and Valencia) were the implementing organisations. They shared responsibility with the MA for the effectiveness, efficient management and adequate implementation of co-financed operations in their respective fields of competence. The autonomous communities designated one unit to be responsible for liaising with the MA and to guarantee the necessary coordination with regional level organisations that intervened in the implementation of the measures.

Spain: RDP (outside Objective 1 regions – EAGGF Guarantee) – centralised management and delegated implementation

The MA of the non-Objective 1 horizontal programme was the Directorate General of Rural Development of the Ministry of Agriculture, Fisheries and Food that implemented its functions either directly or through the Vice-Directorate General of Relations with EAGGF Guarantee in a framework of cooperation with the Autonomous Communities. The Paying Authority was the Administrative Unit of EAGGF-Guarantee of the Ministry of Agriculture, Fisheries and Food.

The coordinated/shared participation of the Ministry of Agriculture, Fisheries and Food (as the programme MA) and the autonomous communities (as the implementing organisations) made programme management a complex task. This complexity required some common monitoring criteria between the Ministry and the regional authorities and the use of an information technology management tool compatible with the programme needs. However, this level of harmonisation was achieved only for a couple of measures (investment in farms and start-up assistance for young farmers) where the use of common monitoring criteria and the flow of information collection and sharing worked well. For the rest of the measures, there were no defined common monitoring indicators and the collection and flow of information was not homogeneous. There were instances where information related to programme targets was not collected in the programme database – for instance, one of the programme targets was that 30% of young farmers would implement investments for the improvement of irrigation systems, however this data was never collected.

The extension service offices at sub-regional level played a key role for animation, publicity and information on the support available through the programme.

Greece: Objective 1 programmes (EAGGF Guidance) – semi-centralised

MA for the Objective 1 programmes in Greece were established within the respective regional authorities who were also responsible for implementation. For certain measures (namely, the adaptation measures – Chapter IX), local development agencies also participated in implementation. The Paying Authority was an independent national level organisation (Paying Organisation) common to all programmes (both central and regional ones) – i.e. payments were managed centrally.

Eastern Finland: Objective 1 programme (EAGGF Guidance) – centralised management and delegated implementation

The Ministry of Agriculture and Forestry was the Managing Authority for the Objective 1 programme. At regional level, the TE-Centres (Centres for Economic Development, Transport and the Environment, previously the Employment and Economic Development Offices) were in charge of implementing the programme. There were four sub-regional offices responsible for North and South Savonia, North Karelia and Kainuu. Furthermore, other organisations, associations and unions implemented the project through advisory services to applicants.

For higher investments and aid (Chapters I and II) applications were sent directly to the TE-Centres where approval was given and payments made. For lower support, especially for Chapter IX, payments were made through a body such as the agricultural expert organisation ProAgria.

Within the rural development part of the Objective 1 programme, implementing organisations could finance cross-sub-regional projects; however, it was not possible to fund projects outside the Objective 1 geographic area.

Poland: Objective 1 operational programme (EAGGF Guidance) - semi-centralised

The Objective 1 EAGGF Guidance funded operational programme "SOP Restructuring and modernisation of agri-food sector and rural area development for 2004-2006" was managed centrally. The Ministry of Agriculture and Rural Development (MARD) was the Managing Authority (MA) and all payments were executed by the Agency for Restructuring and Modernisation of Agriculture (ARMA). ARMA had a head office in the capital of the country and 16 regional offices plus 314 county level offices. Thanks to this structure, all beneficiaries had easy access to implementing institutions.

ARMA was also the largest implementing body (80% of the budget allocation were consumed by measures which were implemented by ARMA). ARMA implemented 9 measures, while the Foundation of Assistance Programmes for Agriculture (FAPA) implemented 3 measures and 16 regional governments (RGs) implemented another 3 measures.

The implementation process was strongly supported by the agricultural extension centres in Poland, which are present in all regions of the country. The extension employees were active in both the process of training activities and providing advisory services for beneficiaries of rural development programmes. They helped with the completion of aid applications.

Lithuania: TRDI (EAGGF Guarantee) – semi-centralised

The MA was the Ministry of Agriculture and the PA was the National Paying Agency (NPA).

One of the NPA structural units – the Control Department – has 10 regional units situated in the counties of Lithuania. Due to heavy workload the NPA, in an effort to delegate some actions, assigned the primary collection of applications under the RDP to these regional units. This was welcomed as a means of bringing the RDP implementation closer to applicants and beneficiaries. The role of these regional units gradually increased during implementation of the RDP but it was not until the new programming period (2007-2013) that full decentralisation worked in practice.

Decentralised models

Decentralised approaches existed in Member States where regions or sub-regional bodies have a significant role in co-financing the measures. In Cataluña (ES) for instance, national public expenditure consisted of 60.9% of regional government (Generalitat de Cataluña) funds and 30.1% of central government (Ministry of Agriculture, Livestock and Food) funds.

Spain: RDP Cataluña (EAGGF Guarantee) – decentralised

The national authority for programme management of the Cataluña RDP was the Ministry of Agriculture, Fisheries and Food through the Directorate General for Rural Development and the Spanish Agricultural Guarantee Fund. In Cataluña the MA was the Department of Agriculture, Food and Rural Action (DAR) of the Generalitat de Cataluña, through its Directorate General for Rural Development. Within the DAR, the Service Department coordinates the Paying Organisation of EAGGF-Guarantee, although other central level Ministries also participate in the co-financing of some measures, in addition to the EU.

The management structure of the programme was rather complex with approximately 20 agents responsible for management and various external entities. The administrative procedure for managing the applications for each measure can be added to this complexity: multiple agents intervened including sub-regional DAR offices; territorial delegations and central services. Implementation of the RDP imposed a considerable increase in the number of procedures, controls and volume of documentation to manage.

Restructuring of the DAR in 2000 resulted in a separation of administrative from technical management which provoked some loss of perspective, by the programme manager, of the context and results from the implementation of the measures. On the positive side: coordination between programme managers improved through the creation of Technical Committees; the participation of a new organisation (Centre for Private Forest Property) facilitated the management of forestry measures and the Environmental Authority intervened more actively (through the designation of a person responsible for monitoring and control of the RDP in the Department of Environment) and improved coordination and problem solving between the relevant organisations involved in the management and implementation of environmental measures.

France: Objective 2 programme (including EAGGF Guarantee funded rural development measures) – decentralised

To adapt to the diversity of local situations in the different provinces of the Region, the Managing Authority decided to set up Monitoring and selection committees in each Province for the whole SPD (DOCUP) Objective 2 Programme and its ERDF, ESF and EAGFF funding. Under the responsibility of the *Préfet*, representing the Management Authority in each Province, these committees included representatives of the State administration services concerned, chambers of commerce and agriculture, professionals and local authorities in the eligible areas. Some measures were managed centrally in which case the committees in each Province had a principally consultative role. But other measures were managed in a more decentralised way and in those cases the committees in each Province selected the projects, their decision being submitted for official approval to the Managing Authority.

Spain: Objective 1 programme Andalucía (EAGGF Guidance) – decentralised implementation

The MA of the Objective 1 programme was the General Directorate of Community Funds and Territorial Financing of the State Secretariat for Budgets and Expenses of the Ministry of Interior. The MA implemented its functions in close collaboration with the remaining Administrative Units of ERDF, ESF and EAGGF (the latter in the Ministry of Agriculture, Fisheries and Food) in a framework of cooperation and



co-responsibility with the Autonomous Community of Andalucía. For the EAGGF part, the implementing organisation was the Agriculture and Environment department of the regional government of Andalucía (Junta de Andalucía). Different departments/divisions of the regional government dealt with different rural development measures (this led to compartmentalisation - one department not knowing about the other's measure implementation). Agricultural extension offices (OCA) in each province played a key role in the implementation of the measures in the region of Andalucía. The Paying Authority for EAGGF funds was the Ministry of Agriculture, Fisheries and Food, responsible for the management of EAGGF funds (the paying authorities for the ERDF and ESF funds were other relevant Ministries).

5.6.2.2 Assessment of what works and of difficulties associated with institutional arrangements

Coordination of delivery between the implementing bodies, experience gained from previous arrangements and downward delegation appear to be the main contributors to effective implementation. However, effective delivery is also conditioned by the combination of the above with the capacity to reduce bureaucratic procedures. Institutional arrangements were not effective in all countries/programmes.

The practical consequences of different institutional arrangements depend to a large degree on the quality and performance of governance aspects - analysed here.

Findings from the ex-post evaluations and case studies

A. Factors that facilitate effective programme implementation

a) Coordinating delivery. including clear coordination procedures, is the most important key factor identified for effective institutional arrangements. For example **Finland** delivered the programme on the basis of regional strategies with decisions made at the local level and this was thought to be an effective practice. In some cases, centrally coordinating delivery through a single Ministry was also thought to be an effective choice. Coordination between delivery bodies is important when institutional and contextual factors are subject to change e.g. in **Wales** with the introduction of devolved government and the impact of foot and mouth both presenting substantial implementation challenges. **Denmark** highlights the importance of effective cooperation between the Ministry and the agencies involved in delivery; this was particularly noted under Chapter IX measures where it involved county input. **Spain** offers a good example of coherence between implementation bodies:

In **Cataluña** (ES), the Cataluña Environmental Authority's (CEA) designated a permanent person to ensure the CEA was continuously involved in monitoring and control throughout the programme and to facilitate the links between the CEA and the RDP MA. Coordination between the CEA and the MA was further strengthened by the creation of Technical Committees that helped implementation to focus and progress on environmental issues, while they ensured complementarity and coordination with other Funds and EU programmes. [source: ex-post evaluation]

b) Decentralisation. Implementation of programmes was, in general, more successful where MAs set up and enabled sub-regional assemblies²⁶ tasked with the selection and monitoring of activities in their areas. Sub-regional structures were more effective in identifying and reaching priority beneficiaries due to their proximity to and knowledge of local/territorial contexts (mentioned explicitly in case studies:

²⁶ Made up of branch offices of relevant state agencies, chambers of commerce, farmers organisations and other relevant bodies

Rhône-Alpes FR, Eastern Finland, Alentejo PT and Campania, IT). A good example of this 'delegation to the regions' approach can be seen in the French model:

Example of Good Practice – Rhône-Alpes, FRANCE **Effectiveness of selected delegation of delivery systems to sub-regions**

The Monitoring and Selection Partnership Committees set up in the Provinces were critical to maximise the intended effects of the programme. To adapt to the diversity of local situations in the different provinces of the Region, the MA decided to set up Monitoring and Selection Committees in each province for the whole Objective 2 Programme and its ERDF, ESF and EAGFF funding. Under the responsibility of the Préfet (region), representing the MA in each province, these committees included representatives of State administration services concerned, chambers of commerce and agriculture, professionals and local authorities of the eligible areas. Some measures were managed centrally in the region and in that case, the committees in each province had principally a consultative role. Also, other measures were managed in a more decentralised way and in those cases, the committees in each province selected the projects with their decision being submitted for official approval to the MA.

Among the measures supported by EAGGF, those managed at the level of each province concerned: investments in farms; reparcelling; renovation and development of villages; protection of the environment and restoring agricultural production potential damaged by natural disasters.

[source: case study]

Downward delegation was also practised in **Ireland** with the MA passing many aspects of the decision-making process to two Regional Assemblies established to implement specific elements of Rural Development Programmes. Both Assemblies (Southern & Eastern and Border, Midlands and West) had the responsibility for selecting and pre-approving projects which were passed up to the MA in Dublin for final approval.

A regional model also operated to good effect in **Eastern Finland** where, although the centralised MA was ultimately responsible for running the programme, at regional level Regional Technical Centres were in charge of implementation. There were four such centres responsible for North and South Savonia, North Karelia and Kainuu. Furthermore, other organisations, associations and unions were involved in implementation, offering advisory services to applicants. Cooperation between all bodies was strong and open and given the nature of the Objective 1 programme (consisting of several Funds) this collaboration made it possible for advisors to consult each other and easily find the best source of financing within the programme.

An alternative and interesting model was developed in **Thessaly (GR)** where, rather than creating sub-regional assemblies, 'sub-sectoral working groups' (collectively known as The Network) were established. The Network was an initiative of the MA and operated on a voluntary basis. Five working groups were set up, with the involvement of scientific coordinators and the participation of several actors. Downstream inter-sectoral networking arrangements contributed towards maximising the intended effects of the programme. It is interesting to note that, despite this innovative and successful approach, bureaucracy still succeeded in having a notable negative impact on the intended effects of the Greek programme, since, according to other implementing arrangements, the implementation procedures of the programme became highly bureaucratic and contributed negatively to the achievement of effects.

c) Continuity between programmes. There is some evidence suggesting that continuity with arrangements under previous programmes is important. In **Denmark** high levels of satisfaction were recorded by beneficiaries across the measures, because delivery schemes predated the RDP with a well-developed and appropriate institutional framework and administration. In **England** gaps in the continuity of similar implementation schemes between the different programming periods caused difficulties, with

lengthy gaps or delays resulting in bottlenecks e.g. in organic and agri-environmental support. These difficulties of continuity between programmes identified in the 2000-2006 programme were also found in some schemes in 2007-2013. In **Poland**, institutional arrangements for the Objective 1 programme were similar to the ones for SAPARD. The experience of institutions (MA, Paying Authority), the experience of beneficiaries (50% of beneficiaries under improving the processing and marketing of agricultural products measure were also beneficiaries under the SAPARD programme) and the similarity of measures (investment in farms and processing and marketing of agricultural products were similar to those implemented under SAPARD) were all factors that facilitated effective implementation of the programme.

d) The case of the EU10. In the EU10 the TRDI Implementation arrangements involved a simpler administrative structure compared to the Objective 1 programme. Given the small number of institutions involved, decisions were taken in a more cooperative manner. The responsible Ministry acted as legislator and regulator and undertook the monitoring of the RDP implementation, revision, evaluation, as well as handling complaints submitted by applicants and beneficiaries. The National Paying Agency was entrusted with the administration of support measures, payments and control functions. The Monitoring Committee was able to comment and help ensure that overlaps in project selection and implementation were avoided.

B. Factors that impeded effective programme implementation

a) Poorly defined coordination procedures. There were also cases where RDPs were centrally coordinated but implemented by several institutions and this did not work well.

In **Greece**, cooperation of implementing bodies with the central government was characterised by long delays due to the incompleteness of the institutional framework and the need for clarification of jurisdictions, this resulting in a failure to immediately address implementations issues as they arose (this may have been compounded by a shortfall in the anticipated staffing level). In addition, there were problems in recording the control data, because the delivery organisations did not systematically send the data to the MA. This in turn compromises the MA ability to audit the measures concerned. [source: RDP ex-post evaluation]

The involvement of multiple authorities e.g. those involved in paying and those in implementation resulted in duplication, delays in decision making and problems in horizontal communication. **Portugal** for instance lacked an autonomous structure to manage the RDP programme, with multiple bodies involved in the early stages and numerous changes in management systems. In **Scotland** the diversity of the application process of individual schemes hindered cooperation between the two organisations involved in delivery, resulting in forestry and agricultural grants being independently run.

These examples suggest that the issue is not if a central coordination is attempted, but if coordination procedures are clearly defined.

b) Lack of coordination experience. In some cases, collaboration was desirable but the relevant authorities lacked experience in cooperation e.g. in **Luxembourg** better collaboration between agricultural and environmental services could have been critical e.g. in defining the target areas for agri-environment measures.

c) Reconciliation challenges of different programming approaches. In the **Wales** (UK) and **Andalucía** (ES) the reconciliation of the Objective 1 area with the RDP caused challenges for coordination. In **Hungary** there was a need for better definition of development concepts to reconcile the agricultural, rural and other development needs entailed in the Objective 1 programme and the RDP (TRDI).

5.6.3 Extent to which level of preparation and the administrative capacity has been adequate for the implementation of post-accession rural development programmes

The administrative capacity of new Member States was not always adequate. The main issue identified from all sources is related to human resources weaknesses: lack of staff, skill gaps and lack of experience, often coupled with lack of appropriate technical support systems. Several actions were taken to improve capacity, including programme amendments although excessive modifications could be counterproductive.

The synthesis of ex-post evaluations offers useful insights into the issues related to the administrative capacity of new Member States (evidence from 7 countries). This was further analysed during the fieldwork and the survey. An overarching factor in assessing the administrative capacity of new Member States is the novelty of rural development programming in these countries. These concepts were initially introduced with the Sapard programmes which had the dual objectives of supporting the restructuring and preparation of the agricultural and rural sectors for accession and building up administrative capacity in preparation for implementation of post-accession rural development programmes. Cyprus and Malta did not benefit from Sapard assistance, therefore 2004–2006 was their first rural development programming period.

Findings from the ex-post evaluations and case studies

A. Weaknesses associated with administrative capacity of the EU10

a) Human resource weaknesses. There was evidence of both quantitative and qualitative limitations on delivery capacity through available human resources. This affects both the administration of the programme and the accessibility and uptake through facilitation. **Malta** cited difficulties in staff numbers and turnover affecting the delivery capacity. **Poland**, despite previous experience from the SAPARD programme, suffered from lack of staff, particularly in the fields of business plan evaluation, construction cost plans assessment, audit and control and experienced a high staff rotation. In **Lithuania**, heavy workload, insufficient human resources and turnover of staff were key shortcomings to effective management of programmes. This coupled with inexperienced applicants who delivered incorrectly-filled applications further limited the capacity to administer the application process swiftly. The need arising here is not only to improve the capacity of management and implementing bodies but also the capacity of applicants, through adequate information provision and advisory support. This links to the findings noted above [*chapter 5.6.1*] in relation to the importance of information and communication systems. Difficulties with human resources in **Hungary** were associated with skills gaps and management authorities that were not sufficiently prepared to offer all the necessary advice to inexperienced applicants, as exemplified in its case study below.

In **Hungary** the MA experienced a number of difficulties with regard to the internal capacity of the administrative bodies. One of these problems was the high fluctuation of staff numbers within the organisation. Furthermore, the administrative staff were not always prepared from the beginning for the tasks related to programme management and the implementation process was sometimes characterised by 'learning by doing', instead of providing in a systematic way appropriate training for staff prior to the programme start. This confirms the finding from the ex-post on capacity and skill gaps.

Hungary is an illustrative example of the combined effect of different factors (skills gaps, IT weaknesses, programme

amendments). In other cases the skills gaps were in specific areas e.g. relevant scientific disciplines or IT, which could have a critical limiting effect on key aspects such as monitoring or recording. [source: case study]

Where experience existed from previous programmes, such as with the LFA measure during the pre-accession period in the **Czech Republic**, this is reflected in the outreach capacity of programme managers (8,800 applications received in the Czech Republic). The same does not hold for all measures and the difficulty of setting up appropriately resourced administrative systems is illustrated by the lower than anticipated number of applicants.

b) Currency related issues. An additional issue of concern for some MAs has been the issue of currency fluctuations (local currency versus Euro) over the implementation period. Transfers of funding to the MA were, in all cases, denominated in Euro. Payments to beneficiaries were made in local currency. Therefore, exchange rate risks needed to be taken into account and managed to avoid potentially substantial losses.

B. Actions taken to improve capacity.

Positive steps to improve capacity were taken in **Lithuania** through the establishment of an information system for administration which facilitated administration of applications and links of the system to data systems of registers. The procedure for the selection of projects was also improved over time, demonstrating the capacity of the MA to learn and respond to applicant needs and complaints through streamlining the application-approval process. The lack of human resources in **Hungary** was addressed by central processing of claims for the producer groups measure.

Poland, Latvia and **Slovakia** highlighted the need to improve capacity for monitoring and evaluation at the early programming stages through appropriate training/information to programme authorities on methods and measurements. **Latvia** also stressed the importance of the Technical Assistance measure (not widely taken up by most programmes) in facilitating the establishment of target territories and carrying out the necessary complex calculations for certain measures (e.g. agri-environment, compliance with Community standards). There is also a need for a singular approach in the preparation of annual progress reports, in order for the information to be comparable with and between other years.

Delivery mechanism implications generally involved a process of on-going amendments, agreed with the European Commission, as the programmes were implemented. The Latvian and Hungarian RDPs saw several measures amended and adjustments enabled them to ensure better delivery and more efficient use of funds. In **Latvia** the amendments were necessary to ensure more efficient administration of the measures implemented, strengthening the eligibility criteria and enhancing the accessibility of support as far as possible. **Lithuania** similarly, found it necessary to re-specify their RDP measure administration procedures. Where these modifications occurred frequently, as in **Hungary**, this caused problems.

5.7 Monitoring and evaluation

The objective of this chapter is to present the results of an overall assessment of the monitoring and evaluation systems established by the Member States for the rural development programmes.



5.7.1 Extent to which the content and number of CEQs was relevant for the evaluation of rural development policy

In the vast majority of ex-post evaluations a sub-set of the CEQs were used. Their number was considered excessive and in many cases they lacked specificity in relation to national/regional contexts and were amended/simplified by programme managers for monitoring purposes and evaluators for evaluation purposes. The lack of adequate monitoring systems for capturing data and the lack of reliable data were factors that conditioned the capacity to answer the CEQs.

A set of common evaluation questions (CEQs) per measure, as well as some cross-cutting evaluation questions with their associated evaluation criteria and indicators, were available to Member States for their mid-term and ex-post evaluations and were documented in Commission guidance documents.

The analysis of ex-post evaluations revealed two main issues, relating to the CEQs, which impact on the extent of their relevance to conducting effective evaluations; a degree of variation in the extent to which they were used and the lack of adequate monitoring systems for capturing the data required to calculate indicator values for the CEQs. In some cases the lack of quantified values for baselines or targets, to measure progress against the target indicators, was a further limitation. There was also some criticism by evaluators and programme managers of unnecessary repetitions in the suite of CEQs.

All ex-post evaluations used the CEQs provided by the Commission, although the majority (70 out of 75) did not use the full set. In many cases this core approach was adapted or amended to better fit national or regional specificities. Both ex-post evaluations in **Finland** reported some difficulties with the relevance and scope of the CEQs and employed their own evaluation themes; their focus was very much on impacts (socio-economic, income, market and environmental impacts) and combined EC and additional measure-specific and national evaluation questions. In **Sweden** there was a specific focus on a narrower range of themes, which were examined in greater detail, specifically consistency, effectiveness, impact and efficiency. In **Denmark** and the **Czech Republic** a small number of the evaluation questions were highlighted as being irrelevant and were not used in relation to most measures. In **Germany** a single evaluator who covered six regions found that the mandatory evaluation framework excluded some interesting and relevant issues, so they identified a need for greater scope for in-depth studies in the future. In Belgian **Wallonia**, the statistical monitoring database systems were not designed in line with the Commission's indicators, this resulted in considerable variation in the extent to which it was possible to extract relevant data to answer the CEQs. In Italy, the **Piemonte** ex-post evaluation considered the CEQs for chapter IX (adaptation) to be excessive, while the **Bolzano** ex-post evaluation considered them complicated and adapted them to the regional context.

In the EU10, in general the CEQs were found to have been relevant, for addressing the performance of individual measures and programmes, although their use was sometimes compromised by a lack of data prior to the implementation of rural development programmes which would provide a basis for answering the questions. Furthermore, in some cases (e.g. **Slovenia and Slovakia**) there were arguments that CEQs addressed issues which were different from those targeted by the questions. In the **Czech Republic** certain criteria for the cross-cutting questions were not relevant (especially the ones related to leverage effects, given that several accompanying measures did not involve the participation of the private sector).

Overall, the main weakness of existing ex-post evaluations is the lack of methodology for the quantification of impacts. This is compounded by the absence of, or gaps in, targets, baseline data and

monitoring data. Frequently, the lack of available data and monitoring systems to record data did not allow the calculation of indicator values for the CEQs. In the vast majority of the ex-post evaluations this led to replacement/simplification of some indicators or to calculations using data from other studies or sources. In most cases this involved complementing the analysis with results from interviews/surveys.

This range of factors may be illustrated in the case of **Luxembourg** where the training measure is reported to have had no efficient monitoring system, with this need being highlighted in the MTE, but remaining unmet for the ex-post. For the forestry measure, a combination of the existing national forest inventory and the RDP monitoring system was used, this was not entirely adequate but apparently enabled evaluation questions to be answered on a case by case basis.

The case studies corroborated these findings through interviews with evaluators involved in the MTEs. In addition, in the three case studies covering the agri-environment measure, the evaluators of the respective ex-post evaluation were also interviewed.

In **Austria**, the CEQs and indicators were used for the evaluation of agri-environment measure, however, some of the indicators were judged to not be clear enough (e.g. those relating to "high-nature-value farmland"). Supplementary national questions and indicators were used for the socio-economic effects of agri-environment measures. These were assessed to be important and useful by the interviewees.

The **Irish** case study of agri-environment measures also stressed that, while the content and number of CEQs was appropriate and relevant for evaluating agri-environment measures, evaluation may have been restricted by the availability of data. The lack of reliable monitoring data was also an issue in Finland (Eastern Finland case study). Additional evaluation questions to the CEQs were used in the **Finish** MTE, in order to enable the assessment of effectiveness and impact of the programme. These additional questions were analysed through econometric analysis that created future potential scenarios in order to highlight possible impacts of the Objective 1 programme in Eastern Finland.

In the **Thüringen** case study in Germany, views were split between those that considered the CEQs to be relevant and sufficient in number and detail and those that considered that the number was too high and that the questions were overly detailed but with limited explanatory value. The latter view prevails in some of the other case studies, namely Campania (IT) and Slovakia.

The **Slovak** case study in particular found that evaluation questions were not sufficiently defined: for example, questions related to the impact of the environment were very broad and included themes such as water and soil protection which are difficult to quantify. Also, the sub-questions should have been more specific and better defined or divided into relevant themes. Furthermore, some indicators seemed to be more adequate in the EU15 than the EU10.

A key finding from the **Thüringen** case study, relating to the contents of the CEQs, is that rural areas are not sufficiently separated from the agricultural sector i.e. that agriculture is being treated as if representing rural areas, while that sector is only a part of the entire rural economy and life. However, although worth examining, the validity of this finding is weakened by the fact that no other sources (ex-post evaluations and case studies) identified this issue.



5.7.2 Extent to which supplementary questions, criteria and indicators were identified that can be useful for future rural development policy evaluations

Supplementary evaluation questions were developed but to a limited extent and most ex-post evaluations used a subset of the CEQs. The limited availability of monitoring data coupled with the complexity of existing indicators are the main reasons for the elaboration of simpler or context specific indicators. There are limited numbers of examples of supplementary indicators that may be relevant of the evaluation of future RDPs.

Supplementary evaluation questions were used to a limited extent in the ex post evaluations and most programmes concentrated on the common evaluation questions or a subset thereof. The exceptions are Finland, Poland, Austria and Germany where supplementary questions were identified. In Germany at least 3 of ex-post evaluations identified additional evaluation questions for some measures, depicted in the example below.

Supplementary questions used in German ex-post evaluations

Sachsen (Saxony)

Early retirement:

- How is elderly employees' (concerned by or benefitting from the early retirement regulation) standard of living secured?

Less favoured areas and areas with environmental restrictions:

- To what extent has the measure contributed to the maintenance of jobs depending on the cultivation of land?

Agri-environment:

- To what extent have the cultural landscape measures contributed to harmonising agricultural and environmental concerns and to achieving environmental objectives in areas with environmental restrictions?

Afforestation:

- To what extent were afforestation measures implemented in forest-poor areas?

Mecklenburg-Vorpommern

Agri-environment: Social and economic aspects related to the agri-environment scheme were considered as crucial with regard to assessing the RDP from the angle of sustainability.

- To what extent were natural resources protected through agri-environmental measures' effect on the atmosphere? (Corresponding farm data was available)
- To what extent have farms' economic results been strengthened through participation in the measures? To what extent have social concerns been strengthened through participation in the measures?

Sachsen-Anhalt

Less favoured areas and areas with environmental restrictions:

- To what extent has the measure contributed to the maintenance and improvement of cultural landscape's touristic attractiveness?

Agri-environment:

- To what extent were natural resources protected in terms of agri-environmental measures' impact on the atmosphere? *Criterion:* Negative impacts on the atmosphere through greenhouse gas emissions were avoided or reduced. *Indicator:* Energy storage, energy generation, energy intensity, use of fossil energy sources.

There is evidence of supplementary indicators used in the ex-post evaluations reports. All 75 ex-post evaluations used some of the indicators associated with the CEQs. However in the vast majority of cases a much smaller subset was used, while indicators were often simplified to reflect the type of data that was available. 50 of 75 ex-post evaluations used supplementary indicators, but these were usually adaptations of existing indicators to make them; a) simpler in order to answer the evaluation questions through available data, b) more specific/applicable to the national/regional contexts. Evaluation criteria

were mostly unchanged and in a few cases (approximately 10% of ex-post evaluations) they were adapted to meet the specificities of the area.

Examples of simplified indicators are found in the Netherlands, Greece, Portugal, Malta and some Spanish programmes. They are often output- rather than result-oriented and focus on the number of supported actions, numbers and % of farmers benefiting from support, numbers and % of projects/actions with environmental benefits.

In **Aragon (Spain)**, the indicators set by the RDP were not generally monitored by the Coordinating Body. The evaluators proposed additional ones for the mid-term and the ex post evaluations. Proper monitoring of indicators started in 2004 when the MTE proposed modifications and new ones. These indicators were rather simple and easy to measure as long as monitoring systems operated satisfactorily. They relate to numbers, hectares, Km and were specific to each measure. However, all indicators used were output indicators. [*source: ex-post evaluation*]

The case of **Luxembourg** is illustrative of supplementary indicators adapted to the national context for the forestry measures, including:

- % of first thinning area benefiting from support by the measure for logging with horses
- % of young high forest subject to silvicultural treatments supported by the measure
- % of coppices subject to treatment for conversion to high forests supported by the measure.

Where indicator values could not be calculated using data (either because output data did not exist or because baseline data did not exist or both) survey/interview results were used (questions answered in %, opinions) rather than additional indicators. Indicators therefore became more qualitative in nature. For example:

- Proportion of farmers that consider their income has increased in relation to others (investment measure, **Spanish** horizontal programme);
- % of students who became a manager; % of companies who restructure themselves; amount and % and surface area in which organic agriculture takes place (training measure, **Flemish** programme, Belgium).

There are relatively few examples in the 75 ex-post evaluations that offer potentially useful examples of additional indicators that can be easily replicated throughout programmes. These are depicted in the table below.

Table 28 – Examples of supplementary indicators that may be useful for the future

Measure/programme	Supplementary indicators
Investment in farms (IT)	<ul style="list-style-type: none"> • % of recipients introducing environmental improvements through co-financing <ul style="list-style-type: none"> a) environmental improvement as a collateral effect b) improvements in the management of animal waste
(ES Horizontal)	<ul style="list-style-type: none"> • % of investments targeted at environmental improvements as a direct or indirect objective in comparison to % of environmental aspects that have worsened • % of surveyed livestock holdings that have improved waste management (manure)
(ES Navarra)	<ul style="list-style-type: none"> • % of beneficiaries that devote more than 10% of investment to environmental improvements
Training (SK)	<ul style="list-style-type: none"> • % of achievement of goals in number of training events and participants
LFAs and AERs CZ	<p>The ratio of {premium} to {higher production costs + reduction in value of farm output} was replaced by:</p> <ul style="list-style-type: none"> • "the ratio of grants to the farm's total loss from farming (positive value would

Measure/programme	Supplementary indicators
Bavaria (DE)	<ul style="list-style-type: none"> represent Gross Value Added)" "agricultural holdings' income figures (profit per holding, profit per ha UAA and other cost and revenue indicators"
Agri-environment (FR horizontal)	<ul style="list-style-type: none"> STOC index, to measure the abundance of common birds populations (according to the National natural history museum)
Processing and marketing LU Flanders (BE)	<ul style="list-style-type: none"> % of projects having quality improvement as first objective Relation between % of certification to supported companies and total certification of companies Share of supported projects in total investments in hygiene and welfare % decrease in the amount of industrial accidents in supported companies Increase of capacity (in tons) for the processing and marketing of primary production in environmentally friendly companies Share of investments in relation to the environment in % to investments of all supported companies.
Forestry NL Flanders (BE)	<ul style="list-style-type: none"> % of farmers belonging to a farm owners association Relation between forestry support and average net income Involvement of men and women in forestry actions Surface area in green destinations Number of members in forestry groups Number of hectares supported with forestry actions which is open to the public for recreational purposes Supported surface area for ecological forestry functions
Adaptation AT Bolzano (IT) Bavaria (DE)	<p>Measure-specific indicators were developed:</p> <ul style="list-style-type: none"> Landscape conservation: improved land (ha), of which UAA / of which forest; number of shrubs/trees planted; number of management plans. Tourism and craft: Accommodation improved thanks to the support: <ul style="list-style-type: none"> a) of which established for the purpose of agri-tourism b) that constitutes an incentive to stay / settle in the area Protecting the environment: <ul style="list-style-type: none"> - frequency of biotope types in Bavarian mapping - frequency of FFH habitats - location in areas with special protection status - biotope network - overall nature conservation assessment

5.7.3 Extent to which monitoring and evaluation systems were adequate to provide the necessary data for the management and evaluation process

Monitoring and evaluation systems are characterised by weaknesses related to the provision of baseline and monitoring data. The vast majority of evaluations relied on financial and output data. Efforts to overcome these difficulties include the collection of secondary data from alternative sources, the collection of primary data through interviews and surveys and their use in a limited number of quantitative methods and models.

As is evident from the previous questions, the main weakness of the monitoring and evaluation system is the lack of common, comprehensive and consistently applied monitoring systems providing the necessary information to inform management and evaluation. The vast majority of ex-post evaluations (60 of 75) specifically report on the inefficiency or lack of monitoring systems and the lack of baseline and monitoring data with which to provide values to the common indicators.



There was a tendency to focus overly on financial and input data and physical performance data which are often limited to simple outputs such as areas and distances. This placed a considerable burden on evaluators to develop methods capable of evaluating programmes within these limitations and may in turn be partly responsible for the weaknesses in the assessment of impact. Any variation in methods applied by evaluators is likely to compromise the comparability of the results and the lessons which may be drawn from them.

Common difficulties arising from the ex-post evaluations include:

- Poorly resourced (human and technology resources) and inadequately specified monitoring systems (often poorly developed at the start of the programme) which cannot capture enough data to sufficiently inform the indicators and CEQs;
- A greater focus on financial recording than on programme performance measurement;
- A lack of data which could inform result and impact indicators and analysis (a particular issue for assessing environmental impacts). Indicatively, the **Basque** (ES) ex-post evaluation illustrates this by stating that for agri-environment “it is impossible to know the real effects of the measures due to lack of rigorous pre-diagnostics as well as monitoring and comparison with baseline data and indicators. This was compounded by a lack of reliable sources of information and qualified technical staff to obtain it”;
- Particularly in the EU10, lack of data prior to the TRDI implementation made it difficult to develop indicator values (e.g. **Poland** in particular stressed this issue). In some cases, data provided in the annual progress reports was not consistent and comparison/aggregations was not possible (e.g. **Latvia**), while reference years were conditioned by the timing of statistical data collection and differed between indicators (e.g. **Lithuania**);
- A lack of indicators for assessing the performance of programme processes and procedures;
- A lack of baseline data for projects, measures and programmes, a lack of quantified performance targets and a lack of relevant benchmarks against which to assess performance. This was also one of the difficulties for creating control groups in order to assess the counterfactual (control groups were used in only a couple of ex-post evaluations, namely **Wallonia Belgium** and **Slovakia**, but this was only possible for the assessment of the farm investment measure);
- When data is collected from external sources, its compatibility with programme requirements is a challenge and may result in inconsistencies and inaccuracies. Data may be differently specified e.g. lacking key divisions (gender, age etc.) and collected over an incompatible time period or area (e.g. from a census not covering the same programme period) is a particular problem for creating baselines;
- Deficiencies in developing and implementing a coordinated and coherent (central or programme level) monitoring system. This should be based on input, output, results and impact indicators supported through data collection by using application forms, reporting templates and well managed IT systems. In **Greece** for instance, there was no common information system and each delivery organisation developed its own system. Lack of structured communication between delivery organisations and the MA further exacerbated difficulties in the collection of homogenous data;
- Difficulties in the construction of control groups to assess the counterfactual.

Steps taken to address these deficiencies involved the development of methods that relied on secondary data analysis (in all of ex-post evaluations analysed), such as interviews, surveys and case studies, involving in some cases focus group discussions. When surveys of a sufficiently large sample were conducted a critical mass could be obtained to complement the lack of quantitative information. There

are indeed a few examples of well designed, clearly documented, evidence based ex-post evaluation reports which rely on alternative methods that override the problems described above. There are also a few programmes that used quantitative methods to assess impacts, especially in relation to incomes and employment.

Notwithstanding weaknesses in the assessment of agri-environment measure, the **Basque** ex-post evaluation mentioned that the rest of the measures were assessed effectively. The evaluation was sound and based on a combination of data from statistical sources (FADN) to provide values on indicators and qualitative data from interviews/focus groups.

In **Germany** the vast majority of ex-post evaluations (Bavaria, Bremen, Hessen, Nordrhein-Westfalen, Hamburg, Lower Saxony, Sachsen-Anhalt and Schleswig-Holstein) conducted impact analysis tests, using primary data (interviews) and secondary data (accounting data, environmental data, literature and general statistical data). The available secondary data was problematic in terms of representing socio-economic effects outside of the primary sector (employment, income, quality of life): programme effects tended to be more local in their focus and were barely measurable at aggregate level (NUTS 2/3).. Primary data collection (high outlay, case study character) was found to only remedy this deficiency to a limited extent. Therefore a pan-Länder approach was adopted for evaluating the RDPs. This approach allowed a uniform study which established the preconditions for comparability of results between the federal states.

In **Austria** evaluation evidence suggested that an improved process was needed to target the environmental goals of the Austrian Agri-Environmental Programme more efficiently. Transparent and continuous monitoring and evaluation of the programmes was thought to be necessary, this was in fact an accompanying extension service which enabled progressive improvement of the achievement of environmental and nature conservation objectives.

Finally, three examples stand out for their use of alternative quantitative models (France horizontal programme, Poland general equilibrium model) and the effective use of conventional methods (Cataluña, Spain) and they are presented below. They stand out because they are methodologically advanced models, for instance the GEM measures economy wide effects and displacement effects.

France - Measuring impact of the investment in farms measure on the income of beneficiary farmers

The French horizontal ex-post evaluation used statistical analysis based on a "Logic model" to analyse the link between aids for farm investment and the growth of agricultural holdings (measured through standard gross margin trends). The model allows to express the probability to belong to a group (e.g. high annual growth holdings) and used FADN (aid/non-aid, ESU, farm type, farmer age, aid types, etc.) data.

It compared annual balance sheets, operating accounts and productivity indicators between beneficiary and non-beneficiary holdings of similar characteristics (the reference population) using the FADN to elaborate group samples and reference populations.

It also conducted multivariate analysis based on a sample of 3,000 farms of the FADN, described with 8 structural and financial criteria: 1) aid or no aid to investment; 2) LFA type; 2) Farm type; 3) legal form; 4) UAA; 5) LU; 6) Permanent capital and 7) Current income before taxes. The asset/liability ratio of beneficiary holdings (trend) compared to their reference population (using the FADN) was also used.

The comparison between beneficiaries and non-beneficiaries was possible thanks to a special agreement between the Ministry of Agriculture and the Central Service for Studies and Statistical Enquiries which commissioned a national survey on farm holdings within the framework of the ex-post evaluation.

[source: *Horizontal ex-post evaluation*]



Poland – A methodologically very advanced model

The Polish ex-post evaluation used a general equilibrium model (GEM) to assess the accumulated long-term impact of TRDI on income and employment in rural areas. Measures were divided into three categories in order to measure the impact via the GEM: direct transfers (early retirement, producer groups and semi-subsistence farms), area payments (LFA, AEM and Afforestation) and investment subsidy (adjustment to EU standards). According to the simulation run by the model the most efficient measure was farm investment and semi-subsistence farms.

[source: ex-post evaluation]

Cataluña, Spain – Good example of high quality evaluation using conventional methods

Against a background of heterogeneous databases, lack of data availability (local level data at municipal level is collected every 10 years, 2001 being the last one, therefore not allowing to compare the situation before and after the intervention) and missing important data fields in programme monitoring databases for the analysis of results and impacts, the ex-post evaluation of Cataluña combined methods and sources to produce a rigorous and good quality evaluation.

Standard evaluation methods were combined to cover the deficiencies: secondary data gathering through studies and statistics and primary data collection through surveys and case studies. Statistical sources included the Cataluña Institute of Statistics and the Department of Agriculture, Food and Rural Development of the regional government. The evaluators used several sources to cover data gaps, together with an assessment of the quality of the evaluation results. Surveys were conducted to beneficiaries and external experts.

In addition to a subset of the common evaluation indicators, there was quantification of the achievement of programme level objectives (e.g. GVA per employed person, ratio of GVA in agriculture to total GVA, ratio of active population in agriculture to total active population, gross family income available in mountain areas, ratio of population over 65 years to population below 16 years, number of employment posts created and maintained, etc.). The indicators provided were clear, well defined and easy to calculate and enabled a robust analysis through calculation of the base year 1996 (programming moment), then 2000 (programme start), then 2002 (MTE) and then 2006 (ex-post) indicators. The evolution from 2000 to 2006 was analysed to assess the achievement of the objectives set for the programme.

[source: ex-post evaluation]

5.7.4 Extent to which the recommendations of MTEs improved the quality of programmes

Limited information from ex-post evaluations suggests that MTE recommendations were mainly taken into account partially, with some changes to programmes requiring approval by the EC that shifted the application of the recommendations to the next programming period. The case studies offer examples of improvements in evaluation systems, communication strategies, synergies with other programmes and changes in budgets and eligibility criteria that resulted in positive employment effects.

MTEs were only undertaken within the EU15. In the EU10, no mid-term evaluations were carried out, due to the short programming period. The ex-post evaluations analysed provide limited information on the extent to which the MTE recommendations were taken into account, resulting in improvements in programme quality. Findings reported from the ex-post evaluations relate to the MTE recommendations on the process of evaluation itself, delivery processes and procedures, the balance of resources and to quality and relevance. According to the information available from the ex-post evaluation, recommendations of the MTE were fully implemented in 5 programmes (4 UK programmes and Aragon, ES), while they were partially implemented in 7 programmes. As this only covers 12 out of 75 ex-post evaluations, we have focused on the reasons why MTE recommendations were not implemented, the types of these recommendations as well as the ways in which the quality of programmes was improved.

First, the main reason why MTE recommendations were not fully implemented is the length of the process for approving revisions to the programmes. In some cases, a number of suggestions were

adopted and others were transferred to the new programming period. In other cases, recommendations were no longer relevant and finally, in a small number of cases, recommendations were disregarded.

Second, the typology of recommendations included improvement in indicators and amendments of their targets, strengthening of monitoring systems, better focus on the assessment of impacts, enhanced coordination/synergy between measures, improvement in programme delivery and changes in the content of some measures to better reflect the regional needs.

Third, the adoption of recommendations did not always lead to an improvement in the quality of implementation. For instance, in **Aragon** (ES) the recommendation to define additional, simpler and easier to measure indicators relevant to the RDP specificities was adopted, however the ex-post evaluation was of average quality which suggests that these indicators were not used to produce an optimal high quality ex-post evaluation.

There are however some isolated examples where the quality of the programme improved as a result of the MTE recommendations. In the **Basque Country** (ES) recommendations related to eligibility procedures, payment processes and improved implementation. In addition, critical recommendations on the improvement of the implementation of environmental policy through agri-environment measures were not fully introduced; however those introduced were important in the improvement of the quality of the environmental part of the RDP. This meant that new actions were introduced in relation to integrated production, extensive methods and alternation of crops, apiculture for the protection of biodiversity in fragile areas and other issues (increases in intensity levels, in max and min limits, addition of new target areas/species, etc.) to better respond to the environmental needs of the region.

Following the recommendations of the **Wallonia** (BE) MTE, substantial changes were made to the agri-environment measure. The evaluation of these changes showed that implementation and uptake of the measure had been improved and that a key element, the creation of an "agri-environmental plan" at the farm level, was not successful (25% achievement). Thus, there was no reported evidence of qualitative improvement.

Findings from case studies in 11 EU15 programmes reveal that all 11 programmes incorporated fully or partly the MTE recommendations, with one programme (AT) stating that recommendations were included in the 2007-2013 programme and another one (Thüringen, DE) commenting that the MTE was performed too early (2003/2004) to comprehensively identify needs for potential improvements. Concerning the impact of recommendations on the improvement of programme implementation, 5 out of the 11 programmes clearly showed improvements:

- Finland saw an immediate improvement in monitoring and evaluation systems as a consequence of the recommendations laid out in the MTE. The main challenge for the Objective 1 programme for Eastern Finland evaluators was unreliable monitoring data, including gaps in data and double-counting. To overcome such issues, innovative and qualitative approaches were used [*example below*]. The identification of double counting of indicators (e.g. number of jobs maintained) and the subsequent improvement in the collection and recording of such indicators led to more accurate results in measuring how far programme objectives were met and programme targets achieved.

An innovative approach used in **Finland** included a workshop with 150 participants including final beneficiaries, NGOs and civil society organisations and public authorities from both regional and central levels. The workshop applied an electronic voting system in order to have immediate results from the participants and ask subsequent questions accordingly. The results were qualitative in nature but provided valuable insights into real situations. [*source: case study*]

- The MTE recommendations in Rhône-Alpes in France led to improvements in communication strategies between implementing organisations and beneficiaries.
- The MTE in Thessaly (GR) recommended budget realignments which had significant positive impact. The total budget for the programme increased by 5.9% (e.g. increased co-financing requirements for the 'managing agricultural water resources' measure and reallocations between the RDP and Objective 1 programme). Target output indicators were also revised.
- In Italy, numerous improvements included fundamental issues such as (i) greater integration with other programmes (ii) re-defining of eligibility criteria and (iii) introduction of positive female discrimination.
- In Wales (UK), all the recommendations were followed, through a number of changes in the RDP orientation and focus. In the case of one measure (Processing and marketing of agricultural products) this involved a significant budget change (a doubling to €52,000,000) which was particularly effective in creating additional jobs and safeguarding existing employment in agri-processing.

5.8 Impact achieved in relation to new priorities

5.8.1 Activities that contribute to new priorities

The activities identified as contributing to some of the new priorities are laid out under the following headings.

- Mitigating climate change or adapting to the effects of climate change
- Protecting and enhancing biodiversity
- More effective water management? What are the factors related to project design/eligibility conditions that influenced the positive/negative effects of these activities?
- The promotion of the use of renewable energies
- The production of innovation in rural areas
- Economic development ("green growth") and employment creation ("green jobs")

Mitigating climate change or adapting to the effects of climate change

In general terms, the principal '*mitigating climate change*' actions related to reductions in the use of fossil fuels. This reduction in the use of fossil fuels has been more prevalent on organic farms and is due to an increased focus on biomass, resulting in a reduction in greenhouse gas (GHG) emissions from burning fossil fuels.

In **Slovakia**, projects have targeted the upgrading of agricultural machinery to 'cleaner technology' options. Although not quantified, this has had a net positive effect in the reduction of GHG emissions in the region. It is estimated that globally 8% of greenhouse gases come from the use of agricultural machinery.

In **France**, a project (Garlic of the Drôme county) has successfully reduced the requirement for irrigation of crops over the summer months, thus bringing about a reduction in the burning of fossil fuels for this purpose. This has significantly reduced both costs (original target) and the production of GHG emissions (positive side effect) in a traditional industry sub-sector.

In **Austria**, ÖPUL has contributed to reducing GHG emissions through the promotion of organic farming and other projects aimed at reducing agricultural inputs. There were also a number of projects, which incorporated 'carbon sink' initiatives involving the natural removal of carbon dioxide from the atmosphere.

In the **Czech Republic** sub-measures supporting the conversion from arable to grassland contributed towards the mitigation of climate change effects. In this case the mitigating effect on GHG production comes from a significant reduction in GHG emitting activities such as ploughing, sowing and harvesting and through significant reductions in the use of pesticides and herbicides, since the production process for these inputs has a deep carbon footprint.

Protecting and enhancing biodiversity

The considerable challenge involved in farming in Less Favoured Areas (LFAs) brings with it the significant risk that agricultural land may be abandoned (or converted to other uses), causing significant biodiversity loss. Hence supporting farmers in LFAs greatly contributes to continued agricultural land use in ecologically sensitive areas with immense bio-diverse attributes. By their nature Less Favoured Areas are bio-diverse. In most cases they are lands that have not been fully reclaimed for agricultural use.

In **Ireland**, biodiversity, including species diversity, has been greatly enhanced by the introduction of the Rural Environment Protection Scheme (REPS) which promotes farming that is friendly to the conservation of species. This include a reduction in the amounts of fertiliser used and the timing of spreading which take account of particularly sensitive times of the year for numerous breeds of animals and types of birds. Both have been greatly accommodated by the introduction, under REPS programmes, of periods in the year when hedgerows cannot be cut - along with the re-planting and re-establishment of hedgerows that were demolished as part of the intensification of farming during the 1970s' and 1980s'. Another significant element has been the training of farmers in environmentally-friendly harvesting practices (in particular the cutting of grasslands for hay and silage and cutting of wheat and barley).

In **Spain** the creation of new woodland areas on land formerly designated as agricultural land has regenerated ecological diversity, serving as a habitat for numerous threatened animal species.

Similar results are to be found in **Greece** where afforestation projects have converted agricultural lands to woodlands, planting them with native forest species including broadleaves and conifers, this has created a specific habitat for threatened animal and bird species which are re-emerging as a result.

In **Slovakia** afforestation projects delivered similarly positive impact to animal species biodiversity as those described in Spain and Greece.

In **France** Rhône-Alpes Objective 1 programme has supported organic farming at regional level, through offering additional support to established organic farmers and incentives to other farmers to engage in organic farming principles.

Programme implementation in the **Czech Republic** incorporated 'agri-environmental agreements' in project contracts. The particular focus in these was dependent on local environmental issues and included protection measures for specific species of plants and animals in most sub-regions. These agreements involved the protection of plant species by reducing inputs and preventing the neglect or abandonment of waterlogged and peat meadows (sub-measure C4).

Water management

In **Ireland**, ground and surface water has improved (with seriously polluted water dropping from 0.8% to 0.6% of total water resources, representing a 25% improvement in the period 2000-2006) as a direct result of the REPS programme. Hard evidence of the inputs from REPS in this regard can be seen all over Ireland, where areas have been fenced off with the specific objective of protecting ground and surface water. Other initiatives, such as the Farm Waste Management Scheme and the Nitrates Directive, have also contributed and complemented REPS in this and other areas. Other water protection initiatives such as the creation of buffer zones on the banks of rivers, overall decreases in the amounts of fertiliser used and the practice of not applying fertiliser at times when run-off will be more prevalent (e.g. when the ground is hard leading to non-absorption and consequent run-off) have led to improvements in water quality.

In the **Czech Republic**, measures supporting the buffering of waterways and protecting them from run-off of fertilisers, pesticides and herbicides had significant positive impact in improving water quality.

In **Austria** specific water protection projects within defined areas were effective in reducing the risk of nitrate pollution in waterways.

In **Greece** the focus was less on water quality and more on managing water as a scarce resource. This included the installation of 'drip irrigation systems' under the 'Investment in Farms', measure.

Similarly in **Spain**, the 'Investment in Farms' measure addressed water resource management issues through funding technical improvements in olive growing regions. This brought about reductions in the amounts of water used (and previously wasted) during the growing season.

The promotion of the use of renewable energies

There is only one concrete example in **Finland** where the Objective 1 programme supported farmers in their efforts to become energy self-sufficient, by investing in the production and use of bio-energy produced on their holdings.

The production of innovation in rural areas

There are no examples of support to product and process innovation projects, other than one case in **Spain** where technical work on the development of improved methods of growing fruit and vegetables was supported in the Almeria region.

Economic development ("green growth") and employment creation ("green jobs")

The Investment in farms measure has led to on-farm employment opportunities being generated in some areas. However, the fact that the jobs are now classified as 'green' is largely coincidental in relation to the overall objectives pursued at the time.

5.8.2 Objectives and procedures that contribute to new – environmental and economic – priorities

What has proven to be highly relevant with regard to the 'new priorities' in **Germany** are systematic concepts including harmonised measures. That is, pursuing an integrated regional concept and providing corporate funding – instead of concentrating support on increased productivity, improved processing and marketing of individual farms – has contributed to the improvement of support programmes, which provides a basis for future tackling of the 'new challenges'.

In **Greece** dissemination of “best practice” during conferences took place. Several workshops exemplifying these practices took place, managed by the RDP Managing Authority. Most of the best practice examples were identified through the measures of “Adaptation” and the measure of “Investment in Farms”. The other measures didn’t develop best practice.

In **Portugal** the “knowledge capital” was mobilised by involving some university and professional researchers, as well as experts in dealing with water management systems.

In 2005, the updated version of the MTE in **Spain** pointed out that there had been an improvement in the integration of the horizontal environment priorities through the first years of the programme. Basically all managers consider that the advances in environmental performance have been moderate or large and a third of the managers admitted to adopting concrete actions to improve the incorporation of the horizontal priority into the monitoring of their projects.

The objectives and activities under EAGGF measures in the **UK** (Wales) were particularly well streamlined and fed into and out of one another very well. The implementation processes and procedures operated extremely smoothly throughout. All of the implementation agencies and government departments were always fully aware of the “total picture” (i.e. what was happening under all other measures). This and the practice of regular inter-departmental meetings, led to obvious synergies in terms of outputs and results. It also meant that institutional trip-ups were less likely to occur. The Programme succeeded very well in incorporating related environmental issues into the objectives of all other measures. This integrated approach meant that environmental protection became a part of other considerations rather than a separate issue.

There are a limited number of measures in **France** that could serve as good practice examples in addressing environmental and economic priorities simultaneously. The emphasis placed on support for individual projects providing that they contribute to collective outputs, for the promotion of quality products and areas, is a good example of the multiplier effect potential linked to the design of related measures.

The on-going review of performance under the REPS II Scheme in **Ireland** led to the redesign of the Scheme with the introduction of REPS III. This had specific sub-measures to encourage bio-diversity in the countryside.

5.8.3 Examples of project design and eligibility requirements that contributed to minimising/off-setting negative effects on new priorities

In **Germany** beneficiaries had to demonstrate that no environmental difficulties were created. This was considered an eligibility criterion and later a selection criterion and has proved to be beneficial. Funding was connected to a range of restrictions ensuring no negative environmental impact.

Good practices in **Greece** had an environmental dimension through environmental criteria used by some working groups. These working groups considered: sustainable Management of Natural Resources & Water; natural environment; organic products and livestock; environment and natural resources; quality products & food.

Environmental issues were factored in by the Managing Authority in **Italy**, when developing training programmes, standard operating procedures and processes, with administrative devolution to the provinces in the selection of projects.

In **Portugal**, under support to Processing and Marketing of Agricultural Products, beneficiaries had to fully comply with environmental legislation and in some cases surpass the legal requirements.

In **France**, in the Loire province, support under the *Investments in Farms* measure highlighted environmental concerns when assessing project applications. Built-in environmental guidelines operated particularly well here.

In **Austria** there were examples of good practice in promoting environmentally sound farming procedures. For example:

- different grades of participation, as the higher the environmental engagement the higher the compensation payments are
- obligatory environmentally-friendly farming procedures (as prerequisites for compensation) were applied in a clear and easily controllable way
- Information policy supported awareness-raising for environmentally sound farming procedures.

The **Czech Republic's** grassland maintenance measures specified the environmentally responsible usage of fertilisers for all agricultural land. This led to protection of waterways and biodiversity enhancement.

The impact of the contribution of the agri-environmental measure and the rural development plan on the environment in **Ireland** was always subject to on-going evaluation. This and other related national level developments informed the Rural Development National Strategy and Programme for the period 2007-2013. The Strategy and Programme reflect the comprehensive approach necessary to address the national issues whilst recognising that the agri-environment measure has a supporting role in these developments. The issues are set out in the Rural National Development Plan 2007-2013 (in particular in *Chapter I – Environmental Situation*) and the Rural Development Programme 2007-2013 (*Chapter III section 3.1.3. Environment and Land Management*).

6. Conclusions and recommendations by measure

6.1 Investment in farms

6.1.1 Conclusions

Relevance

- C1. The analysis of evidence shows that targeting, where present, improved the relevance of the objectives of the investment in farms measure to the needs of agriculture and rural areas identified as specific to this particular measure.
- C2. In several Member States the investment in farms measure was highly relevant in meeting the needs of agriculture and forestry via improving farm competitiveness and contributing to the maintenance of viable agricultural structures. The measure was of high relevance for the EU10 who were under the process of adjustment in their agri-food sector. In limited cases, investment in farms addressed restructuring needs (in terms of both farm size and sectoral orientation) and contributed to the availability of local jobs. On the other hand, other economy-wide structural issues (e.g. land availability, declining competitiveness of farm sub-sectors) and the limited available funding resulted in a relevant measure not reaching potentially interested beneficiaries.
- C3. Judging by the targeting of the measure, it can also be concluded that focused targeting on specific types of beneficiaries, types of areas, size of holdings or types of investments appears to have worked better in terms of improving competitiveness and maintaining sustainable farming activities. For example, supporting women entrepreneurs, holdings located in less favoured areas, small size holdings with difficulties to access finance by their own means or located in fragile rural areas, investments with a diversification objective to support a shift from declining to more profitable sectors, are all examples of such focused targeting.

Coherence

- C4. The investment in farms measure was mainly coherent with economic priority objectives and secondarily with environmental and social priorities. Social priorities were important in Member States and regions “suffering” from rural restructuring, while environmental priorities had an important role in the EU10, where much investment was needed to comply with the relevant EU standards. Specific economic priority objectives pursued by the measure include the maintenance and/or creation of employment, economic growth and better incomes.
- C5. In a limited number of Member States, there is good practice to demonstrate that a coherent policy design approach and effective targeting facilitated a high level of synergy and complementarity between the investment in farms measure and other RDP measures (see good practice in Luxembourg for targeting and France for integration between measures). For example, combining the investment measure with other RDP measures (most notably, young farmers, LFA and adaptation measures) in order to pursue policy objectives in a combined manner (economic, social and environmental objectives) has been successful in improving working conditions and the attractiveness of agriculture, while helping to develop environmentally friendly practices at farm level and in food-processing, as well as enhancing farm efficiency, income and employment.

Efficiency

- C6. The investment in farms measure was judged to be moderately efficient, the limitations being mostly due to problems associated with its design at programme level (objectives, targeting and eligibility). When investments were targeted to improving competitiveness while also benefiting the environment a chain of multiple positive effects were produced (environmental as well as economic) demonstrating results that were proportionate to the resources applied. The measure was efficient when supporting instruments complemented the EU support and facilitated the participation of beneficiaries in the scheme.
- C7. However, when the implementation of the measure was driven by the interests of large farms or failed to achieve economies of scale or when income improvements concentrated on better off holdings, it was deemed to be less efficient. As a consequence, although deadweight in the volume of support provided seemed to be rather low overall, it was considered higher in the case of larger (and perhaps more competitive) units.

Effectiveness and impact

- C8. The most evident effect of the farm investment measure was on farm competitiveness and sustainability. The effect on competitiveness was achieved as a result of reduced costs and improved quality of products. Investments in the EU15 in particular helped rationalise and improve production processes as well as improve working conditions and enhanced the sustainability of farms. However, a key distinction should be made between improved competitiveness of beneficiary farms and competitiveness of the sector. In terms of impact it should be kept in mind that the number of beneficiaries in relation to the number of farms is quite modest –except where only very few large farms have remained active- and therefore does not support the view that the measure has, in any one programming period, a significant impact on the competitiveness of the sector.
- C9. Effects on other important rural variables (employment, income, environment) seemed to be less pronounced as those indicators are considerably determined by “exogenous” intervening factors (e.g. market conditions, macro-economic developments, etc.). This was particularly the case of the rural economies of the EU10 in the first years following accession, where agricultural employment and income were strongly influenced by factors such as the introduction of direct payments and improved labour mobility, overshadowing the impact of measures such as farm investment.
- C10. Employment effects of the investment in farms measure were most closely associated with investments promoting on-farm diversification. Where diversification took place, it included activities such as the provision of rural services and facilities, new entrepreneurial activity including agro-tourism, alternative crops and livestock or processing of food products. An important driver for diversification was the need to bring alternative incomes into farm businesses faced with declining traditional farming activity. The maintenance and (less frequently) creation of employment on beneficiary holdings was a key effect of diversification.
- C11. Investments had positive effects on the environment through the adoption of new, cleaner technologies and modern equipment (for instance, new irrigation infrastructures requiring less water, better manure management reducing leaching into soil and water, waste treatment and storage, renewable energy). Compliance with minimum standards in relation to the environment, hygiene and animal welfare was a legislative requirement that contributed to environmental protection, and was particularly important in EU10.



- C12. To sum up, it seems that the low (in many cases) and declining importance of agriculture, rather limits the range of the effects of the measure. On the other hand, the capacity of the measure to enhance farm competitiveness and thus maintain an important segment of rural economy and society must not be underestimated. In parallel, there is clear evidence that a coherent design of the measure which takes into account the direct and indirect links between farming and the wider rural economy and environment and promotes synergy, would highly enhance its correspondence not only to the needs of agriculture but also to those of rural areas. Whilst the volume of support has not been sufficient to create a noticeable impact at sector level, the impact on individual beneficiaries has in many cases been significant.

6.1.2. Recommendations

R1. Adopt focused targeting

This is the oldest measure in the menu of available measures, it is widely used, its main problem is its lack of in-built targeting and selectiveness, which could be reinforced in the future by introducing targeting by type of investment, type of farm beneficiary (sector, size), type of area etc, in the design of the measure by Member States when drafting their programmes, in specific rather than generic terms and justified by the stated objectives and priorities of the RDP. Targets should be explicit and defined, but not necessarily quantified, since credible tools for doing this are not there in all Member States. Successful targeting towards young farmers was the case in LU, FR, NL, DE, UK and some EU10 countries, while targeting small farms through the investment measure proved to be successful in increasing their gross margins and operating surplus in France.

Therefore, financial resources specific to the investment in farms measure should be highly targeted in a way that improves the relevance of this measure to the specific territory. Improved targeting to correspond to national/regional contexts would improve its relevance, coherence and efficiency. Investments should for instance focus on target groups with limited financial capacity, on the promotion of alternative activities that contribute to the maintenance of rural communities or support sectors with high growth potential. Selective targeting of beneficiaries would focus support on those who need it and would reduce deadweight effects. [ref: **Conclusions C3, C5 & C6**]

R2. Further focus the measure on countries/regions in need of modernisation

Traditional modernisation for increased productivity / intensification of production could be explicitly limited to countries/regions in need of modernising farm structures, excluding areas with already very high intensity farm structures and a long history of implementing the measure. [ref: **Conclusions C1, C2 & C11**]

R3. Improve synergy and complementarity

A complementary and synergistic approach between the investment in farms measure and other RDP measures optimises the coherence capacity of the investment measure. Good practice can be found in France for integration between measures [ref: **Section 5.3**]. A holistic approach is proposed where investments support the set-up of young farmers, enhance the attractiveness of less favoured or disadvantaged areas as places to live and work and are complemented with any necessary adaptation actions. More specifically, synergy can be sought with training, diversification, processing and marketing and environment oriented measures, as well as other policy instruments. [ref: **Conclusions C5, C6 & C12**]



R4. Support investments in diversification explicitly and distinguish from other variables

On-farm diversification can be supported more explicitly as a source of jobs and income in rural areas. Investments in diversification activities should be preceded by a careful analysis of the potential of rural areas in order to focus on those sectors/products that will bring higher benefits in terms of incomes and jobs. [ref: **Conclusion C10**]

It is further proposed that investments for farm production, environment, diversification of activities within agriculture and diversification in non-agricultural activities are kept distinct assigning different funding and priority to each, coherently with the objectives of RDP. This focused approach can increase the impact as well as offset negative effects of external factors more effectively. [ref: **Conclusion C9**]

R5. Enhance the link of investments with the environment

Investments must be intrinsically linked with the environment. In addition to legislative requirements for complying with environmental standards, investments should take explicit account of the environment. The availability and continuous measurement of environmental indicators from the start of the programme would greatly enhance the capacity to assess environmental impacts and improve the implementation of the measure to this end. [ref: **Conclusions C4, C5 & C12**]

R6. Take into account the changing international environment

The current financial crisis and recession may seriously affect the willingness to invest. This should be seriously taken into account in the future although it is not necessarily linked with the pre-crisis period evaluated. However, any changes to targeting should take the crisis and its impacts on farmers' investment behaviour into account. [ref: **overall appreciation**]

6.2 Start-up assistance for young farmers

6.2.1 Conclusions

Relevance

- C13. The start-up assistance for young farmers' measure is judged as relevant to the needs of both agriculture and rural areas. This is because it responded to specific needs of rural areas, namely the ageing of the rural population and more specifically the ageing of full-time agricultural producers. The assistance was also an incentive to encourage young people to live and work in rural areas and maintain the rural population. However, it was more relevant in some Member States than others, for instance, more relevant where there was a higher proportion of ageing farmers; more farmers were abandoning agricultural activity or where the measure was new (the latter in new Member States).
- C14. Although the objective of the measure was justified given that ageing was a problem identified in practically all 52 rural development programmes that applied the measure, the implementation of the measure was not that successful, for three reasons: the level of support granted did not offer sufficient incentive to young people; weaknesses in eligibility criteria (either too broad or excessive requirements reduced motivation to participate); other factors that influenced the choice of young people to start-up a farming business, especially the fact that engaging in farming is conditioned by the provision of services and facilities in rural areas.



Coherence

- C15. The start-up assistance measure has been coherent with the social and economic priorities of rural development policy and several relevant important measures (e.g. investment in farms), especially where designed to act synergistically with other measures; however, in some cases it was hardly coherent with the (supposedly complementary) early retirement measure.
- C16. In addition, in some cases, institutional requirements negatively affected the measure's uptake and coherence with other RDP measures. There are also limitations of the measure to create a strong economic basis at local level from which to promote the development of rural areas. These are related to flaws and lack of clarity in eligibility criteria in some countries such as for instance the criterion not to have received previous funding from other RDP measures being interpreted as beneficiaries with no previous experience in farming.
- C17. Although coherence of the measure with the objectives of policy was achieved, coherence of rural development policies with the objectives of the measure with regard to the challenges faced by young farmers in order to start-up was not always attained. There is need to re-assess this "mutual coherence", i.e. the capacity of rural development policies to address the difficulties experienced by young farmers in each specific context in order to enhance the sustainability of start-up businesses.

Efficiency

- C18. The apparently impressive results of the measure (in terms of numbers of start-ups) can be misleading as they may not necessarily imply genuine rural development. This is because, the relaxed eligibility criteria in many cases resulted in large numbers of beneficiaries who did not really need support or in young farmers with no previous experience receiving support without being able to sustain their new venture.
- C19. At the same time, in some countries, the measure was not as successful as expected and an important percentage of young farmers started their activity without having applied to the measure, due to excessive bureaucratic and lengthy procedures, or discouraging criteria (e.g., 75% of targets reached, but 28% of young farmers voluntarily installed without using the scheme in France, in part due to strict requirement of educational diplomas instead of recognising working experience or offering long-life training opportunities for candidates submitting valid projects).
- C20. Notwithstanding the above, the measure did achieve results that were proportionate to the resources applied, especially when abandonment of agricultural activity was addressed or when well-designed and targeted information campaigns reached a large number of young farmers.

Effectiveness and impact

- C21. The start-up assistance measure is judged to be quite effective in safeguarding farm employment in some cases. However, in other cases, poor targeting and ineffective implementation procedures reduced its effectiveness. The general lack of follow up / monitoring makes it difficult to assess the sustainability of employment posts created as a result of the measure. The measure did not change the gender structure of the sector which remains still male dominated.
- C22. The expected new skills, energy, adaptability and professional management coming into the farming sector in line with the intervention logic of this measure was only partly achieved, with many young farmers lacking the necessary knowledge and skills. This is because the emphasis



was on attracting large numbers of start-ups and less so on ensuring a high professional level of young farmers. The need to complement this measure with the necessary information provision and vocational training is evident in order to facilitate the adaptation of the agricultural sector and its flexibility to respond to new opportunities.

6.2.2 Recommendations

R7. Improve complementarity with other measures

Start-up assistance alone may not be sufficient to attract young people to enter farming. A wider approach to encouraging young people into farming ventures should encompass a close link between this measure and others, in particular vocational training and investment support. [ref: **Conclusion C15 & C17**]

R8. A complementary and synergistic approach in RDPs linking the start-up assistance measure with other rural development measures benefits the coherence of the start-up measure with rural development priorities, as well as its effectiveness, especially in terms of employment maintenance. [ref: **Conclusions C15, C16, C17 & C22**]

R9. Provide non-financial support and other non-financial incentives to young farmers setting up

Start-up costs were not always fully covered by the assistance offered by the measure. In view of budgetary constraints that may not allow a rise of start-up cost coverage, additional support could be incorporated in the design of the measure to encourage and prepare young farmers to set up, namely, information provision on the possibilities offered by the measure and occupational training to increase the competence and skills of the less experienced young people.

[ref: **Conclusions C20 & C22**]

R10. Establish a follow up mechanism to assess the sustainability of new farms

Monitoring the capacity of young farmers to maintain their business will allow identification of the factors that facilitate the sustainability of new businesses set up by young farmers. These could then drive further improvements to the design and targeting of the measure. [ref: **Conclusion C21**]

R11. Establish fair eligibility criteria

The objective of the measure is to reduce the average age of the farming population and contribute to the revival and sustainability of rural activities. Numbers should not matter as much as the ability of the measure to maintain and reinforce a viable social fabric in rural areas. To this end, eligibility criteria should be focused on beneficiaries who really need support and that at the same time are competent to run a viable farm enterprise; safeguarding ownership by the young farmer and encouraging more women to engage actively in start-ups. Consideration should be given to applicants not fulfilling all criteria but submitting viable projects of interest for the local development of their area and possibilities should be identified to adopt specific support schemes to accompany applicants throughout the implementation of their projects. [ref: **Conclusions C18 & C19**]

R12. Reconsider the coherence of rural development policy with the objectives of the measure

The elaboration of the strategy and the programme should take into account the challenges and obstacles faced by young farmers to start-up as farmers but also as potential heads of families living in rural areas. Access to land, but also to important basic services for the family (kindergarten, schools, health centres ...) are all strategic in the success or failure of start-up projects. For instance, complementarity with the early retirement measure is important but not sufficient to solve the land availability issue. Further consideration should be given to addressing



conflicts of interest between agriculture and urbanisation or tourism as well as making use of abandoned land in less favoured areas. Therefore, rural development policy should include answers to the most critical problems faced by young farmers, both through optimal coherence and synergy among rural development measures and complementarity with other funds (especially ERDF, ESF): in order to ensure that all necessary support can be mobilised to facilitate installation projects. This suggests in addition that programmes must be managed and implemented as close as possible to local contexts (at sub-regional, or territorial level). [ref: **Conclusions C15, C16 & C17**]

R13. Potentially merge the start-up and investment measures

If the objective of policy is to simplify measures in the future, this measure could be merged with the investment measure, since the objectives are similar and targeting for young farmers could take care of it. [ref: **overall appreciation**]

6.3 Training

6.3.1 Conclusions

Relevance

- C23. The training measure was judged as relevant to the needs of the agricultural and forestry sectors, facilitating the improvement of competitiveness, environmental management skills and adaptation processes.
- C24. It was deemed particularly relevant for addressing specific structural adjustment needs in the EU10. This is because it helped beneficiaries in these countries to build capacity for meeting EU standards and other requirements and increase their knowledge in different areas of interest.
- C25. Overall, the measure addressed needs related to environmental management and sustainable agricultural practices, building skills for the implementation of other rural development measures, improving the delivery capacity of actors involved in programme implementation and other economic and management skills for better farm management.
- C26. The measure proved to be highly relevant in cases where training needs were identified in advance, where implemented by competent institutions and designed through a flexible approach serving diverse needs (allowing adjustment of the training to types/size of farms or types of farming activity). Furthermore, the measure was particularly relevant for the acquisition of the necessary skills in order to also implement other RDP measures.
- C27. The fact that this measure which represented a relatively small proportion of the rural development budget and was not one of the most widespread measures proved to be highly relevant where it was implemented makes it worthwhile for careful consideration of its application in the future on a wider scale. Key success factors for training to be relevant in practice focus on the diagnosis of needs, the coordination between relevant organisations involved in training delivery and synergies with other rural development measures.

Coherence

- C28. In spite of the lower scores obtained from the survey, ex-post evaluations and case studies provide positive assessments of the measure. The Training measure appears to have contributed significantly to priority rural development objectives. A minority of programmes reported weak links of the content of training to rural development priority objectives, weak capacity to attract the right participants and to deliver in a way that complements rural development measures



through advisory assistance for entrepreneurship, adult education and socioeconomic promotion. The coherence of the measure could improve if training priorities are identified in advance and if training activities are related with other rural development measures.

Efficiency

- C29. Where the measure was implemented, key success factors for achieving high results proportionate to the resources applied proved to be the link of the training measure with other rural development measures, the quality/competence of trainers, the correspondence of the training content to the needs of beneficiaries and cooperation between programme authorities and training delivery organisations.

Effectiveness and impact

- C30. The limited uptake of the training measure limits its effectiveness. The low uptake was in some cases related to the availability of training funded by other EU funds. The overall small uptake of the measure limits particularly its potential impacts on rural incomes, employment or the environment, landscapes and forest management. However, where implemented, the measure positively affected skill improvement and competitiveness.

6.3.2 Recommendations

- R14. Exploit fully the potential of the training measure

The scope of the training measure, in particular for environmentally focussed training (including also animal welfare and hygiene standards) makes the measure highly pertinent in the context of rural development and exploitation of its full potential is deemed necessary. The positive results where the measure was implemented confirm its usefulness not only for improving agricultural and forestry practices but also for improving the implementation of other rural development measures. The synergy therefore between training and other RDP measures is paramount for the effective implementation of rural development policy overall. Good examples include linking training to the support under the start-up assistance and investment measures and raising awareness of environmental issues to facilitate the uptake of environmental measures. [ref:

Conclusions C23-C27]

- R15. Establish an accurate specification of training needs

A comprehensive and accurate specification of training needs (what training, which target groups, which training method - good practice includes the elaboration of a training needs assessment by a specialised and reputable training organisation) required by all RDP measures and linked to the key interventions/measures chosen by Member States in their RDPs, complemented by a flexible targeting approach would improve the coherence and complementarity of this highly relevant measure. If the measure is well-designed and targeted, it can correspond to sectoral and territorial needs in the context of RDP measures very effectively. [ref: **Conclusions C26, C28 & C29]**

- R16. Establish coordination between programme management authorities and training delivery organisations

Coordination between programme managers and training delivery organisations was not an explicit requirement of the measure. Promoting it more explicitly would greatly enhance the link between programme objectives and beneficiary needs. [ref: **Conclusion C29]**

6.4 Early retirement

6.4.1 Conclusions

Relevance

- C31. Despite the high potential of the measure to positively affect the structural characteristics and viability of the farm sector, the early retirement measure did not manage (in most cases) in practice to respond to agricultural and rural development needs, mainly because of low attractiveness of the financial incentive provided, insufficient coherence between early retirement and other rural development measures or existing retirement schemes, and factors other than the purely financial influencing farmers' decisions to retire. The exception was some EU10 countries where the measure was relevant for addressing structural weaknesses (e.g. very small size of holdings) or the demographic situation (old age of farmers).

Coherence

- C32. The early retirement measure was quite coherent in some Member States with the RDP objectives to "renew" the farm population and create more viable farms. This was achieved through the transfer of farms to younger farmers (usually family members), while income improvements where they occurred contributed to the improvement of living conditions.
- C33. However, it seems that in most cases, the measure mainly served social priorities of rural development and not so much economic ones. This is also justified by its low complementarity with the start-up assistance measure (although complementarity of the early retirement measure was stated as a clear objective in most programmes, there is little evidence of actual complementarity in practice, with a comparatively small number of cases where both measures were used).

Effectiveness and impact

- C34. Subsequently, the effectiveness and impact of the early retirement measure were limited, with the possible exception of the EU-10. This is because in these countries farm incomes were comparatively low and therefore compensation for early retirement was perceived as an attractive financial incentive. Even there however, the structural effects of the measure are doubtful.
- C35. In the EU15, the income offered through the early retirement measure was not enough to motivate farmers to retire as the level of income prior to retirement was higher in all countries that applied the scheme. There were also other factors that determined the decision of farmers to retire such as personal conditions, urbanisation pressures and attractive prices offered to change the use of agricultural land or higher wages offered for off-farm employment, amongst others.
- C36. The expected results of the early retirement measure stated above were only achieved to a limited extent due to the low uptake of the measure or due to the fact that the observed changes were not structural and only artificially increased incomes without inducing complementary actions needed to ensure the long-term viability of holdings. In many cases transfers towards relatives implied limited additionality of the measure and produced windfall benefits. This is because the transfer towards relatives merely contributed to an internal change in the farm ownership and not a real structural change in the local economy.



- C37. As a consequence, the structural adjustment of holdings or further wider impacts such as agricultural restructuring and increased viability of rural areas as envisaged by the intervention logic of the measure were not attained. In addition, the low implementation levels of the measure also limited its impact on the revitalisation of rural areas.

6.4.2 Recommendations

R17. Consider dropping the early retirement measure

The limited success of the measure, mainly its failure to contribute to structural changes in rural areas and the lack of a genuine motivation of farmers to retire because of the support, are all factors that could justify dropping this measure altogether. The improvement of the economic viability of holdings can be achieved through numerous other measures with appropriate focused targeting. [ref: **overall appreciation**]

R18. Alternatively, re-design the measure

It seems that in order to make it more relevant to agricultural and rural development needs the early retirement measure would need to be designed and implemented in a manner that takes different farm structures and local contexts into account. The complex and variable factors motivating farmers to use the early retirement measure should be taken into account when eligibility criteria and support rates are specified in a programme. [ref: **overall appreciation**]

R19. Maintain the measure only if complementarity with the start-up measure is ensured

The early retirement measure should be implemented only in conjunction and complementarity with the start-up assistance for young farmers. Otherwise, it is very unlikely that the early retirement measure will contribute to the economic priorities of rural development. This would imply merging the two measures, with early retirement to release land becoming an optional component of start-up assistance. [ref: **Conclusion C33**]

6.5 Less favoured areas (LFA) and areas with environmental restrictions (AER)

6.5.1 Conclusions

Relevance

- C38. The LFA scheme is judged as being relevant to agricultural and rural development needs. It covers nearly 55% of Utilised Agricultural Area (UAA) in the EU25. The LFA scheme is particularly relevant in countries with a significant presence of mountain areas for addressing the needs of these areas, for example, the conservation of sensitive and vital ecosystems through the maintenance of farming in these areas. The measure is also relevant for making links between socio-economic and environmental priorities and encouraging sustainable land use.
- C39. In areas with environmental restrictions, the AER scheme is relevant for addressing environmental constraints but requires enhanced targeting such as for instance on habitats.
- C40. LFA objectives remain relevant because to a large extent, the environmental and related public goods that are of value to the countryside stem from appropriate land management and in particular agricultural management over large areas. Continued agricultural management brings multiple benefits in terms of supporting the maintenance of valued open landscapes, semi-natural habitats and biodiversity, helping control forest fires and contributing to good soil and water management.

Coherence

- C41. LFA is considered to have contributed to maintaining farms and farming in the less-favoured areas, through its very important contribution to farm incomes in these areas. The maintenance of farms has also contributed to maintain continued land use, landscapes and the countryside. Its contribution to priority objectives was more related to social and economic cohesion, for balanced territorial development across the EU, than on competitiveness. Synergy with AEM was observed as the LFA function of maintaining farming activity ensured the existence of a population of applicants to implement AEM in these areas, which are often of high environmental value.
- C42. In the EU10 in particular, the LFA scheme was particularly coherent with the objectives of the programmes by ensuring economic compensation for handicaps, continued land use, continued agricultural activities, contribution to viable rural communities and reducing the rate of decline of full-time farmers.
- C43. The weaknesses of the measure concern insufficient compensation and limited adaptation to local contexts. In some cases the volume of support was not enough to compensate for handicaps. But the main weakness is related to poor targeting which did not include territorial or handicap intensity differentiation (leading for instance, to land not receiving support in spite of its disadvantaged status). In addition, in some cases, horizontal targeting led to under-compensation (some areas were compensated below their needs while other areas received compensation above their real income deficit). In some areas the income based criteria discriminated against certain types of farmers while area-based zoning criteria resulted in some farmers not benefiting despite existing handicaps of their land. Notwithstanding the above, some good practice systems were developed that allow delineation of eligibility with very high precision.

Effectiveness and impact

- C44. The effects are mixed in terms of ensuring continued agricultural land use in LFAs. For some programmes compensatory allowances were critical for the maintenance of agriculture, while for others the measure had limited or no effects. For the former, despite the fact that compensatory allowances only partly compensate for lower incomes, the effectiveness of the LFA/AER measure is judged as quite high, especially in terms of maintaining the use of agricultural land and narrowing the LFA – non-LFA income differential (FR, AT, GR, LT, SI, MT, regions in FI, ES, PT, IT). This is because it halted the abandonment of agricultural activity, safeguarded the continuation of agricultural land use, supported farm settlements, maintained the environment and landscapes and even improved the standard of living of farmers in mountainous areas. For the latter group (i.e. programmes where the measure was judged to have had limited or no effects), some positive effects were reported in relation to improved incomes and a slowdown in land abandonment, although these effects were outweighed by impacts of other development policies implemented in these areas, as well as by other structural developments (areas of IT, ES, UK, DK, SE and PT). Finally, in some regions of ES, CY, HU and IE the measure was reported as having not fulfilled its objectives and thus did not influence the continued use of farm land. This was mostly due to low compensation offered to farmers by the measure.
- C45. Focused targeting to the most needed areas/farmers proved to be the key factor for the success of the measure (e.g. areas located in areas with a significant mountain handicap or very small sized farms in disadvantaged areas).
- C46. In relation to the income differential, where it was quantified, it revealed that the contribution of the measure represented 50% of the difference in income between LFA and non LFA areas.

6.5.2 Recommendations

R20. Adapt LFA/AER schemes to local contexts through improved targeting

The LFA/AER schemes should be more adapted to local contexts in a manner, which improves their coherence to rural development needs. Such an improvement in targeting should (by nature) deal with phenomena of under-compensation. Specific targets can be set to take into account territorial and handicap intensity differentiation, different locations of farms (according to size of farms, altitude, slope, distance from markets, accessibility, etc.). [ref: **Conclusions C39, C43 & C45**]

R21. The transfer of good practice systems should be promoted to contribute to improve targeting.

These concern special tools (e.g. a GIS based system to delineate eligibility, taking into account conditions of each farm, i.e. handicaps at farm level, as was done for instance in Austria) and approaches to identify priority beneficiaries that have been developed in some Member States. [ref: **Conclusion C43**]

R22. Encourage complementarity with other measures and detailed planning for improved innovation capacity and competitiveness of LFAs

- Complementarity between the LFA/AER schemes and agri-environment is strongly advocated. It was found that in Poland and Slovenia farms located in LFAs implemented AEM more often than those located in non-LFAs, while in Austria 91% of agricultural holdings located in LFAs participated also in AEM²⁷.
- Furthermore, complementarity with investment in farms and start-up assistance for young farmers can provide incentives for the maintenance of activity in these areas and even promote the continuation of agricultural land use by young people. This can be achieved for instance through the higher aid intensities for investments in LFAs. Investments improve the competitiveness of farms and offer an additional incentive (to the purely compensatory one offered by the LFA measure) to farmers to remain actively engaged in agricultural activities.
- In addition, specific consideration should be given to other measures, especially Adaptation measures (Ch. IX) susceptible to improve competitiveness through innovation, in particular organisational innovation, in order to complement compensation schemes, which are rather economically passive in character, with more economically efficient schemes, with a view to further reducing the income differential with other areas. Within each programme specific strategies should be established for the LFAs, using a bottom-up approach with local stakeholders, in order to develop adequate synergy and detailed targeting in areas where, by nature diversity is high and problems and solutions must be addressed at a very local level.

[ref: **Conclusions C41, C42 & overall appreciation**]

R23. Reconsider the areas classified as LFAs

The LFA support is an important measure to maintain agricultural land use in regions with marginal return. Reclassifying areas currently classified as LFAs, while avoiding abrupt changes, will enable better focus of the measure in combination with improved targeting as proposed

²⁷ In 2006 approximately 2.22 million hectares were covered by the Austrian agri-environment measure – these represent 88 % of Austria's agriculturally used area (not including mountain pastures). About 75 % of all holdings participated in the agri-environment measure.

above. Revision of less favoured areas should take into account socio-economic disadvantage that matches the current socio-economic situation. [ref: **overall appreciation**]

6.6 Meeting standards and food quality measures

6.6.1 Conclusions

Implementing demanding standards

- C47. The *implementing demanding standards* measure is considered to be highly relevant to the needs of agriculture in new Member States (who made most use of the measure, because of the investment funding component, which was not available in the EU15). The measure was used in particular to address the needs to meet the requirements of the Milk Directive and to comply with the Nitrates Directive. It also contributed to raising awareness on Community standards.
- C48. In most cases, the implementing *demanding standards* measure is judged as highly coherent with the environmental and (also) economic priorities of rural development policy, but the available information is limited and its contribution appears to be lower than expected.
- C49. There is firm evidence from a couple of EU10 countries that the measure has helped farmers in these countries to comply with EU environmental standards.
- C50. However, ineffective targeting resulted in inconsistency rather than complementarity with other measures, namely the semi-subsistence farms measure in the EU10. This was because in some cases farms were only eligible to obtain support under one of the two schemes when in practice the two schemes could perfectly complement each other.

Use of farm advisory services connected with meeting standards

- C51. The limited application of the *use of farm advisory services connected with meeting standards* measure makes difficult to judge on its relevance and coherence properties, though in the few countries where it was applied, the measure seems to have helped farmers achieve compliance.

Farmers' voluntary participation in food quality schemes

- C52. The *farmers' voluntary participation in food quality schemes* measure is potentially highly relevant to the needs of agriculture and rural development and is highly coherent with rural development priorities, in particular with economic and environmental policy objectives. However, its very limited implementation means no clear judgement can be given on its relevance, coherence and effectiveness (with the possible exception of some positive impacts on farm incomes).

Producer group activities related to food quality

- C53. This measure was implemented in only two countries, but from the limited information a good example can be discerned in Hungary where a large proportion of producer groups were supported making this measure particularly successful through increased turnover of producer groups, in particular for conventional products.



6.6.2 Recommendations

R24. Enhance targeting to address the structural characteristics of agriculture

In the case of the *implementing demanding standards* measure, targeting of beneficiaries should clearly correspond to prevailing structural characteristics of agriculture and the scale of the problems identified. Minimum and maximum thresholds in farm size should take into account the prevailing size of farms and the needs of the more vulnerable ones (usually small size farms are in most need of support) as well as the environmental impact of non-compliance. [ref: **overall assessment**]

R25. Promote complementarity between the implementing standards measure and other support received for restructuring

This is particularly pertinent in countries where semi-subsistence farms represent an important proportion of agricultural holdings. Receiving support for restructuring can be complemented with assistance to implement demanding EU standards in their restructured farms. [ref: **Conclusion C50**]

R26. Promote greater synergy between the meeting standards and food quality measures and other measures

In general, the limited implementation of the meeting standards and food quality measures makes it difficult to assess their efficacy and clearly indicates the advantages of measures whose implementation approaches a discernible mass of beneficiaries. Their potential high relevance for addressing needs such as for instance learning how to comply with EU standards or how to improve the quality of products and processes justifies greater synergy with measures that include in their objectives the improved quality of products and processing procedures. Such measures include the investment in farms measure and the processing and marketing of agricultural products measure. [ref: **Conclusions C48-C53**]

6.7 Agri-environment and animal welfare

6.7.1 Conclusions

Relevance

C54. The agri-environment measure covers a diverse range of schemes and sub-measures, enabling it to address multiple environmental needs in very different territorial contexts. It is adaptable and flexible enough to be relevant to the situation of a large proportion of farmland and to a high share of farm holdings. This potential relevance is supported by the wide uptake seen across the EU, and the positive environmental impacts identified.

C55. The wide range of sub-measures facilitates its focussed targeting and hence, its correspondence and relevance to agricultural, environmental and rural development needs in both the EU15 and EU10, sometimes even at a local scale. The measure was found to respond to real needs of society in terms of meeting improved environmental conditions through promoting sustainable farming practices.

C56. The objectives of the measure were considered as satisfactorily relevant to addressing needs associated with landscape protection, soil and water quality, biodiversity and the introduction of environmentally-friendly production techniques. In the EU10 it was an important and innovative policy instrument that contributed significantly to sustainable development in rural areas by



addressing specific pressing needs in relation to water and soil protection and management and maintenance of high nature value areas.

- C57. Focused targeting of the measure makes it easier to meet environmental needs with precision. This happened for instance when the measure was territorially focused or targeted at specific groups of producers or specifically targeted mountain and other marginal areas. However, when the measure funded discrete blocks of land within a farm and did not take into account the farm as a whole, it fell short of fully covering environmental improvement needs.

Coherence

- C58. The agri-environment measure is judged as highly coherent with environmental priorities in rural areas. It provided a contribution to the overall needs for sustainable development of agricultural and rural areas, in all national and regional contexts, and as such was coherent with the environmental priority objectives of rural development policies. The measure and the large menu of sub-measures offered were adaptable to a wide variety of environmental issues and contexts throughout the EU (case studies provided very good illustration of the contribution of the measure to environmental priority objectives, in Austria, Czech Republic and Wales). There is scope for further improvement by making environmental objectives more specific (they were criticised as vague by some stakeholders and not well targeted towards biodiversity enhancement).
- C59. Often, complementarity of the measure with the LFA scheme improved the sustainability of farm businesses located in disadvantaged areas and is therefore consistent with the AEM intervention logic which envisages the maintenance of the countryside and the maintenance of employment in rural areas as long-term impacts. Combining the two measures brought positive results in terms of fighting land abandonment and marginalisation, particularly acute problems in the EU10 (with the exception of the Czech Republic where the measure was reported not to address land abandonment as it was not included in its objectives or scope). More detailed analysis during case studies (AT, IE) revealed that the combination of the two measures contributed to sustainability through providing income support (compensatory allowance) and promoting environmentally friendly production (agri-environment).
- C60. Complementarity with the training measure was not common, but where it happened it proved to be highly consistent with the achievement of environmental policy priorities. This is because environmental training facilitated the implementation of the requirements of the agri-environment sub-measures and improved practical skills of farmers in a way that their actions protect the environment (e.g. training in harvesting techniques that protect flora and fauna).
- C61. In addition to training, information provision and animation proved to be effective approaches for raising awareness on the content and potential offered by the measure and its components as well as on the way they should be implemented.

Efficiency

- C62. Deficiencies in the monitoring system associated with the agri-environment measure (including baseline data) generate ambiguous judgements on its level of efficiency. Environmental benefits of the measure were identified throughout the EU25 but they stem primarily from opinions and are not quantified. However, an overwhelming majority of the large number of opinions collected reported beneficial effects and substantial environmental needs addressed. No attempt to value the environmental benefits produced was identified in the ex-post reports, therefore it is not



possible to comment on whether the public benefits generated are proportionate to the public funds invested in this measure.

Effectiveness and impact

- C63. There is a recognisable correlation between the level of environmental improvement and the level of uptake of the measure and its components. The wide coverage of the measure (in terms of hectares and numbers of holdings) is expected to have brought environmental improvement because of the sheer extent of application of environmentally friendly practices. This is particularly true where a critical mass of land is concerned, leading to benefits at landscape/habitat scale, rather than simply on individual farms.
- C64. The measure seems to be quite effective in protecting water quality, especially where sub-measures are specifically designed to this end. Input reduction for instance was a key prerequisite for several sub-measures or was even a sub-measure itself. Water protection, erosion protection or reduction of nitrates were some of the sub-measures specifically addressing water quality.
- C65. In contrast, the impact of the measure on water quantity seems (at best) dubious. The impact on water quantity stems mostly from technology improvements, namely the use of more efficient irrigation techniques (financed primarily by the investment measure). This was the most common and effective mechanism for achieving water savings. The limited impact of the agri-environment measure in relation to water savings was achieved through the application of “water-saving” types of crops (e.g. a shift to extensive production dry crops).
- C66. The agri-environment measure has (directly and indirectly) protected flora and fauna, especially in cases when specific actions explicitly targeted the protection of species. Input reducing measures, nature conservation or changes in management and cropping patterns are amongst the measures that contributed to the protection of flora and fauna. However, most effective were measures directly targeting species, such as bird protection measures in some countries.
- C67. The maintenance and enhancement of biodiversity is most positively affected by the extent of targeting of the measures applied (specific/focused actions are better), synergy with other measures, the timing of activities and the policy focus.
- C68. Due to a lack of critical mass of implementation in specific areas and deficiencies in targeting to focus on important areas, impacts on biodiversity in terms of habitat protection seem to be rather restricted. Factors that impede successful maintenance of habitat biodiversity include the limited proportion of high nature value habitats eligible for AEM support, since AEM is only available on agricultural land and not on associated habitats such as woodland, wetland and scrub. Where applied, a local focus on specific habitats seems to be a very effective approach for protecting habitats.
- C69. In several cases, the focus of the measure on landscape protection has resulted in positive landscape effects, especially through synergies between traditional farming systems and organic farming.
- C70. There is very limited information about examples of best practice in relation to collective action (only four were obtained from the fieldwork). Where they exist they concern agri-tourism, organic actions in bio-regions, nature and water protection, linked with the provision of public goods.

6.7.2 Recommendations

R27. Improve targeting and selection procedures.

In general, a high level of targeting seems to positively influence the effectiveness of the measure. An improvement in the targeting (especially in terms of the ex-ante selection of sensitive areas on which it intervenes) as well as on eligibility and/or selection criteria and encouraging a critical mass of beneficiaries, is expected to further enhance its effectiveness and efficiency. This concerns both horizontal measures and measures for sensitive water or nature protection areas available within defined boundaries. Better targeting of sensitive areas is necessary to improve the results of the measure in relation to biodiversity and natural resources conservation. Programmes should include more demanding eligibility criteria, in particular a certain percentage of key environmental elements, such as biotopes, in supported farm areas. Water management should also be better targeted to areas with severe water shortage problems and focus on actions that entail a shift from traditional to more modern irrigation approaches. [ref: **Conclusions C55, C57, C66, C67, C68, C69 & C70**]

R28. Introduce agri-environment measures at local level

Agri-environment sub-measures or topics should be implemented at the appropriate territorial level to ensure they are responsive to local conditions. The sub-measures can be tailor-made to individual topics or regions. Good practice includes targeting specific habitats (as was done for instance in Spain for valuable wetlands in Natura 2000 areas) [ref: **Conclusions C56, C58 & C70**]

R29. Re-assess the measure objectives and implementation framework

It is likely that voluntary agri-environment measures may not be effective enough for areas with specific disadvantages or environmental problems. The objectives of the measure should reflect all problems/needs to be addressed, for example avoidance of abandoned land. At the same time, legal (compulsory) measures may be necessary to address some pressing problems, implying that some issues should be addressed outside the AEM framework, through cross-compliance or other mechanisms. [ref: **Conclusion C59**]

R30. Improve the monitoring system

An improvement in the monitoring system for the measure would greatly facilitate a more accurate and precise judgement on its efficiency and effectiveness. A limited number of simple, easy to use and easy to measure indicators should be developed (choosing from the wide range of environmental indicators available) by the Commission and adopted by the relevant authorities, in order to allow comparisons and aggregation of data. Baseline data should also be defined at the start of the programme and changes in indicators monitored against the baseline indicators. The participation of scientists/experts in the definition of the monitoring system and indicators should facilitate the choice of the most reliable way to link achievements to impacts. [ref: **Conclusion C62**]

R31. Complement the agri-environment measure with other measures

The combination of the LFA and agri-environment measure should be further promoted as it proved to contribute particularly to sustainability of farms and farm activity. In addition, the training measure should become a key complementary component of agri-environment schemes. A close link between the capacity building and information needs of farmers adopting the agri-environment measure and training provision should be sought. Complementing the agri-environment measure with environmental training would not only improve the efficiency of the



measure but should also facilitate the expansion of environmentally-friendly farming practices. [ref: **Conclusions C60 & C61**]

R32. Promote synergies with other EU Funds, namely ERDF and FIFG

A higher level of synergy between the agri-environment and measures with environmental objectives promoted by ERDF or FIFG would be normally expected to generate higher (and perhaps also wider) environmental benefits in rural areas. [ref: **Conclusions C59 - C61**]

R33. Promote the combination of agri-environment sub-measures

The efficiency of the agri-environment measure should be enhanced not only through its complementarity with other RDP measures and action funded by other EU funds, but also the joint application of agri-environment sub-measures. [ref: **Conclusion C54 & C55**]

R34. Link the measure with appropriate awareness raising, information and advice.

The implementation of the measure can be enhanced with the provision of the necessary information and advisory support in order to increase uptake (hence environmental impacts) and knowledge of farmers on how to comply with environmental commitments and introduce practices that benefit the environment. [ref: **Conclusion C61**]

6.8 Improving the processing and marketing of agricultural products

6.8.1 Conclusions

- C71. The measure was one of the most popular rural development measures (judging by the large number of applications received and the geographical coverage) and is considered as highly relevant to the needs of the agri-food sector and (through the high links between agriculture and food processing) rural areas.
- C72. It is considered as highly responsive to the needs of increased competitiveness and quality improvement in strategic segments of the food sector and has contributed to the modernisation and viability of the agricultural sector.
- C73. Processing and marketing was relevant for addressing the needs of several key sectors in each country/region where it was implemented. Some of these sectors were particularly pertinent for receiving support in the context of this measure, because they represented growing sectors or food processing units located in disadvantaged areas with accessibility difficulties which reduced their competitiveness, or faced competitive pressures from imported products.
- C74. The measure was particularly successful in addressing the needs of small and medium agri-food businesses, opening market opportunities, generating rural jobs and modernising the food sector in the EU10. Specifically for the latter, investments in processing and marketing proved necessary in order to enable the EU10 agri-food businesses to adapt to EU standards for health, safety and quality and to compete in the single market.

Coherence

- C75. The measure is judged as highly coherent with economic, social and environmental priorities in rural areas. The measure objectives in all programmes reflect a clear link to all rural policy objectives. Economic priority objectives stand out through the emphasis placed by the measure (in all programmes) on the promotion of competitiveness and quality through the adoption of new technologies and innovation.



- C76. Complementing processing and marketing with the farm investment measure was determinant in addressing modernisation needs while improving farm efficiency and viability. Synergy with other RDP measures was limited but where existed, it covered adaptation measures (e.g. marketing of quality products proved to be the most pertinent) and training (useful for raising awareness on the benefits of cooperation along the food production chain).

Efficiency

- C77. Judging by the results produced, namely, value added, large numbers of holdings/businesses supported, quality labels created, jobs created or safeguarded as well as the strategic importance of the sectors supported, it can be concluded that measure results were proportionate to the resources applied.
- C78. Focused targeting (although in a limited number of cases) proved to be efficient when resources were targeted at small businesses which engaged into collective action. In these cases the results produced were impressive.
- C79. However, low efficiency is evident when resources were targeted at actions that served temporary needs of small areas.

Effectiveness and impact

- C80. The effectiveness of the measure on the competitiveness of the food industry and (indirectly) on that of agriculture seems rather evident. In the EU10 it was particularly successful in assisting the adjustment of the agri-food sector, focusing the (limited) financial resources on selected local areas/communities. In these countries as well in some Objective 1 regions of the EU15, improvements in processing and marketing allowed agri-food products to expand their sales locally and even compete in international markets.
- C81. The main impact of the measure was on quality and improved competitiveness rather than prices. The latter were most often influenced by trends in international prices of agricultural commodities, which in some cases could not be offset by the impacts of the measure.
- C82. There were limited vertical links between agri-food processing and the marketing chain developed by the measure, although in a few cases where they were evident, their importance for improving competitiveness of the food chain was confirmed.
- C83. The measure had direct and clear positive impacts on the environment as it often incorporated the use of modern technology and facilitated compliance of beneficiaries with environmental standards. In the EU15 environmental impacts were not the prime objective of the measure (competitiveness prevailed as a central aim); however, in the EU10 environmental impacts were often a priority objective (there were a number of environmentally friendly investments such as elimination of by products and waste from processing or energy saving investments).
- C84. Case study investigation indicated that deadweight was generally low for the measure, as support mostly responded to real needs for the modernisation of small units in fragile areas. In fact it was argued that in the absence of support, such investments would have not materialised. Some exceptions to the above were found, for example large cooperatives and agro-industrial units in Spain active in the fruit and vegetable sector, and large cooperatives in Portugal, where deadweight appeared to be higher.

6.8.2 Recommendations

R35. Promote focused targeting of the measure

The focussed targeting of the measure on small food businesses facilitates the modernisation of an important, job-creating segment of this industry. Good practice from France (Rhône-Alpes) showed that targeting small-scale processing business, principally cooperatives representing a large proportion of farmers in the region, had an important impact on the competitiveness of agri-food businesses. In addition, the focus of targeting should also take into account sectoral and territorial dimensions (e.g. growth sectors, sector under competitive pressure from abroad, location of farms, etc.). [ref: **Conclusions C78, C79 & C80**]

R36. Aim for a critical mass of beneficiaries

When the application of the measure is relevant to a critical mass of food sector beneficiaries it also generates profound positive impacts on relevant primary production. [ref: **Conclusions C74, C77 & C80**]

R37. Make environmental improvements a priority where relevant

In regions/countries (e.g. new Member States) that face environmental problems or where agri-food processing businesses use obsolete and outdated equipment, environmental improvements should be a primary objective of the measure. [ref: **Conclusion C83**]

R38. Target the measure towards new priorities

There is significant scope for linking investments in agri-food processing with the new priorities of climate change, water management, innovation and green growth. The existing investments already addressed some of these priorities albeit as a side-effect rather than as a specific objective. Contribution of the measure to these priorities should become an explicit objective. [ref: **Conclusions C75 & C83**]

R39. Enhance the complementarity of the measure with other RDP measures

The capacity of the measure to synergistically act with other RDP measures that relate to competitiveness (e.g. investment in farms, training, marketing of quality products, diversification) should be further exploited. The training measure should play a more supportive role on raising awareness on environmental issues as well as promoting horizontal and vertical cooperation. Also, synergies with the agri-environment measure can be promoted to give a whole sector or/and area the opportunity to contribute to acquire a sustainable comparative advantage (based on quality environmentally friendly production). Good practice includes synergy between the processing and marketing and the investment measures that contributed to self-reliance of agriculture and viable and sustainable farms. [ref: **Conclusion C76**]

R40. Encourage cooperation between producers of basic agricultural products and the processing/marketing stages

Cooperation along production chains should be integrated in the main objectives of the measure. Cooperation can be in particular integrated in the innovation objective, the elimination of by-products or waste and the protection of the environment. In the context of these objectives, cooperation along the whole production chain can improve the efficiency of the measure and generate wider impacts (e.g. economies of scale can be achieved if producers and processing businesses cooperate for the elimination of waste). [ref: **Conclusions C78 & C82**]

6.9 Forestry measures

6.9.1 Conclusions

Relevance

- C85. Although the relevance of the measures to social and economic needs is evidenced in many countries, their relevance to the ecological needs of rural areas for sustainable development - taking into account the economic, ecological and social functions of forests in a comprehensive approach integrating key-principles of sustainable forest management and development of forestry on a long-term perspective - is less evident.
- C86. Evidence in relation to forestry measures reflects the geographical, economical, historical and political diversity of forest policy contexts in different Member States and reveals that in general and with very few exceptions, the objectives of forestry measures have been judged as highly relevant to forestry and rural development needs.

Coherence

- C87. For Afforestation of agricultural land, information from existing ex-post evaluations is rather poor.
- C88. For Other forestry measures, there is a quite high coherence of the measure with the social, economic and environmental priority objectives of rural development, in particular in the regions where it was also considered as relevant. Its contribution to economic objectives could be significantly enhanced when applied in synergy with other rural development measures, especially adaptation measures, as well exemplified by Wales.
- C89. Noteworthy also is the link made in many ex-post evaluation reports between the Other forestry measure and forest policies at different national, regional and community contexts, all of which stressing the social, economic, ecological functions of forests and the strong relationship between sustainable forest management and sustainable rural development.

Effectiveness and impact

- C90. The prime impact of the measures was on the provision and enhancement of the protective functions of forests, but they contributed also to economic and social aspects of rural development. Afforestation of agricultural land (net increase of woodland surface which in several cases -ES, IT, GR, HU- exceeded pre-defined targets) has principally contributed to the improvement of the environment (lower emissions and pollutions from agriculture, improved soil conservation, landscape, quality and ecological value of forests, biodiversity) and other forestry measures to the multi-functional role of forests, the protection against forest fires and the structure and quality of growing stocks.
- C91. Concerning social and economic aspects, afforestation of agricultural land offered a credible economic alternative in marginal areas with low productivity as the compensation offered for income foregone was competitive. But this was not really the case for small-forested areas, which were not able to generate significant incomes and beneficiaries of such payments do not always live in rural areas; thus the impact on incomes of the rural population have been rather limited. In addition, positive landscape-effects have not automatically resulted in increased tourism. They have sometimes provided social and recreational amenities for local communities but in no case contributed significantly to slowing down rural exodus. In brief, the measure has contributed to a limited extent to the maintenance or improvement of the living conditions or welfare of the rural



population. In a few cases, however there is evidence that afforestation has contributed to more rational forestry practices, through modernisation (e.g., Emilia-Romagna in Italy, Basque country in Spain) and cost reduction (e.g., Bavaria), thus promoting the economic function of forests.

- C92. For other forestry measures, there is a dual reality of impacts on social and economic aspects of rural development across Europe, with countries or regions where the measure contributed much positively and initiated longer-term development processes (e.g., Cyprus, France, Andalucía in Spain, Wales in the UK) and others where effects were much limited (e.g., Luxembourg).

6.9.2 Recommendations

- R41. Merge the measures in one single forestry measure. Sustainable forest management needs a holistic approach and coherence and consistency of the measures need improvement: having one single forestry measure will improve its design, implementation and management and contribute to simplification. [ref: **Conclusions C85–C92**]
- R42. Complement the measures with other community and public funds, for improved efficiency. Complementarity with national or regional forest policy is often cited in the rural development Regulation, especially in relation to eligibility criteria, although it would be very important also to highlight convergence in terms of objectives and actions between sustainable forest management and sustainable rural development and identify on this basis opportunities for cross- or mutual funding. Also, there is room for complementarity with other EU funds, since improved contribution of forestry to sustainable rural development requires acquisition of new skills, development of qualified jobs and possible conversion of activities from other sectors, or for target groups (youth, unemployed people, new populations, etc.). Hence, there is a wide room for important complementarity with ESF. [ref: **Conclusions C88 & C89**]
- R43. Improve the coherence with other rural development measures. Greater synergies with other measures should be sought, as was for instance successfully achieved with the other forestry measures, tourism development and diversification in Wales, UK. More broadly, many issues at stake today for sustainable forestry, such as multiple-use of natural resources, improved cooperation among stakeholders, competitiveness and marketing or short-distance supply systems, apply in very similar ways as for agriculture and there is a need for better convergence between agricultural and forestry approaches in order for them to better contribute to sustainable development of rural areas as a whole. [ref: **Conclusion C88**]
- R44. Make more use of forestry measures to address new priorities. Sustainable forestry is linked to all new priorities: mitigating climate change, improving water management, preserving biodiversity, promoting green growth. All benefit from sustainable forest management, which in turn needs a sustainable forest economy based on innovation in all aspects (land use planning, forest management, organization of productions chains, marketing...). [ref: **Conclusions C85–C92**]
- R45. Take into account the multifunctional role of forests at appropriate scale level for both sustainable forest management and sustainable rural development. Water management, for instance needs to be addressed at catchment level: and it is at this level that the role of forest in water regulation and depuration can be taken into account in order to make adequate land use planning and investments. On another respect, developing a forestry sector that makes the best of forest resources, is facilitated through the adoption of sustainable resource management strategies and the involvement of economic actors at a level adequate to raise critical mass in terms of products and at the same time keep a shared sense of belonging and responsibility towards resources among all stakeholders, i.e. the landscape level. This issue of appropriate scale level for forestry

measures was never centrally addressed in measures design and implementation in the 2000-2006 period and needs to be taken into account for improved efficiency during the coming 2013-2020 period, especially with regard to new priorities. [ref: **Conclusions C85-C92**]

6.10 Adaptation measures

6.10.1 Conclusions

Relevance

C93. All measures appeared as relevant to address the social, economic and environmental development needs of rural areas. Adaptation measures were generally “adaptable” to each specific national or regional context to address identified needs. In spite of the surprisingly low score obtained for some measures by the survey, the different sources of information suggest a high relevance in particular for the following measures: Land improvement and Reparcelling, which were relevant for addressing the land tenure fragmentation problem and for protecting farmland against natural phenomena (wind erosion, forest fires) respectively; Marketing of quality agricultural products, which was relevant to boost the development of marginal areas through qualification processes for area-based promotion of typical products; Renovation and development of villages and protection and conservation of the rural heritage, relevant to improve the quality of life and attractiveness of rural areas in decline, reverse declining trends and initiate rural tourism; Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income, seen by some as “the only measure that could effectively support the creation of new jobs in rural areas” (after interviews) and Developing and improving infrastructure connected with the development of agriculture, relevant to reduce isolation in remote areas and as such much appreciated by local people.

Coherence

C94. All measures are coherent with economic objectives, many also with social objectives (Setting up farm relief and farm management services, Basic services for the rural economy and populations, Renovation and development of villages, Developing and improving infrastructure connected with the development of agriculture, Restoring agricultural production potential damaged by natural disasters) and some others with environmental objectives (Marketing of quality agricultural products, Diversifying agricultural activities and activities close to agriculture, Managing agricultural water resources, ...) but very few with at the same time economic, social and environmental objectives (Re-parcelling, Protecting the environment in connection with agriculture, forestry and landscape management).

Effectiveness, efficiency and impact

C95. The adaptation measures were in general considered very effective, their impacts were important but their efficiency was much more variable or difficult to appreciate. The reason for high effectiveness may derive from the fact that in each programme there was only a limited number of Chapter IX measures selected, reflecting regional/national development needs and priorities and thus all means and efforts focused on the full and best use of the few measures selected. Consequently their allocated budget was generally fully used, even very often increased after interim revision and targets were reached, and often exceeded.

- a. Among the most effective measures in terms of achievements in comparison to objectives were all those measures dealing principally with works and infrastructure: Land improvement, Re-



parcelling, Basic services for the rural economy and populations, Renovation and development of villages, Managing agricultural water resources, Developing and improving infrastructure connected with the development of agriculture and Restoring agricultural production potential damaged by natural disasters were all very effective measures for which there was high demand.

- b. Other measures dealing more with soft action were also effective, as they responded to important needs and received support from professional or public authorities and as such benefited from adequate accompanying process in terms of information and advice: Marketing of quality agricultural products and Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income were typical. Apart from measures for which no sufficient information is available due to very limited implementation (measures concerning the setup of farm relief, financial engineering and management of integrated rural development strategies) there were only two measures for which effectiveness was considered as more variable or less ascertained: Encouraging tourist and craft activities and Protecting the environment in connection with agriculture, forestry and landscape management, the main reason being probably possible overlap with measures having quite similar objectives or scope.
- C96. The high variability reported on efficiency is in large part the outcome of varied opinions concerning measures supporting principally infrastructure works, for which the impact in terms of development, or the value for money were not easy to assess. A typical example of measure raising discussion about its efficiency is Renovation and development of villages: some arguing that renovating a village centre was wasting money with regard to more urgent and obvious needs for the local economy, others that it was strategic for raising attractiveness and thus maintain people and initiate a tourism development process. Other examples of discussion about effectiveness of Chapter IX can be found with all those measures dealing with land, landscape or natural resources improvement: the value for money is not always easy to estimate, an extreme case being financial valuation of investments in relation to risk prevention.
- C97. Efficiency is easier to appraise when more direct and tangible benefits accrue, especially social or economic in character. Chapter IX measures corresponding to that case and appreciated as efficient, were in particular, Re-parcelling, Marketing of quality agricultural products and Basic services for the rural economy and populations.
- C98. The most important identified impacts of adaptation measures were on improved structural characteristics and competitiveness of the rural economy, either through improved material production factors (through Land improvement, Re-parcelling, Managing agricultural resources, Developing infrastructures connected with agriculture, Restoring agricultural production potential damaged by natural disasters) or immaterial production factors, i.e. capacity enhancement for collective organization, diversified business, innovation (through Marketing of quality agricultural products, Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income, Encouraging tourist and craft activities).
- C99. Other important impacts concerned the improvement of living conditions of populations (through Basic services for the rural economy and populations and Renovation and development of villages and protection and conservation of the rural heritage).

6.10.2 Recommendations²⁸

- R46. Create more consistent packages of measures, since it has been demonstrated many times that efficiency of measures and especially Adaptation measures is greatly enhanced by complementary and synergic association of measures. This is particularly true for rural and especially local development where all problems and solutions are closely interlinked. This is why linking actors and actions is the key for sustainable rural development. Therefore, in order to improve links, the first recommendation is that the most closely interlinked Adaptation measures should be merged in three consistent “packages” of measures for:
- “Natural resources management” (land, water and production potential protection, reclamation and improvement): including the Adaptation measures for Land improvement, Re-parcelling, Managing agricultural water resources, Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention mechanisms,
 - “Human resources enhancement” (capacity building and improved organization of economic actors for improved competitiveness and innovation potential of rural economy): including Setting up farm relief and farm management services, setting up and provision of advisory and extension services, Marketing of quality agricultural products, Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income, Encouraging tourist and craft activities, Financial engineering, Management of integrated rural development strategies by local partners,
 - “Quality of rural life improvement”: including Basic services for the rural economy and populations, Renovation and development of villages and protection and conservation of the rural heritage, Protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare.
- R47. Develop synergies among packages of Adaptation measures with other rural development measures. For instance, linking the measure Investments in farms with the Adaptation Measure Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income, has proved to be efficient in France (Rhône-Alpes), the latter measure taking care of off-farm diversification as has promotion of both on- and off-farm activities at territorial, in particular through actions aimed at reducing physical and mental distances between rural producers and city consumers.
- R48. Improve complementarity with ERDF, ESF and other funds (NATURA, LIFE, FIFG) and for that purpose, to come back to Single Programming Documents/Community Support Frameworks as was the case for Objective 1 and 2 programmes during the 2000-2006 period. Ensure that they are really designed and implemented in full cooperation among representatives of the different funds. Even more than for many other rural development measures, the benefit of complementarity with ERDF, ESF and other funds is obvious for Adaptation measures, e.g.:
- complementarity with ERDF for improving the quality of life in rural areas (for basic infrastructure in communications, water management for human settlements, etc.),
 - also with ESF for human resources enhancement, especially through vocational and life-long training,

²⁸ Based on an overall appreciation of all conclusions



- with NATURA, LIFE, FIFG for natural resources management in connection with agriculture, forestry and rural development.

This complementarity at ground level between community policies is essential for Europe and in particular strategic for making the CAP a real and efficient instrument for rural development.

R49. Improve the capacity of Adaptation measures to face the new challenges and meet the new CAP priorities and especially:

- for the "Natural resources management" package of measures, to face the Environment and climate change challenge, through improved capacity for Mitigation and adaptation to climate change, Water management and Biodiversity,
- for the "Human resources enhancement" package of measures, to face the Food security challenge while meeting EU citizens demand for high quality and wide choice of food products, including local products, through improved Competitiveness and Innovation,
- for the "Quality of rural life improvement" package to face the Territorial balance challenge, through keeping a favourable social and cultural environment for a dynamic farming sector, rural economy and attractive living conditions.

Developing complementarity with other funds, especially through Single Programming Documents, will be a way to improve the efficiency and capacity of Rural development measures and particularly Adaptation measures to meet new priorities.

R50. Another additional way is to target Adaptation measures towards addressing key-challenges in relation to new priorities and especially to focus as new priorities:

- for the "Human resources enhancement" package: on promoting local products, local markets and jobs, direct sales, short distance delivery systems and other alternative distribution systems, including local food systems, new offers of quality, authentic local food in relation to new patterns of demand, new relationships with visitors, city-dwellers and consumers,
- for the "Natural resources enhancement" package: on biomass and renewable energy production, in synergy with Investments in farms and Forestry measures, carbon sequestration and protection of carbon in soils, resource efficiency in agricultural, forestry and rural productions and activities and maintenance of sustainable land production capacity,
- for the "Quality or rural life improvement" package: on promotion of local heritage, traditions and social identity, environmental public goods, empowerment of local people and communities through local governance, improvement of local living conditions and links between rural and urban areas.

R51. Concentrate funds in specific measures. Adaptation measures with very small budget produce negligible impacts. Therefore perhaps a concentration of funds in specific measures is worth considering.

R52. In relation to financial engineering (a measure with a very small uptake), supporting the provision of appropriate facilities to assist beneficiaries to obtain private co-financing helps those most in need of investment support (for example credit guarantees, soft loans). For instance, a risk management toolkit (including for example the possibility to create mutual funds) could be introduced as a means to mitigate and/or protect from the impacts of economic crises (such as the current one).

6.11 Transitional measures for the EU10

6.11.1 Conclusions

Semi-subsistence farms undergoing restructuring

- C100. The measure addressed the needs of an important proportion of farms in some EU10 countries to move from semi-subsistence into more viable farming and to adapt to EU requirements. Although very necessary, it was however not sufficient, alone, to allow most beneficiaries to really come out of semi-subsistence. In particular, other measures were critical in facilitating access to the market such as the support to producer groups.
- C101. In terms of achievements results were more limited than planned for the whole agricultural sector, but more substantial at the level of beneficiaries
- C102. The importance of small farms in these countries (especially in Eastern Europe) on rural viability, biodiversity protection and preservation of rural heritage and (more generally) their contribution on the provision of rural public goods leads to the assessment of a high coherence of the measure to social, environmental and economic priorities for rural development in these countries. In more detail:
- a. Small scale farms are vital for maintaining the social fabric in rural areas by maintaining the viability of rural areas and fighting depopulation, while they also contribute to the preservation of cultural heritage and local customs.
 - b. The amount of land occupied by semi-subsistence farms which apply extensive farming techniques contributes to biodiversity and nature preservation.
- C103. The restructuring semi-subsistence farms measure presented synergies with other RDP measures. In some countries, significant proportions of semi-subsistence farmers benefited also from the meeting standards measure, while synergies were also achieved with the agri-environment and the early retirement measures (albeit to a smaller extent). However, the much sought synergy with the farm investment measure fell short of expectations.
- C104. The restructuring of semi-subsistence farms measure is considered as highly effective with positive impacts on farm productivity, market access, size and incomes.
- C105. Overall, semi-subsistence farms undergoing restructuring was the most successful transitional measure in new Member States.

Producer groups

- C106. Negative historical experience in several New Member States led to reluctance to establish producer groups and hence the limited implementation of the producer groups measure. On the other hand, where it was taken up, the measure was considered as quite effective and able to enhance market opportunities, income and competitiveness for farmers. Where it was implemented, it managed to increase sales for members of producer groups while conventional producers seemed to have benefited more than organic producers.
- C107. In most cases (especially in “traditional” agricultural areas), the producer groups measure was coherent with economic, social and (to a lesser extent) environmental priorities of rural development. The variable results recorded in the 7 countries implementing this measure appear to be related to the level of uptake rather than the intrinsic coherence of the measure with policy objectives.

Technical assistance

- C108. The Technical assistance measure is considered as indirectly, but rather clearly, relevant to the needs of agriculture and rural development in the EU10. This is because it contributes to the strengthening of institutional capacity for the delivery of rural development programmes.
- C109. However, its lack of “frontline status” resulted in a rather low appreciation of its coherence, despite the acknowledgement of some positive effects on the increase of awareness and the improvement of capacities in RDP management and implementation.

Provision of advisory and extension services

- C110. There is no information provided by any Member State on this measure.

6.11.2 Recommendations

Semi-subsistence farms undergoing restructuring

- R53. Maintain and promote this measure in semi-subsistence farms in the EU10, Romania and Bulgaria
The relevance, coherence and effectiveness of the measure, together with its appropriate legal framework for such types of farms, make it an indispensable measure for semi-subsistence farms in transition. Future rural development policy should promote it in the NMS where semi-subsistence farms are still an important part of their rural economies. [ref: **Conclusion C100-C105**]
- R54. Enhance the synergy between the semi-subsistence measure and other RDP measures
Complementing support from the restructuring of semi-subsistence farms measure with that from other RDP measures, in particular improving synergy with the farm investment measure and training would seem to constitute a highly efficient “method” for increasing the viability of such farms. [ref: **Conclusion C103**]

Producer groups

- R55. Integrate this measure into the wider context of cooperation
The limited implementation of the measure [for reasons stated under **Conclusion C108**] does not limit its relevance and effectiveness where it was implemented. It could be incorporated into the wider context of support on cooperation in the production chain [see relevant **Recommendation R41**, under **Section 6.8.2**]. Information and communication in the EU12 should be provided in order to increase knowledge and awareness of the content and benefits of cooperation and producer groups as well as transfer ideas and good practices from producer groups in the EU15. [ref: **Conclusions C106-C107**]

Technical assistance

- R56. Keep the measure available and enhance animation
Technical assistance can contribute to better programme delivery through increased capacity of programme managers and implementing bodies, especially in countries with little experience in EU programmes. The measure should therefore remain available and promoted by the



Commission/Member State relevant authorities through information and animation activities. [ref:
overall appreciation]

Provision of advisory and extension services

R57. Integrate this measure into other measures

Despite the lack of information, conceptually the provision of advisory and extension services in the context of rural development is important for the successful implementation of many measures. For this reason, the measure could be integrated into other measures such as training. It should also be offered as support to rural stakeholders in candidate Member States. [ref:
overall appreciation]



7. Conclusions and recommendations at programme level

7.1 Relevance of the policy objectives

7.1.1 Conclusions [ref: Section 5.1]

- C1. Evidence presented in Section 5.1 suggests that the capacity for measures to adapt to the diversity of situations, throughout the EU and at the local level, is essential for the success of the rural development policy. Clear definitions of objectives and adaptable eligibility and selection criteria are essential to ensure both good local adaptation and successful overall programme level implementation.
- C2. The most relevant measures, according to both desk and fieldwork, appear to be: Training; Less Favoured Areas and areas with environmental restrictions; Improving the processing and marketing of agricultural products; Forestry measures; Agri-environment measures as a first group, followed by Renovation and development of villages; Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income; and Investment in farms. Altogether accounting for almost 75% of total budgeted expenditure, these measures have contributed to meeting the needs of the agriculture and forestry sectors and rural areas.
- C3. The better integration of wider rural development (i.e. beyond the agricultural sector) and environmental challenges into the second pillar of the CAP were major strategic goals of the 2000–2006 rural development policy. As such they were met quite successfully through the high relevance of the LFA, AEM, Renovation and development of villages and Diversification of activities schemes, accounting for some 52% of the total public rural development budget.
- C4. In the New Member States, transitional measures contributed considerably to meeting the needs of agriculture in the very difficult and pivotal accession period. The most relevant to these needs has been the measure to Support semi-subsistence farms undergoing restructuring.
- C5. The relevance of the policy objectives is significantly improved when measures are implemented in a complementary manner. Positive examples are found within all categories of measures, such as accompanying measures: e.g. positive correlation noted in Ireland and Austria between the LFA and AEM schemes, and also between non-accompanying measures, especially the Adaptation measures (Ch. IX); e.g. positive synergy reported in Germany (Thüringen) between the Renovation and development of villages and protection and conservation of the rural heritage, Re-parcelling and Developing and improving infrastructure connected with the development of agriculture.
- C6. At the overall policy level, the objectives reflected identified needs namely: to change and access markets; reverse the trends of economic and social decline and depopulation of the countryside; remove inequalities and promote equal opportunities; improve environmental conditions and protect/preserve the environment and ensure the viability of farming. In the new Member States, policy objectives addressed the need to restructure the farming sector and reduce dependency on semi-subsistence farming, as well as to meet EU standards and diversify the rural economy and improve the rural infrastructure.

7.1.2 Recommendations

- R1. Keep the most relevant measures in the RDP menu, while improving their value with regard to coherence, complementarity and efficiency, particularly through improved complementarity with other measures and improved targeting. [ref: **Conclusion C2, C4 & C5**]



- R2. Improve the actual relevance of some important, popular measures with high potential relevance, in particular: improve the eligibility criteria and targeting of Investments in farms; couple start-up assistance for young farmers with early retirement; reconsider the need for afforestation of agricultural land in the specific situation of each region. [ref: **Conclusions C2 & overall appreciation**]
- R3. Consider improving the relevance of policy objectives for measures which are included in only a few programmes or are not widely taken up by beneficiaries, by identifying the reasons for this, and either abandon, improve or merge them. In particular, this could be applicable to: Financial engineering; Use of farm advisory services connected with meeting standards; Farmers' voluntary participation in food quality schemes; Producer group activities related to food quality, which are all potentially relevant to competitiveness and food security challenges; and Management of integrated rural development strategies by local partners, which is potentially relevant to helping rural stakeholders unlock the potential for development of their rural areas. [ref: **Conclusions C2**]
- R4. Identify the optimum decentralised level for programme design, management, implementation, monitoring and evaluation, according to country and region specific conditions and improve the bottom up approach in order to enhance the capacity of programmes and measures to address the diversity of needs across the EU, through better adaptation capacity and targeting (see also, further recommendation in relation to Complementarity). [**Overall appreciation**]

7.2 Coherence

7.2.1 Conclusions [ref: **Section 5.2**]

- C7. Evidence shows that the most coherent measures within the competitiveness policy-objective are Investments in farms and improving the processing and marketing of agricultural products. These measures contribute to the achievement of this objective, especially when potential synergies with other RDP measures are exploited.
- C8. Also, evidence shows that measures that scored rather low in terms of coherence with economic policy-objectives, could be expected to improve if a higher level of synergy is attained with other RDP measures.
- C9. As far as coherence with environmental rural development policy objectives is concerned, evidence shows that Agri-environment payments and Other Forestry measures have a considerable effect. Again, synergy between these two measures and other RDP actions further enhances their coherence.
- C10. The most coherent measures in relation to social and economic rural development policy objectives seem to be LFA, Renovation and development of villages and Protection and conservation of the rural heritage. The same "rule" about the effect of synergistic influence also applies here.
- C11. There is evidence of complementarity and synergy between several measures and, more importantly, that complementarity generates impacts which are greater than those generated by each measure alone. Complementarity can be achieved either by the joint activation of two measures or by "synergy chains" specific to groups of measures.
- C12. In general, it seems that in most EU Member States the coherence of the menu of measures with the priority objectives, at the programme level, was satisfactory.



- C13. Also, despite some problems associated with insufficient adaptation in some Member States, the level of detail provided in the legal framework facilitated the potential of RDP measures to contribute to the economic, social and environmental objectives of rural development policy.
- C14. Four effective synergic chains have been identified, each linked to one or more priority objectives: chain 1 (Investments in farms, Start up assistance to young farmers, Improving processing and marketing and LFA) to the competitiveness objective, especially in LFAs; chain 2 (LFA and AEM) to the sustainable development objective chain 3 (Investments in farms, Agri-environment, Improving processing and marketing, Marketing of quality products, Diversifying agricultural activities) to both the competitiveness and sustainable development objectives and chain 4 (Land improvement, Re-parcelling, Marketing quality products, Basic services, Renovation and development of villages, Diversifying agricultural activities) to the social and economic cohesion objective.

7.2.2 Recommendations

- R5. Keep the most coherent measures - i.e. Investment in farms, LFA, AEM, Improving the processing and marketing of agricultural products, Other forestry, Renovation and development of villages and protection and conservation of the rural heritage and Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income – while improving their value, through maximising their relevance, complementarity and efficiency. [ref: **Conclusions C7-C12**]
- R6. Pay particular attention to those measures, important in terms of application in programmes and budget, that have demonstrated low or uneven coherence, i.e. Start-up assistance for young farmers, Early retirement and Afforestation of agricultural land. Since these measures were also of low or variable relevance, careful consideration should be given to their future improvement (redesigning, or merging them with other measures) or abandonment. [ref: **Conclusion C8**]
- R7. Promote complementarity as a key-concept for RD policies. In particular, identify possibilities to consolidate the synergic chains identified: such as strengthening links in the legal framework (e.g. bonuses when another measure is implemented); in the implementation process (e.g. prioritise integrated projects combining measures, or groups of different measures); or adding measures to identified chains, in particular those likely to act as catalysts when properly targeted (e.g. training) and creating new chains by developing new links in the legal framework. [ref: **Conclusion C14**]

7.3 Complementarity between rural development programmes and other support instruments

7.3.1 Conclusions [ref: **Section 5.3**]

- C15. Good examples of complementarity at programme level can be identified, especially from case studies, not only with EU funds, but also with other national, regional and sub-regional instruments and funds, for agriculture, forestry or local development.
- C16. Lack of efficient coordination between authorities designing and implementing development interventions in rural areas, seems to be the main reason for low levels of complementarity. Case studies provide positive examples of complementarity resulting from good coordination mechanisms (e.g. in Rhône-Alpes FR, Andalucía ES and Austria).

7.3.2 Recommendations

- R8. Chapter IX (adaptation) measures entail an “integrated approach” orientation and demonstrate higher potential complementarity with ERDF and ESF, than many other rural development measures. Due to their importance for integrated rural development, their complementarity with other programmes and Funds should be carefully analysed, taking examples of good practice identified, particularly, in the case studies (Thüringen, DE; Rhône-Alpes, FR; Thessaly, GR; Alentejo, PT). [ref: **Overall appreciation**]
- R9. Improvement in coherence between EU funds, in a manner that promotes complementary development initiatives would increase the success of public intervention in EU rural areas. The sustainable development of rural areas needs to take into account sectors and policies beyond agriculture, forestry and traditionally rural activities amongst which external drivers can play a prominent role (e.g. changes in transport or communication infrastructures, population movements, etc.) as well evidenced by MAPP focus groups. In this respect, the positive lessons learnt from case studies about the programming framework offered by Objective 1 and 2 OPs and SPDs should be reconsidered as a model for cross-funded programmes. [ref: **Overall appreciation**]
- R10. Deficiencies in coordination of development initiatives intervening in rural areas should be addressed by policy makers. The degree of centralisation of policy design and implementation of all Community Funds could be reconsidered in this context. As in the case of Relevance and Coherence, the optimum decentralised level for programme design, management, implementation, monitoring and evaluation, according to countries and regions, should be identified, with particular consideration to the regional level. Also coordination mechanisms should be set up, involving all stakeholders in public fund management, according to the specified context of each region (with possibly delegation from regional to sub-regional levels), to ensure that programmes are managed as close as possible to ground realities, while maintaining the optimum level for synergy between funds. [ref: **Conclusion C16**]

7.4 Consistency

7.4.1 Conclusions [ref: **Section 5.4**]

- C17. The concentration of the EU RDP budget for 2000-2006 on a small subset of measures was significant, with 11 of the 31 measures accounting for nearly 90% of the total funding; the remaining 20 measures accounted, on average, for 0.50% of the budget each.
- C18. The most valuable measures with regard to relevance, coherence and complementarity were also the most important measures in terms of budget, frequency of use in programmes and geographical coverage throughout the EU25.
- C19. The following measures were the most important measures used and, at the same time, the ones considered most relevant, coherent and complementary (i.e. scoring highly for all three aspects): Investment in farms; Less Favoured Areas and areas with environmental restrictions; Agri-environment and animal welfare (Chapter VI); Other forestry measures; Improving the processing and marketing of agricultural products; Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income (Chapter IX)
- C20. However, the measure Renovation and development of villages and protection and conservation of the rural heritage (Chapter IX), valued 4th in combined qualitative value for relevance,



coherence and complementarity, is not amongst the most important in quantitative (budgetary) terms.

- C21. This implies that at overall programme level the 2000-2006 rural development policy was generally consistent. But, consistency could have been enhanced by giving greater weight to Chapter IX, especially with respect to better integration of villages and of rural heritage into the development of rural areas.
- C22. The variation between the perceived value (relevance, coherence and complementarity) of transitional measures in the NMS, and their weight in the programmes would tend to indicate lower consistency of RDPs in these countries. But it is more likely an indication of the, understandable difficulties faced by many NMS during this transition period to manage (for the first time) such complex programmes in a short time period. The method used by the NMS most frequently to absorb the budget over a shorter programming period was to monitor regularly and proceed with successive reallocations of funds to measures where funds were easily absorbed, to the detriment of the coherence and consistency of the programmes.
- C23. In spite of a rather overall satisfactory consistency at EU25 level, there is nevertheless evidence that maintaining consistency throughout the implementation process was rather challenging. In particular the reallocation of resources attributed to each measure during the implementation process was, in general, demand rather than objective driven, which is further evidence of the difficulty of maintaining consistency throughout the RDPs' life cycle.

7.4.2 Recommendations

- R11. A first recommendation would be to raise the profile and encourage use of all Chapter IX measures, in particular the measure Renovation and development of villages and protection and conservation of the rural heritage. These wider rural development measures had a very low share of the budget with each accounting, on average, for just 1% of the total public budget and altogether 15% of the total public budget. The second pillar of the CAP cannot become a real development instrument for rural areas and in particular address the new territorial balance challenge, through extensive use of economically passive measures (e.g. LFA, early retirement); there is a need to substantially increase resources devoted to the Chapter IX Adaptation-type measures in support of sustainable rural and community development. [ref: **Conclusions C20, C21, C23**]
- R12. Similarly, the measures likely to contribute most to addressing food quality and the need for new relationships between producers and consumers, particularly through local markets for genuine healthy local products: Marketing of quality agricultural products; Implementing demanding standards; Use of farm advisory services connected with meeting standards; Farmers' voluntary participation in food quality schemes and Producer group activities related to food quality, only accounted for 2.09% of the total budget. If they are to achieve the stated objectives a greater share of the budget would be needed. [ref: **Overall appreciation**]
- R13. The most important measures for facing the environment and climate challenge and meeting the related new priorities (i.e. climate change, water management, biodiversity and renewable energies) had substantial financial weight, with AEM and Managing water resources alone accounting for 28.13% of the total public budget, without taking into account the potential contribution of Other forestry measures, or Diversifying activities to these issues. However the specific achievements of all these measures in relation to the new priorities were difficult to assess. It is considered that the scope for "green growth" and moving agriculture and rural areas towards more ecological farming, forestry and development could be further developed. This



could be achieved through improved synergy between the rural development measures themselves and with other funds and programmes, together with further refinement of the objectives and implementation of the measures. [ref: **Overall appreciation**]

- R14. Considering that 70% of the measures represented just 10% of the budget, on average 0.50% of the total budget each, it is worth remembering the recommendations made in other chapters to merge some measures to create more coherent and efficient packages of measures, which would strengthen the overall consistency of the rural development policy. [ref: **Overall appreciation**]
- R15. Finally, since maintaining consistency throughout a programme's life cycle, i.e. making funds reallocation more objective-driven than demand-driven, is better achieved if the demand itself is objective driven, meaning that potential beneficiaries and other stakeholders are aware of the value of the programme's objectives for themselves, their professional sector and their rural area, it is recommended to enhance, from the inception and start-up phase, the communication and awareness raising capacity of all rural development programmes. [ref: **Overall appreciation**]

7.5 Results, impact, effectiveness and efficiency of the programmes

7.5.1 Conclusions

Income effects

- C24. The income effects of LFA and agri-environment payments are evident (maintenance or increase of incomes), especially in Member States and regions where these measures constitute a significant proportion of rural development expenditure. However, it has to be borne in mind that these impacts are the result of annual payments, rather than a sustainable income increase induced by structural change and/or productivity and efficiency gains. [ref: **Section 5.5.2**]
- C25. Income effects of other measures vary considerably. Income effects of measures targeting farmers and promoting investment and productivity improvements (e.g. investment in farms, improving the processing and marketing of agricultural products, etc.) appear to be significant at the beneficiary level, but less so in an economy-wide perspective. This is due to the low (in comparison to needs) "coverage" of potential beneficiaries and/or the small and declining economic importance of agriculture. [ref: **Section 5.5.2**]
- C26. In contrast to measures targeting farmers, the measures targeting the "whole" rural economy (e.g. several adaptation measures) and involving structural changes through, for instance, rural infrastructure and accessibility improvements or water management infrastructure were often (though not always) associated with notable economy-wide income effects, although they accounted for a smaller proportion of the overall budget. [ref: **Section 5.5.2**]
- C27. In general, income effects seem to be highly correlated with efficient targeting of measure-specific support and the combined application of measures. For instance, combining investment support with advice, training and business planning is more likely to generate income improvements for beneficiaries. [ref: **Section 5.5.2**] This reinforces the conclusions cited of the benefits that can be derived from exploiting potential synergies between measures.
- C28. Though other development programmes (in addition to rural development programmes) and several exogenous factors (e.g. market prices, macroeconomic conditions, etc.) have a significant impact on rural income generation and evolution, there is evidence that EAGGF support has nevertheless been an important determinant of rural incomes. In some cases, rural development

support managed to alleviate the negative impact on incomes originating from external factors (some examples in the EU10 in particular). [ref: **Section 5.5.2**]

- C29. In the case of the EU10, transitional measures were mostly successful in building capacity and preparing new Member States for complying with EU standards and competition in EU markets. They contributed to the continuation of structural adjustment actions started in the pre-accession period. The brief implementation period (2004-2006) did not allow for the generation of substantial impacts on incomes, employment or the environment, although it is evident that positive trends were recorded. However investment measures and the semi-subsistence measure brought clear added value in relation to rural incomes in these countries and expectations for future improvements once the investments mature. [ref: **Section 5.5.2**]

Employment effects

- C30. Rural development measures generated and/or maintained employment in rural areas, even if in many cases this was reported to be more significant at local rather than regional level (France for instance). All sources of information confirm positive impacts on employment and there is consensus that employment maintenance was more significant than the creation of new jobs. [ref: **Section 5.5.3**]
- C31. In general, employment generation patterns have followed those of income generation (see above Conclusions C24-C29) with the exception of accompanying measures targeting income effects (i.e. the employment effect of accompanying measures is lower than their income effect). Also, net employment effects of RDP measures seem to be generally lower than net income impacts, though it is extremely difficult to disentangle RDP employment impacts from the job impacts of other development initiatives and exogenous factors. [ref: **Section 5.5.3**]
- C32. The effects of the LFA and the afforestation measures on employment are of a part-time and temporary character. Whilst employment creation was not an objective of the agri-environment measure, it does appear to have potential to maintain employment for farmers who undertake environmental commitments and to generate employment indirectly in the wider rural economy, through demand for environmental services and attracting tourism. [ref: **Section 5.5.3**]
- C33. Investment support to large farms resulted in them becoming more competitive without creating a significant number of new jobs. [ref: **Section 5.5.3**] This stresses the importance of targeting in addressing the groups that need most support [see also Conclusions under the investment measure, **Section 6.1**]
- C34. Measures promoting diversification on and off the farm, such as investments, processing and marketing, as well as some adaptation measures (e.g. diversification, basic services, infrastructure improvements, tourist and craft activities) were successful in generating off-farm employment. [ref: **Section 5.5.3**]

Environmental impacts

- C35. As expected, the most widespread environmental impacts were specific to the agri-environment and forestry measures. Environmental impacts seem to be highly and positively correlated with the financial weight of the aforementioned measures. Effective use of training and advisory services also improved the overall environmental impact of programmes. [ref: **Section 5.5.4**]
- C36. Evidence of environmental impacts is mainly of a qualitative nature due to the lack of robust baseline and monitoring data and indicators. In addition, the environmental impacts of agri-



environment measures are difficult to quantify, due to their long-term effects and the influence of many other intervening factors. In fact, the main source of information for the assessment of environmental impacts, in case study areas, has been the MAPP focus groups which revealed very positive impacts. [ref: **Section 5.5.4**]

- C37. Also, in cases where the LFA scheme had an environmental focus, it managed to generate positive effects on the protection and conservation of natural resources. It has to be borne in mind that the main impact of the LFA scheme was on the viability of farms and the sustainability of agricultural activity. However this, coupled with environmental commitments in LFAs, supported sustainable land management. [ref: **Section 5.5.4**]
- C38. The environmental impacts of other measures are less evident, but positive effects on the rural environment can be clearly associated with important (in terms of financial weight) measures, such as farm investment, food processing and marketing. [ref: **Section 5.5.4**]
- C39. The combined effect of Objective 1 programmes on the environment is perceived to be higher in Andalucía (ES), Wales (UK), Poland and East Finland (FI) than in the other case study programmes. This is largely due to the environmental requirements and commitments undertaken in the context of several measures. Awareness raising of environmental protection was another perceived outcome of the programmes. [ref: **Section 5.5.4**]

Effects on quality of life and sustainability of rural communities

- C40. RDP effects on quality of life and sustainability of rural communities seem to be evident in the case of adaptation measures. At the same time, RDP effects on the stabilisation of the rural population were judged as being generally positive (especially in terms of decelerating depopulation) but rather limited. [ref: **Section 5.5.5**]
- C41. There have not been any significant effects specifically affecting the quality of life for women or young people since RDP measures have generally been age and gender neutral (with very few exceptions). [ref: **Section 5.5.5**]

Impacts on the market situation and competitiveness of basic agricultural and forestry products

- C42. RDP effects (in particular through the investment, processing and marketing, diversification and marketing measures) on the market situation and competitiveness, of basic agricultural and forestry products, seem to be generally rather marginal (some cases are quoted where the marketing and processing measure had a noticeable impact through supporting a significant proportion of capacity at local/regional level). Investment in production capacity and infrastructures has however improved quality, increased value added and facilitated the improvement of market access. In this case, exogenous intervening factors seem to have a greater impact than the limited funds available from rural development support. [ref: **Section 5.5.6**]
- C43. In the EU10, the impacts of the investment and processing and marketing measures on the market situation and competitiveness of products varied from country to country, with considerable success in some, and less effect in others, from apparently similar measures. [ref: **Section 5.5.6**]

Effectiveness of programmes/measures to identify priority beneficiaries

- C44. Focus on target-groups of beneficiaries, territorial targeting, clearly formulated criteria and local knowledge of and proximity to target groups are all factors that positively influence the capacity of measure implementation to reach priority beneficiaries. In contrast, factors that negatively influence success in reaching priority beneficiaries include: lack of self-finance (which is often specific to those most in “need” of public support); a broad definition of target groups and lack of administrative capacity and experience.

7.5.2 Recommendations

- R16. It seems that capacity to generate positive economic, environmental and social impacts is likely to be highly correlated with effective and clear targeting of RDP support. Successful examples of targeting that have produced positive effects on employment, incomes and the environment should be taken into account in the design of future policy. [ref: **Conclusions C25, C26 & C27**]
- R17. The quantification of impacts should become a priority of RDP monitoring systems. The establishment of reliable baseline information and the development of a limited number of simple indicators (compulsory for all MS in terms of their application), to allow for comparisons, should be promoted. A common definition of the types of impact measurements should be developed and used by all Member States (for instance, decide how to measure employment effects: as full time equivalent or another definition). This will facilitate the monitoring of programmes, their evaluation and will provide useful information for improving programme implementation. Quantification of environmental impacts is particularly necessary since this area is lacking in hard data [ref: **Conclusions C39, C41 & C42**]
- R18. The impacts of lack of self-finance on programme effectiveness are worth further elaboration and assessment. Such action could be particularly relevant in cases where rural development measures are thought to induce polarisation effects between and within agricultural and rural businesses and areas. [**Conclusion C44**]

7.6 Delivery Systems

7.6.1 Conclusions [ref: **Overall appreciation**]

- C45. Evidence analysed in this report suggests that the performance of different delivery systems, in EU Member States and regions, significantly influences programme implementation and results, despite the fact that this aspect is usually treated as a technical organisational matter.
- C46. Administrative burden and bureaucracy stand out as the most important weaknesses of delivery systems. In several countries there was evidence of high transaction costs which can have a negative impact on measure implementation. There are two distinct types of transaction costs; preconditions which discourage the beneficiary from applying and requirements for MAs to comply with national and EU bureaucratic requirements.
- C47. Other facets of administrative burden, for both applicants and implementing authorities, include complicated and demanding application procedures, data gathering and reporting burdens and sometimes long delays in the approval of programme and measure specific national legislation. This was exacerbated in some cases, particularly in the EU10, by limited staff capacity.
- C48. Some Member States and regions have responded to the above problems through various simplifications of administrative procedures or through their decentralisation.



- C49. Information flows seem to be a very important factor influencing the efficient management and effective implementation of programmes and measures. In this context the extension services have also played an important role in facilitating the participation of beneficiaries. Also, emphasis of information provision specific to “novel” policy measures influences the interest of beneficiaries.
- C50. Comparison of the different institutional, programming and financing arrangements, in the variety of programmes implemented, showed that differences reflect not so much the types of programmes (RDPs, Objective 1 programmes, Objective 2 Single Programming Documents and TRDI programmes) and the different institutional/administrative contexts in which the programmes operated, but more the prevailing governance and administration cultures in each country. Single fund programmes (i.e. RDPs) that appear simpler to manage were sometimes subject to complex and cumbersome institutional arrangements, when multiple agents intervened and coordination was weak. This is exemplified in countries with decentralised administrative structures, like Spain (where the implementation of programmes required the coordination/shared participation of the Ministry and the regional autonomous governments), where the lack of common monitoring criteria and IT management tools led to heterogeneous collection of information limiting effective management and coordination. At the same time, several multi-fund programmes (Objective 1 programmes or Objective 2 SPDs) were effectively delivered, when appropriate coordination mechanisms and information flows were in place, despite their more complex structure (multiple Funds, several MAs, etc.).
- C51. Institutional arrangements were not effective in all the Member States and Programmes. Coordination of delivery between implementing institutions, decentralisation of jurisdictions (when targeted by competent regional and local bodies) and familiarity with programming arrangements were all factors that influenced the effectiveness of institutional arrangements.
- C52. In the EU-10 there is evidence of the rather limited competence of administrative capacity due to shortcomings in human resources and lack of appropriate support systems.
- C53. Excessive bureaucracy in delivery systems appears to be a pan-European dysfunction and was reported to have had significant negative effects on programme implementation in many countries including Austria, Czech Republic, Finland, France, Germany, Greece, Hungary, Portugal and to a lesser extent in Ireland and Poland. With so many reports of bureaucratic impediments to successful implementation, it is reasonable to conclude that this is an issue which is systemic and needs to be tackled if the implementation of future programmes is to show marked improvement.

7.6.2 Recommendations

- R19. The detailed analysis in future evaluations of how different delivery systems influence the performance, impacts and results of programmes and measures is advocated. [ref: **Overall appreciation**]
- R20. The analysis in Chapter 5 has shown that requirements specific to both the EU and national level (or more if delivery is decentralised) often create administrative burdens. In that sense, the Commission should investigate the possibility of corrective action on EU requirements. In order to reduce these burdens several Member States try to “simplify” procedures through a centralisation of decisions, i.e. a practice whose “advantages” have to be assessed.

Another means of simplifying delivery would be to use an IT-based system to identify priority beneficiaries (for instance the use of GIS technology in Austria, for identifying priority beneficiaries in LFAs, shows the advantage of IT in effective delivery). It is advocated that an IT-based system can also be effective in the collection and processing of applications. IT-based processing and



follow-up of applications would ensure transparency in the delivery process and can serve as basis for further coordination between support instruments (including the two CAP pillars).

[Conclusions C46, C47, C48 & C53]

- R21. Due to evidence suggesting the importance of information channels on programme implementation effectiveness, a more thorough evaluation of different information channels used by MAs and their efficacy, is advocated. Such an investigation could establish further benefits associated with the use of ICT, the need for the provision of extension in different development contexts across the EU (i.e. the “targeting” of extension services) and the targeting of information flows on measures which have been allocated a significant share of RDP funds, or which have high potential but have seen low uptake.

Beneficiaries and stakeholders need better awareness of the specific and overall objectives of the programmes. Beneficiaries should be more aware of how the programme and its list of measures benefit the whole community, rather than just how they may benefit the individual. **[Conclusion C49]**

- R22. The impacts of decentralisation of implementation jurisdiction on the effectiveness of institutional arrangements could be further explored. Decentralisation can often lead to higher administrative costs and uneven competition between beneficiaries (when conditions vary between regions in the same country), although it has the advantage of potential adaptation to the local situation. Perhaps the advantages of decentralisation of only the initial phases of measure implementation, rather than controls and payments, could be assessed comprehensively. **[Conclusions C50, C51]**
- R23. More effort seems necessary to improve administrative capacity in the new Member States. Such efforts should concentrate more on the causes of the problem (human resources, technical support systems) rather than its consequences (programme implementation). **[Conclusion C52]**
- R24. A process of 'best practice' should be defined and embedded in the Managing Authorities in participating Member States. There are a number of ways in which this can be achieved, the most likely option being the production and distribution of an 'Implementation Handbook', supported by modular training as a group activity and additional 'in situ' coaching and mentoring. For this to be successful, it would be necessary to establish a mobile training unit specifically designed and manned for the purpose. The Handbook and training material could usefully draw upon best practice already in place in some of the Managing Authorities. [ref: **Overall appreciation**]

7.7 Monitoring and evaluation

7.7.1 Conclusions

- C54. Evidence analysed has shown that the Monitoring and Evaluation system, applied in the context of 2000-2006 rural development policy, cannot be assessed as coherent and that the established systems have only been marginally successful in ensuring that relevant and comprehensive data is available for management and evaluation purposes.
- C55. The relevance of Common Evaluation Questions (CEQs) to addressing the performance of rural development measures and programmes was rather moderate. CEQs were used by all EU Member States, but in some cases were reduced and/or modified and/or (to a limited extent) combined with supplementary questions which were more relevant to the specific context or national/regional policy priorities. [ref: **Section 5.7.1**]



- C56. In parallel, a significant weakness of ex-post evaluation reports was their limited capacity to quantify policy impacts. This was largely due to shortcomings of the monitoring systems in terms of data availability, particularly the non-availability of baseline values and gaps in the monitoring data. In some cases, data gathered at the national/regional level did not comply with the CEQ indicators, as the monitoring database systems were not in line with the Commission's needs. In such cases, it can be argued that national data-generation capacity led to the use of supplementary indicators. However, it is difficult to argue in favour of the wider application of such indicators across the EU. [ref: **Section 5.7.1 & 5.7.2**]
- C57. Shortcomings associated with the monitoring systems led to difficulties in supplying the necessary data for the management and evaluation process. In several cases this resulted in the application of alternative methods (to generate quantitative data) including secondary data collection (from national/regional sources), surveys and (to a lesser extent) the utilisation of quantitative models and methods. This reliance on different data sources sometimes led to inconsistent and or unreliable results. [ref: **Section 5.7.3**]
- C58. Mid-term evaluations and, in particular, the recommendations coming from them, were generally useful and led to revisions in some programmes. These changes focussed on budgets, eligibility criteria and synergies with other development programmes, evaluation systems and communication strategies. These revisions often led to improvements in programme implementation and impacts. However, in most cases, it was considered that the MTE arrived "too late" (i.e. within the 2000-2006 period) to fully implement recommendations on more "complicated" issues, such as improving monitoring systems, enhanced coordination/synergy between measures and improvements in programme delivery procedures. [ref: **Section 5.7.4**]
- C59. A key lesson from the experience of the current ex-post evaluation has been the long time required to conduct in-depth case studies of programmes that address thousands of beneficiaries. Four to six months may be an appropriate period for preparing, implementing and analysing the results of case studies. Using an innovative method (MAPP) to assessing impacts encouraged target groups to participate in an innovative and structured discussion that, most importantly, enabled the identification of key factors that contribute to the achievement of impacts, including the relative influence of those factors on key development indicators. However, a longer timeframe for preparing and conducting the MAPP would have been beneficial in reaching all parts of the programme territory. [ref: **Section 3**]

7.7.2 Recommendations

- R25. Animate and involve Member States in the development of common objectives of M&E systems focusing on improving policy and demonstrating policy achievements. This will generate consensus and contribute to greater coherence of M&E systems. [ref: **Conclusion C56**]
- R26. Simplification: CEQs can be reduced in number and their content simplified. The tendency of Member States to only use sub-sets of CEQs when carrying out evaluations, points to this conclusion. Associated judgement criteria and indicators should also be simplified and reduced. To enable comparative assessments between programmes and Member States, a limited number of simple and easy to measure indicators should be made available to Member States. In addition to a system of common, simplified and reduced indicators, Member States should be given flexibility to develop tailor made CEQs and indicators that reflect their own specific contexts and needs, for their own evaluation purposes. [ref: **Conclusions C55 & C56**].
- R27. Establish clear baselines and types of monitoring data to be collected at the ex-ante evaluation stage of programmes to allow for effective policy evaluation. The development of baselines could



be made compulsory at the ex-ante evaluation stage. They should consist of simple and easy to collect monitoring data. Designation of a person/department in MAs responsible for the timely collection of the necessary data from existing sources and the integration of IT systems is recommended to ensure cost effective data collection. [ref: **Conclusion C57**]

- R28. Develop common monitoring systems to be used by all actors involved in implementation and data collection by the MAs. Accessibility to such systems should be enhanced with training/capacity building, so that everyone knows how to feed the systems and use them for monitoring and evaluation purposes. [ref: **Conclusions C56 & C57**]
- R29. Analyse the evaluation methods used by Member States to identify quantitative methods that have worked well and could be easily replicated. This should be combined with appropriate dissemination of these studies to promote quantitative evaluation methods that have proved to work well. Methods to assess net impacts of programmes and assessment of the counterfactual should also be identified and simplified to encourage their wider use. [ref: **overall appreciation**]
- R30. Promote the concept of on-going evaluations and encourage their implementation. This may address the weaknesses of MTE, which are conducted too early to provide useful insight into the effectiveness of policy or too late to implement their recommendations. On-going evaluations can provide continuous information on the effectiveness of programme implementation and identify problems and solutions in a timely manner. The primary functions of any on-going and internal M&E system must include relevance, objectivity and timeliness. It needs to be relatively straightforward in terms of its implementation and should reveal inadequacies/inconsistencies, thus indicating what remedial action should be adopted. Furthermore, it is considered to be important that the administrators of internal M&E systems should, to some extent, feel 'ownership' of the system. [ref: **Conclusion C58**]
- R31. The Commission could consider bringing MTEs slightly forward, so that there is enough time for corrective action to be applied in programmes, measures and implementation procedures. Also, as proposed changes might be important in a wider EU-context (i.e. in addition to each Member State or region) a common template enabling simple comparisons and, most importantly, facilitating the practical use of the report might be helpful. [ref: **Conclusion C58**]
- R32. Promote the combination of quantitative and qualitative approaches/methods for the assessment of impacts. Innovative approaches that encourage participation of rural development stakeholders, such as the MAPP, can be made more widely available through appropriate adaptation and capacity building. Timing of the application of such in-depth analysis methods should be reconsidered. Based on current experiences, six months seems to be the appropriate timescale for conducting in-depth fieldwork. [ref: **Conclusion C59**]

7.8 Impact achieved in relation to new priorities

7.8.1 Conclusions [ref: **Section 5.8**]

- C60. Rural development policy for the programming period 2000-2006 was not evaluated against impacts achieved in relation to the new priorities, which had not been identified at that point. Nevertheless, some indication of conclusions and recommendations associated with the new priorities might be useful.
- C61. Limited information is available from the ex-post evaluations in relation to the impact of new priorities. However support of LFA, agri-environment and afforestation measures is deemed to



have had an impact on some of the new priorities, notably in the fields of biodiversity, climate change and water management.

- C62. Information relating to other measures did not allow identification of any real impact in the fields of climate change, renewable energy, water management or biodiversity. However this is not seen to be surprising, given that these were not the main objectives of the measures and they were not really covered by the programme evaluations. In some Member States activities related to the new priorities are reported to have been successful, notably investments in agricultural holdings and investments in biogas. But the limited number of projects restricts the overall impact on the expansion of renewable energy. In Finland the 'other forestry measures' were used to focus on wood as a source of energy.
- C63. Indirect impacts, in terms of improved skills, may have led to improvements in relation to the new priorities, with several countries undertaking training courses that contributed significantly to the improvement of skills relating to different environmental issues, hygiene standards and animal welfare.
- C64. In the processing and marketing measure, and to a lesser extent the farm investment measure, investments had a positive impact on the environment even though, in most reported cases, this was not the main objective of the investments.
- C65. The LFA measure contributed to the continuation of agricultural land use with expected beneficial effects on biodiversity.
- C66. The agri-environment measure also contributed to the protection and improvements of environmental resources (biodiversity, climate and water) while the afforestation measure contributed to enhancing carbon storage, with positive effects expected in the fight to tackle climate change.
- C67. A key factor for ensuring the full impact of these measures is the need to complement and support them with sustainable management and preventive actions.

8. Key overall findings and recommendations

8.1 Findings

Key measures

- F1. Measures which seem to have performed best in terms of relevance, coherence, complementarity and efficiency, in the 2000–2006 rural development policy, are: Investment in farms; Less Favoured Areas and areas with environmental restrictions; Agri-environment and animal welfare (Chapter VI); Other forestry measures; Improving the processing and marketing of agricultural products; Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income (Chapter IX).
- F2. In the new Member States key-measures were Support for semi-subsistence farms undergoing restructuring and Technical assistance.

Good practice examples

The success of the semi-subsistence farms undergoing restructuring measures

In **Poland** farms benefiting from the measure managed to increase their annual sales per ha of AUA in the period of 2004–2007 by 15% (versus 6% for a control group of non-beneficiary farmers). In Poland 75% of beneficiaries invested into expanding their production capacity (purchase of farm animals, machinery and land).

In **Lithuania** positive results include better organisation and management of production at the farm level (e.g. through the use of modern machinery) which enabled an increase in the volume of production and an improvement in productivity, thus allowing semi-subsistence farms to increase their marketed production. Increased capacity generated a growth in labour productivity (a reduced number of employees per 100 ha of UAA), higher productivity indicators (greater volume of production per ha and per working hour) and higher gross added value (which is seen in the growth of farm ESU). Furthermore an increase in the farm size of assisted beneficiaries was observed.

[Source: ex-post evaluations]

- F3. A group of measures which had high potential but low actual relevance and/or coherence, and low efficiency, deserve particular attention and improvement, in particular Start-up assistance for young farmers, Training, and Early retirement (whose performance was so low that dropping it could be considered). Some measures implemented in only few programmes, and hence for which little information was available, may also fall into this category, based on assessment of expected relevance. These would include financial engineering, the provision of advisory services, and measures to improve quality.

Good practice example

Unlocking the training measure potential in Wales (UK)

In Wales, Farming Connect, launched in September 2001 provided access to an assistance package for farming families in Wales and sought to bring together multiple sources of support including advice, business planning, grant funding and training opportunities. The positive impact of the training on farm holdings was confirmed by over 95% of ex-post survey respondents and the majority (60%) would not have undertaken training at the same scale as under the RDP funding.

Training delivered had a real, sustainable positive impact on income and employment in rural areas in the region. The modus operandi employed by the Managing Authority was to delegate the management of training activities to LANTRA, a government funded organisation whose mission in Wales is to manage the up-skilling of land based and environmental activities and practices among the workforce and wider community.

Training needs assessment and monitoring

LANTRA performed a number of Training Needs Assessments following overarching concepts and guidelines as



they applied to all other rural development measures. Once the requirements were identified and agreed with the Managing Authority, LANTRA proceeded to select recipients and match their more specific needs to a database of training consultants (organisations and individuals) in both Wales and where necessary further afield. LANTRA then contracted these consultants to deliver training in accordance with the identified needs. Further to this, it monitored results on an on-going basis and made whatever adjustments were necessary.

Synergy with other measures and empowerment

The most high profile training was in the assistance to farmers in producing bankable Business Plans for their businesses (farming and other ancillary activities). Farmers needed these as part of the application process for grant aid under the investment measure schemes. These Business Plans, which included five year forecasts of cash-flow and profit & loss, became the roadmap for the farming enterprise over the period of the plan.

[Source: case study]

Impacts of programmes

- F4. Although most measures have more impact at the individual beneficiary level than at the level of the whole rural economy and population, the capacity of rural development programmes to generate positive, economic and environmental impacts should not be underestimated.
- F5. Impacts on incomes: though other EU development programmes and above all external drivers (e.g., market crises, sanitary crises, urban growth, demographic change, population movements, macro-economic development, ...) had a significant impact on economy-wide income generation and evolution in rural areas, there is evidence that EAGGF support has been an actual determinant of rural incomes and in some cases (in the EU10) offset negative impacts on incomes originating from external factors.

Good practice example

Income effects for beneficiaries of the farm investment measure in France

In France, using the FADN (Farm Accountancy Data Network) data to compare the financial situation of beneficiaries versus non beneficiaries, several statistical approaches were combined to show that beneficiaries of the farm investment measure in the French national RDP, are amongst the most dynamic holdings. During the whole programming period they have grown and their standard gross margin and gross operating surplus increased more than the reference population.

[source: ex-post evaluation]

- F6. Impacts on employment: rural development measures maintained and/or generated employment at local or regional level. Some measures supporting economic diversification - e.g. Investments in farms, Improving the processing and marketing of agricultural products and Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income - had an actual impact on off and on-farm employment, sometimes associated with improved equal opportunities.
- F7. Two previously identified conclusions are worth mentioning as key overall conclusions: 1) measures addressing the wider rural economy appear to have proportionately greater impacts on income and employment than purely agricultural measures, and 2) impacts are greater when measures are applied in combination, or in synergy chains. This appears particularly true for the added impact of using training and advice in conjunction with investments on farms.

Good practice example **Diversification and employment creation**

Diversification as an option for adapting to change in Rhône-Alpes in France

Survival has been the main driver for diversification...

In the “poultry of the Drôme hills” development project, cattle livestock breeders decided to diversify instead of exiting farming. They therefore used diversification as a strategy for survival. In another project, the investment measure supported alternative activities to develop on-farm food processing or tourism. The option to diversify enabled both the creation of employment and sustainability of the farm. [*source: case study*]

Employment creation through synergy in Wales, UK

Two measures, investment in farms and processing and marketing were combined to upgrade primary production facilities and install processing equipment for adding value to meat and dairy output from farms. A third measure (training) was used to help farmers adapt and diversify. As a result of this synergy between measures new jobs were created in agri-food businesses. [*source: case study*]

- F8. Impacts on the environment: Impacts on the environment are difficult to quantify, however, AEM are considered to have had a real positive effect on such sensitive issues as water quality, flora and fauna; LFA on maintenance of traditional landscape features; and as a result of requirements for compliance with standards on environment, food safety, hygiene and animal welfare, many other measures also contributed significantly to environmental protection, especially Investments in farms and Improving the processing and marketing of agricultural products.

Good practice examples **Targeted support reaches exemplary levels of protection – North and South**

Estonia

In Estonia an in-depth-study into the effectiveness of agri-environmental measures on biodiversity has been carried out. The results of the study indicate that the number of bumblebees, Shannon index of birds and the number of plant species in the monitored fields (including both field and border test patches, i.e. test patches on field borders) increased along with Shannon diversity index SHDI).

Basque Country, Spain

The surface under commitments contributing to biodiversity was very small until 2005 when it picked up and increased exponentially due to the measure “conservation of local animal breeds”. The conservation of local animal breeds contributed to the maintenance of a number of protected breeds while it animated farmers to continue breeding and prevent their disappearance. The protection of reproductive female breeds resulted in an increase in the number of protected animals, in some cases reaching the extreme where numbers had increased so much that the breed ceased to be classified “in danger of extinction”.

[*Source: ex-post evaluations*]

- F9. Impacts on quality of life and maintenance of working and living conditions in rural areas: although RDP effects on the stabilisation of the rural population were generally positively appreciated, they were rather limited and often insufficient to counteract massive trends generated by external drivers. Several adaptation measures, especially: Renovation and development of villages and protection and conservation of the rural heritage; Basic services for the rural economy and populations, Encouraging tourist and craft activities; Protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare, have helped to keep the countryside alive, improve the attractiveness of rural areas and sometimes initiate new development perspectives, thanks to the installation of basic

infrastructures, new activities and social, cultural and economic services meeting the changing needs of rural populations. However, evidence shows no significant additional effects on the quality of life of women and young people when compared to the rural population as a whole.

- F10. Impacts on sustainability of rural communities: measures contributing to improved economic efficiency, social equity and environmental integrity all had a positive impact on the sustainability of rural communities. The measures linked to building capacity for local actors to resist decline and adapt to change - such as Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income, Investments in farms for diversification, Improving the processing and marketing of agricultural products or Marketing of quality agricultural products – seem to be particularly important in improving the sustainable development of rural economies and communities.

Good practice example - Rhône-Alpes, France

Marketing of quality agricultural products is a driving force of sustainable rural development

In Rhône-Alpes (France), the measure “Marketing of quality agricultural products” is considered to have produced many solid and sustainable results. Leading, in particular, to them receiving several official quality labels, perennial collective organisations and tangible benefits for the producers and geographical areas concerned, but also in terms of image and overall promotion of the whole Province and Region.

As a result of this measure, in each province of the region, there is now a series of flagship products that play an important role in the image of the local economy, e.g. the Garlic of *Drôme*, *Tome des Bauges* mountain cheese in Savoy, a range of products from the chestnuts of the Ardèche, the Creams and butters of *Bresse* in the *Ain* Province, etc. Generally, chambers of agriculture were highly involved in both the programme management and implementation of the projects, hence the impact of the SPD (DOCUP) Objective 2 Programme through this measure is highly visible.

The key success factor for this measure was to maintain the link between products and areas: marketing both products and areas was considered to be the best way to strengthen the producers’ organisation and territorial development.

The key impact of this measure and other related measures, in relation to sustainability is achieved through the “creation of links”. This was reported by many interviewees to be a major result of Chapter IX, especially through measures for marketing quality products, developing basic services, diversifying activities and protecting the environment in connection with agriculture, which was critical not only from the social but also an economic point of view. These measures have given local people, particularly in fragile areas, a capacity to resist and adapt to change at the level of a whole production sector and/or a whole area.

The programme has given people the opportunity to better appraise, discover and rely on their own resources, to diversify in order to adapt to changing environments and requirements and to place themselves in a better position to face new environmental, economic and social challenges. [Source: case study]

Needs for improvement

- F11. Improving relevance: for ensuring relevance in practice, i.e. meeting priority needs and beneficiaries, two interlinked concepts are essential, namely adaptation and targeting. The capacity for measures to be adapted to the diverse situations throughout EU rural areas, is essential for policy objectives to respond to the real needs of agriculture, forestry and rural development. Targeting areas, beneficiaries, specific activities or expected results is the main tool for adapting measures to the identified needs in different contexts.
- F12. The relevance of the policy objectives is significantly improved when measures are implemented in a complementary manner. (see good practice example above from Rhône-Alpes where the “creation of links” is stressed).



- F13. Improving coherence and efficiency: the coherence and efficiency of measures to meet priority rural development objectives is significantly improved by complementarity between measures and there is evidence that a synergistic approach generates impacts which are greater than those generated by each measure alone. Complementarity can be achieved either by the joint activation of two measures or by “synergy chains” specific to groups of measures.
- F14. Giving more emphasis to adaptation measures: although adaptation measures such as Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income and/or Renovation and development of villages and protection and conservation of the rural heritage, have been qualitatively perceived to be associated with high levels of relevance, coherence and complementarity, with many positive examples of their capacity to unlock the development potential of rural areas, their limited financial weight in total spending has restricted their impact.
- F15. Improving complementarity between Funds: lack of efficient coordination between authorities designing and implementing development interventions in rural areas seems to be the main reason for low levels of complementarity between funds. Objective 1 programmes managed as SPDs and the Objective 2 SPDs in France, have given examples of good complementarity between Funds. Perhaps such an institutional programming framework could be reconsidered in the future. However, clear definition of roles, good coordination and relationships at local level appear to be at least as important as the formal institutional framework itself in securing effective complementarity.

Good practice example – Lithuania

Complementarity between the RDP and the Objective 1 programme within the frame of the national rural development strategy

The Lithuanian Overall Rural Development Strategy lays down the interlink between the SPD (Objective 1 programme) 2004–2006 and the RDP as both the RDP and the SPD contain measures focused on the restructuring of the agricultural sector, alternative income possibilities in rural areas, infrastructure (social and physical) as well as environment and nature. Hence, the compatibility and complementarity of the SPD and RDP was ensured at the programming level and measures of different programming documents contributed to the solution of common rural development issues:

- the RDP measures ‘Early retirement’ and ‘Support for semi-subsistence farms undergoing restructuring’ as well as the SPD measures ‘Investments in agricultural holdings’, ‘Setting up of young farmers’ and ‘Training’ targeted the solution of issues faced by small and medium-sized farms;
- the RDP measure ‘Early retirement’ and the SPD measure ‘Setting up of young farmers’ solved demographic issues;
- the RDP measures ‘LFA and areas with environmental restrictions’ and ‘Afforestation of agricultural land’ as well as the SPD measures ‘Investments in agricultural holdings’, ‘Setting up of young Farmers’ and ‘Forestry’ addressed the issues of low income and insufficient sources of income;
- investment-type RDP measures ‘Support for semi-subsistence farms undergoing restructuring’ and ‘Meeting standards’ as well as the SPD measures ‘Investments in agricultural holdings’, ‘Setting up of young farmers’ and ‘Promoting the adaptation and development of rural areas’ targeted issues related to the shortage of technologies;
- the RDP measures ‘LFA and areas with environmental restrictions’, ‘Agri-environment’, ‘Afforestation of agricultural land’ and ‘Meeting standards’ as well as the SPD measures ‘Investments in agricultural holdings’, ‘Forestry’ and ‘Training’ aimed to reduce threats to the environment.

[Source: ex-post evaluation]



- F16. Improving programmes' efficiency at all stages, from design through to implementation and monitoring and evaluation: in addition to the need to improve targeting, complementarity between funds and synergies between measures, two principal influences emerge when examining the overall performance of delivery systems. These are i) the practice (or not) of delegating implementation procedures to "appropriate" regional or sub-regional levels and ii) the debilitating influence of bureaucracy. With so many reports of bureaucratic impediments to successful implementation, it is reasonable to conclude that this is an issue which is systemic and needs to be tackled if the implementation of future programmes is to show marked improvement.

8.2 Overall common recommendations

Improve the efficiency of measures

- R1. Targeting: better targeting of rural development support is a key issue in improving efficiency at measure level. Successful examples of targeting, that have produced positive effects on employment, incomes and the environment, could be taken into account in the design of future policy. However, there is no universal recipe and any targeting approach must allow for adjustment by each programme to meet specific context needs and priority RDP objectives. Since targeting is based on the identification of priority areas, beneficiaries or types of activity or achievement (e.g. "green" equipment, specific products, goods or services), its effectiveness depends primarily on the quality of the strategy that the programme is based on. Therefore, improved targeting is pre-conditioned by improved strategy making and above all a comprehensive vision of the future sustainable development of the rural area, elaborated in partnership and consensus with all stakeholders.
- R2. Creating synergy: there is definitely a need to strengthen complementarity amongst measures as a key-concept for future rural development policy. In particular, there is a need to identify possibilities for consolidating the four synergic chains [ref: **Section 5.2.5 and C14**] identified within the 31 evaluated measures, such as: strengthening links, either in the legal framework or in the implementation process; adding measures to identified chains, in particular those susceptible to act as catalysts when properly targeted for this purpose (e.g. training) and creating new chains by developing new links in the legal framework.
- R3. For measures with high but unrealised potential for contributing to objectives (e.g. training, start-up assistance to young farmers) the following options are proposed:
- Include simple, compulsory schemes, for instance a scheme for young small farmers – potentially with a strong gender component (e.g. requiring that X% of start-ups are undertaken by women)
 - Combine measures with high but unrealised potential, for instance start-up assistance and training and complement them with the provision of advisory services to young farmers.
 - Link training to lifelong learning strategies and objectives of the regions/countries concerned.
 - Preparation of a training needs assessment to better match the needs of rural development programme beneficiaries and the training offer (this approach was successfully followed in the case study programme of Wales where the specific identified needs of beneficiaries were matched to a database of specialised training consultants – monitoring the results of training also took place on a continuous basis).



Improve the impact of programmes on rural development

- R4. Considering wider rural development needs and opportunities: beyond the improvement of competitiveness and environmental conditions in farming and forestry, there is a need to maintain a better balance between agricultural and wider rural development objectives and to consider the wider rural economy and environment, in particular non-agricultural activities and needs as well as the external drivers and challenges that significantly affect the development of rural areas.
- R5. Developing complementarity with other funds and programmes: considering the importance of non-agricultural activities and other factors affecting the development of rural areas, there is definitely a need to strengthen complementarity between RDPs and other Programmes and Funds as a key-concept for future rural development policy.
- R6. Developing a new culture to achieve impacts for rural development: it is important to not only make greater use of the adaptation measures and to develop complementarity between measures and programmes, which is required anyway, but to also move the classical vision of efficiency and competitiveness from the farm and business level to the rural area level as a whole, in order to really improve the capacity of rural development policy to make an impact on rural economies and populations. The case studies clearly showed that improving the impact of programmes at the rural area level is more a matter of qualitative than quantitative change: changing the mutual relationship between farmers and consumers; building people's capacity to meet, think and act together; improving new skills through training; exchange of experience and cooperation, while enhancing traditional knowledge and heritage; promoting diversification as a key factor for innovation and improved capacity of people to adapt to change, all these qualitative changes inside rural communities are fundamental for the sustainable development of rural areas. These key-concepts for rural development were developed by Leader, Leader II and during the 2000-2006 period by Leader+, but were not incorporated in most RDPs which were still embedded in a traditional farm- or sector-based development approach. As is well illustrated by several successful case studies during the fieldwork (e.g., Andalucía, Wales, Rhône-Alpes, Thüringen, Thessaly), there is a need and a real possibility of bringing these concepts into the foreground in order to fully exploit the potential of future rural development measures and programmes.

Improve coherence, consistency and efficiency with regard to EU 2020 priorities

Improve coherence, consistency of programmes with regard to EU 2020 priorities

- R7. Smart growth: to promote innovation and knowledge-based development there is certainly a need to introduce new concepts and measures, but there is also a need to improve and make more use of measures from the 2000-2006 period that could particularly contribute to smart growth. In this respect the qualitative improvement of Start-up assistance to young farmers and Training seem to be the priorities. Also, improving the innovation "property" of measures that have been successful in promoting diversification is another priority, which particularly concerns: Investment in farms; Improving the processing and marketing of agricultural products; Other forestry measures; Marketing of quality agricultural products; Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income; Encouraging tourist and craft activities and Protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare.



- R8. Sustainable growth: in order to face climate change and other environmental challenges, there is a need to introduce quantification of objectives and expected impacts to provide adequate answers to these issues, particularly in relation to AEM and Managing water resources and Other forestry or Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income. To face other sustainability challenges there is also a need to improve the targeting of measures such as Marketing of quality agricultural products, Implementing demanding standards, Use of farm advisory services connected with meeting standards, Farmers' voluntary participation in food quality schemes and Producer group activities related to food quality. Since this last group of measures only accounted for 2.09% of the total public budget increasing impact would necessitate greater financial weight.
- R9. Inclusive growth: facing the new Territorial balance challenge cannot be achieved through extensive use of economically passive measures (e.g. LFA, Early Retirement), there is a need to substantially re-assess the use of certain Chapter IX Adaptation measures in rural development programmes. Firstly Renovation and development of villages and protection and conservation of the rural heritage as well as other key-adaptation measures for inclusive growth, particularly: Diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income; Basic services for the rural economy and populations; Developing and improving infrastructure connected with the development of agriculture and Encouraging tourist and craft activities. For greatest impact these should be combined with other measures that have effects on territorial development, such as, investment in farms and processing and marketing measures.

Improve efficiency of programmes for rural development with regard to EU 2020 priorities

- R10. Making programmes more inclusive: implementation procedures and processes should be more inclusive in the sense that beneficiaries need to be accommodated more in terms of their understanding of the specific and overall objectives of the programme. Beneficiaries and stakeholders should be more aware of how the programme and its list of measures benefit the whole community rather than just the individual concerned. Introducing support for animation, under Technical assistance or under a specific measure available throughout the EU, is essential to make programmes more inclusive, develop participatory approaches, share information and raise awareness of the objectives and requirements of stakeholders at all stages, from programme design to evaluation.
- R11. Assessing the scope for decentralisation: Decentralisation through regional/sub-regional structures worked well in reaching priority beneficiaries. There are examples of programmes where delegation of delivery systems to sub-regions was effective in maximising the intended effects of programmes (good examples are offered by Rhône-Alpes and Eastern Finland, see **Section 5.6.1**). However, even in these cases downward delegation worked well because it was selective, e.g. some measures were managed centrally by the region and others managed by the province in the case of Rhône-Alpes in France. At the same time, there are examples where decentralised institutional arrangements were not effective due to high administrative costs [ref: analysed in **Section 5.6.2.1** of this report] and uneven competition between beneficiaries – due to varying conditions between regions in the same country. This does not imply an argument against decentralisation but highlights the importance of balancing its advantages and disadvantages. A more effective approach may be to distinguish between different phases of implementation, decentralisation during the initial phases of measure implementation (proved effective in

identifying and reaching priority beneficiaries) may be more relevant than in the control and payment phase.

- R12. Crossing funds (i.e. complementarity): developing coordination mechanisms and institutional programming frameworks allowing good complementarity between programmes and Funds is a pre-requisite in optimising use of the second pillar of the CAP to better promote the sustainable development of rural areas in all their dimensions and with regard to the EU 2020 priorities.
- R13. Developing synergy by packaging measures and allowing multi-measure integrated projects, the case studies of this ex-post evaluation demonstrate that efficiency of measures is greatly enhanced by complementary and synergic association. Hence, two complementary possibilities should be considered, firstly merging the most closely interlinked measures into consistent “packages” of measures, as has been proposed in the 14 adaptation measures (grouping them in three packages of measures, namely: the “Natural resources management”; “Human resources enhancement” and “Quality of rural life improvement”). The second possibility is to consider that most successful development projects used a chain of measures, as was well illustrated by the fieldwork (e.g. in Thüringen, Wales, Rhône-Alpes, Andalucía). Thus, providing applicants with the possibility to submit projects integrating several RDP measures could be an issue for consideration.
- R14. Alleviating the bureaucratic burden: this was found to be the most commonly reported factor impeding the effective implementation of programmes. The Commission should investigate and further elaborate the possibility of reducing the administrative burden. This could take into account and assess the efforts taken by Member States to reduce this burden through a “centralisation” of decisions. Furthermore, necessary capacity building for programme managers and implementing bodies, as well as information provision, prior consultation and communication to applicants would enhance their capacity to comply with bureaucratic requirements. The introduction of a horizontal advisory support scheme, with ease of access for potential beneficiaries, may be beneficial in this respect.
- R15. Improving monitoring and evaluation tools: the need for common monitoring systems, identification of baseline indicators from the ex-ante evaluation and simplification of evaluation questions and indicators should be addressed by the Commission and rural development stakeholders, with a view to promoting shared ownership and awareness of the value of on-going monitoring and evaluation.
- R16. Standardising key documents and reports: finally, regarding the structure of key documents (e.g. strategic documents, programming documents, reports, evaluations) it is suggested that a harmonised structure be imposed in order to facilitate comparative analysis and evaluation throughout the EU. The presentation of these different document categories should follow a common template – for texts and tables - facilitating the reader’s practical use of the report and allowing ease of comparison. This would considerably improve the efficiency of further EU wide evaluation of RDPs.

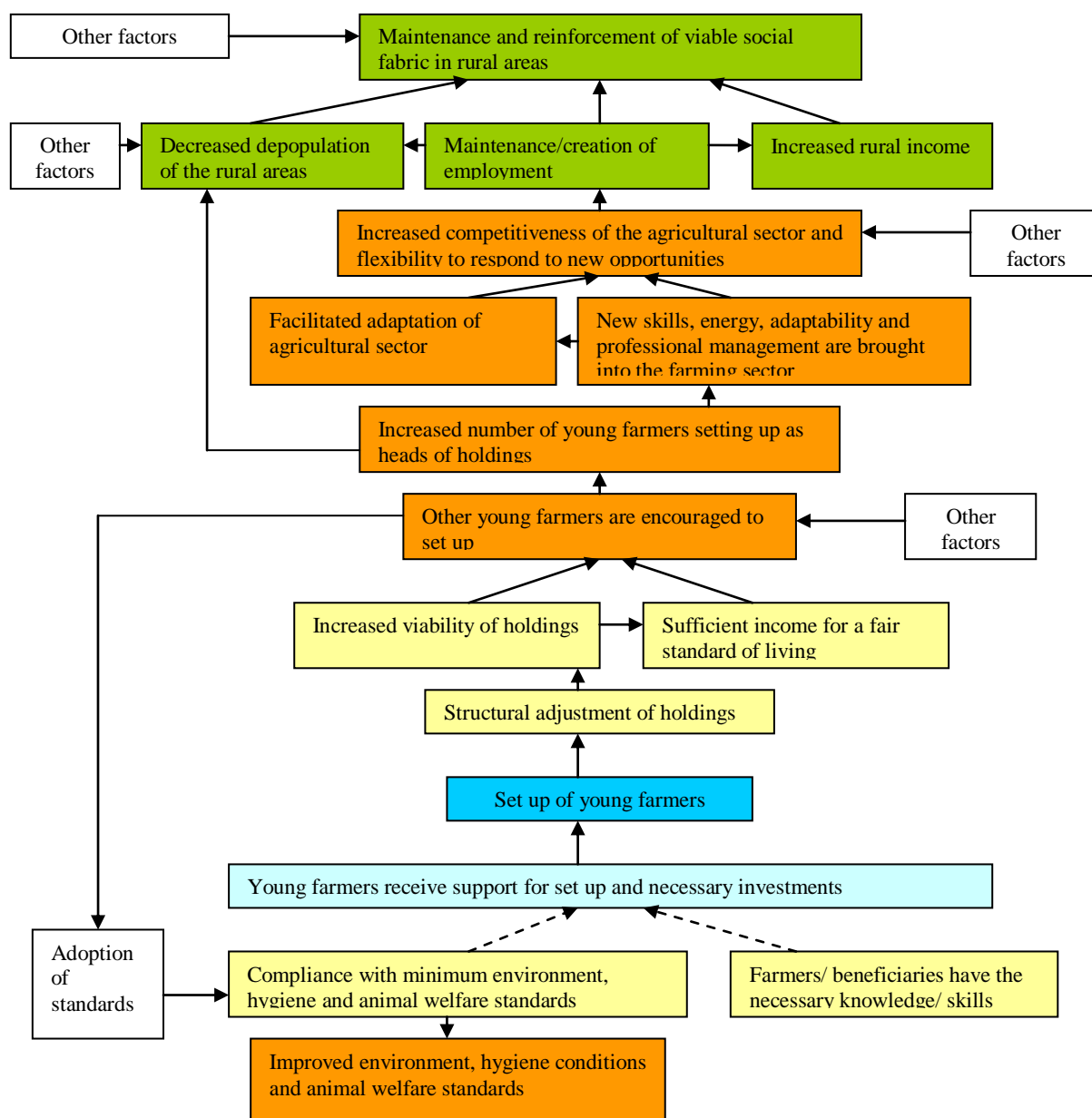


Appendices



Appendix I - Intervention logic diagrams (all but the three which are presented in chapter 2 of the main report)

Logic model Chapter II/ Measure 2: Setting up of young farmers




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graph TD
    A[Improved occupational skills and competence of training course participants] --> B[Structural adjustment of holdings in line with new competences]
    A --> C[Improved employment conditions for training course participants]
    A --> D[Improved economic viability of the farm]
    A --> E[Beneficial agricultural/ forestry production methods]
    A --> F[Better use of natural resources]
    B --> D
    B --> E
    B --> F
    C --> G[Improved on-farm hygiene and working conditions]
    D --> H[Increased income for beneficiary farmer]
    E --> H
    F --> H
    H --> I[Take-up of measures by other farmers]
    I --> J[Facilitated adaptation of agriculture and forestry (conversion/reorientation/improvement)]
    J --> K[Maintenance/creation of employment]
    J --> L[Improved economic, ecological or social functions of forests]
    J --> M[Improved hygiene and animal welfare standards]
    K --> N[Improved rural income]
    L --> O[Maintenance and enhancement of landscapes and the environment]
    M --> O
    N --> P[Maintenance and reinforcement of viable social fabric in rural]
    O --> P
    Q[Other factors] --> P
    Q --> K
    Q --> O
    R[Other factors] --> I
    
```

The flowchart illustrates the impact of training on rural livelihoods, showing the progression from improved occupational skills to maintenance and reinforcement of viable social fabric in rural areas. The process is organized into several layers of interconnected boxes, with arrows indicating the flow of influence.

Top Level (Outcomes):

- Maintenance and reinforcement of viable social fabric in rural (Green box)

Second Level (Intermediate Outcomes):

- Improved rural income (Green box)
- Maintenance/creation of employment (Green box)

Third Level (Key Interventions/Outcomes):

- Facilitated adaptation of agriculture and forestry (conversion/reorientation/improvement) (Orange box)
- Improved hygiene and animal welfare standards (Orange box)

Fourth Level (Enabling Factors/Outcomes):

- Take-up of measures by other farmers (Orange box)

Fifth Level (Direct Impacts/Outcomes):

- Increased income for beneficiary farmer (Yellow box)
- Improved economic viability of the farm (Yellow box)
- Improved on-farm hygiene and working conditions (Yellow box)
- Beneficial agricultural/ forestry production methods (Yellow box)
- Better use of natural resources (Yellow box)

Sixth Level (Foundational Elements/Outcomes):

- Participants eligible for support through other measures (Yellow box)
- Structural adjustment of holdings in line with new competences (Yellow box)
- Improved employment conditions for training course participants (Yellow box)

Bottom Level (Starting Point):

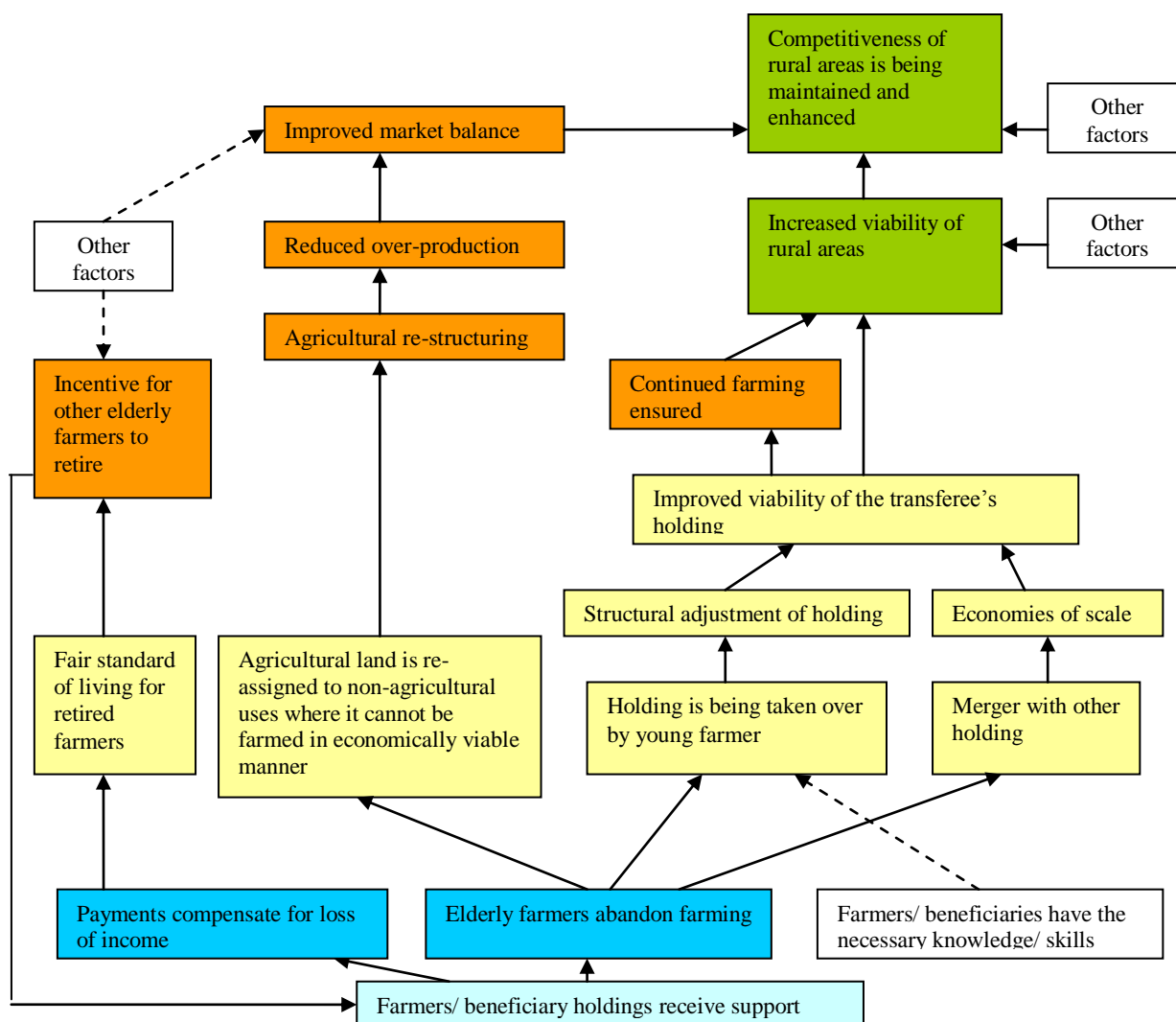
- Improved occupational skills and competence of training course participants (Blue box)

Other factors:

- Other factors (White box) influences the top-level outcome and the third-level outcomes.
- Other factors (White box) influences the fourth-level outcome.
- Other factors (White box) influences the fifth-level outcomes.
- Other factors (White box) influences the sixth-level outcomes.



Logic model Chapter IV/ Measure 4: Early retirement



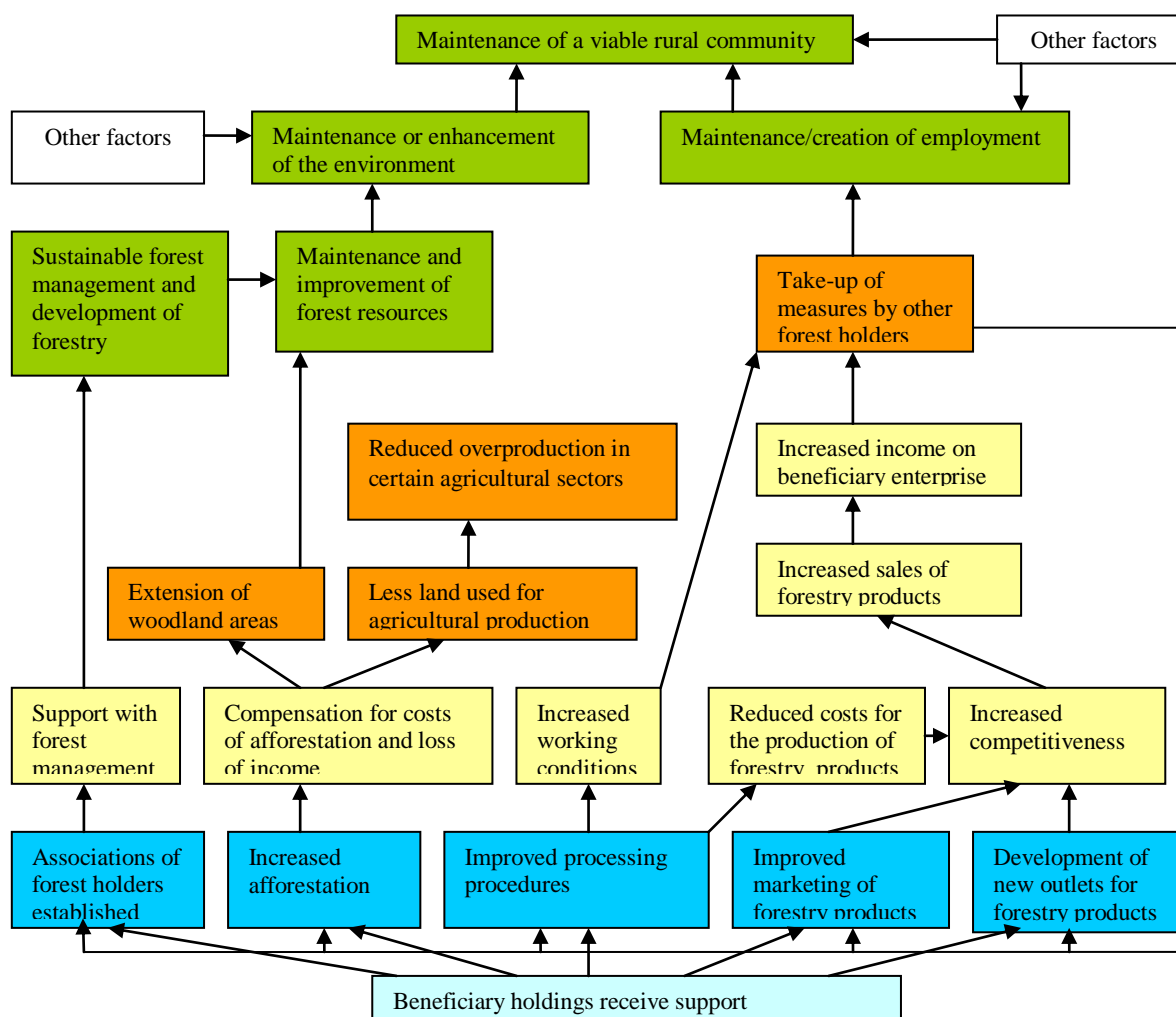
```

graph TD
    A[Farmers/beneficiary holdings receive support] --> B[Farmers provide agri-environmental services]
    A --> C[Farmers use farming methods more compatible with environmental requirements, incl. environmental planning]
    A --> D[Adherence to Good Farming Practices]
    D --> C
    B --> E[Increased income for farmers]
    B --> F[Increased awareness on environmental issues]
    B --> G[Improved working conditions]
    C --> H[Reduction of toxic plant protection products]
    C --> I[New, organically grown products]
    C --> J[More efficient use of natural resources]
    E --> K[Improved standard and quality of life]
    F --> K
    G --> L[Improved health of beneficiaries]
    H --> L
    I --> L
    J --> L
    K --> M[Improved conditions for local tourism]
    L --> N[Take-up of measures by other farmers]
    M --> O[Increased tourism]
    N --> O
    N --> P[Maintenance or enhancement of the countryside]
    N --> Q[Water/soil protection, preservation of the natural basis of agricultural production]
    P --> R[Enhanced rural landscapes and environment biodiversity/flora and fauna, soil, ground and surface water, atmosphere]
    Q --> R
    O --> S[Increased/maintained employment in rural areas]
    R --> S
    S --> T[Increased economic development in rural areas]
    T --> U[Increased quality of life in rural areas]
    V[Other factors] --> U
    W[Other factors] --> T
    X[Other factors] --> S
    Y[Other factors] --> M
    Z[Other factors] --> N
    AA[Other factors] --> Q
    AB[Other factors] --> R
  
```

The flowchart illustrates the impact of the CAP on rural areas, showing the progression from farmer support to improved quality of life and economic development. The process starts with 'Farmers/beneficiary holdings receive support' (light blue), which leads to three parallel actions: 'Farmers provide agri-environmental services' (blue), 'Farmers use farming methods more compatible with environmental requirements, incl. environmental planning' (blue), and 'Adherence to Good Farming Practices' (light blue). 'Adherence to Good Farming Practices' also leads to 'Farmers use farming methods...'. From 'Farmers provide agri-environmental services', the flow goes to 'Increased income for farmers', 'Increased awareness on environmental issues', and 'Improved working conditions'. From 'Farmers use farming methods...', the flow goes to 'Reduction of toxic plant protection products', 'New, organically grown products', and 'More efficient use of natural resources'. These lead to 'Improved standard and quality of life' and 'Improved health of beneficiaries'. 'Improved standard and quality of life' leads to 'Improved conditions for local tourism', which leads to 'Increased tourism'. 'Improved health of beneficiaries' leads to 'Take-up of measures by other farmers', which leads to 'Maintenance or enhancement of the countryside' and 'Water/soil protection, preservation of the natural basis of agricultural production'. 'Maintenance or enhancement of the countryside' leads to 'Enhanced rural landscapes and environment (biodiversity/flora and fauna, soil, ground and surface water, atmosphere)'. 'Water/soil protection...' leads to 'Enhanced rural landscapes...' and 'Reduction of greenhouse gas emissions and water/soil contamination/deterioration'. 'Enhanced rural landscapes...' and 'Reduction of greenhouse gas emissions...' both lead to 'Increased/maintained employment in rural areas'. 'Increased tourism' also leads to 'Increased/maintained employment in rural areas'. 'Increased/maintained employment in rural areas' leads to 'Increased economic development in rural areas', which finally leads to 'Increased quality of life in rural areas'. 'Other factors' (white boxes) are shown influencing various stages: 'Increased quality of life in rural areas', 'Increased economic development in rural areas', 'Increased/maintained employment in rural areas', 'Improved conditions for local tourism', 'Take-up of measures by other farmers', 'Water/soil protection...', 'Enhanced rural landscapes...', 'Reduction of greenhouse gas emissions...', and 'Increased tourism'.

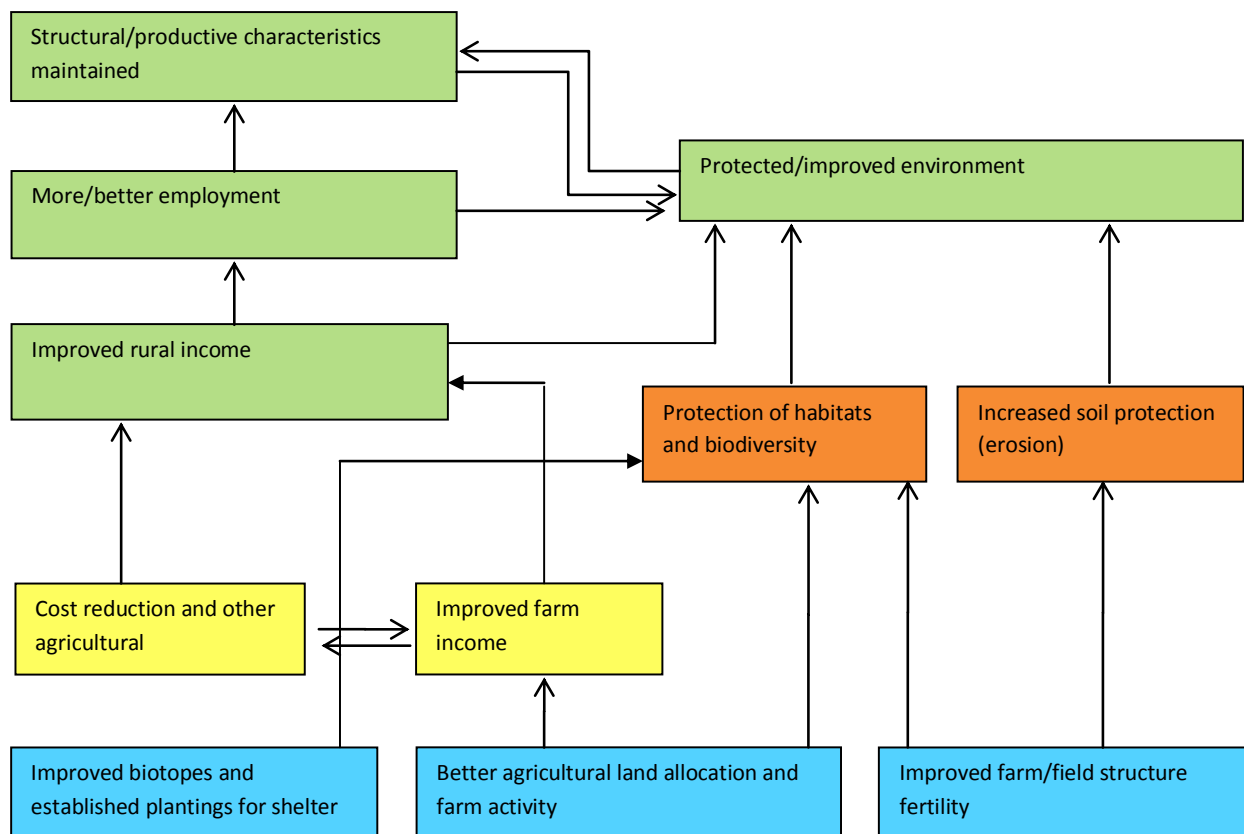


Logic model Chapter VIII/ Measure 8: Afforestation of agricultural land and Measure 9 other forestry measures



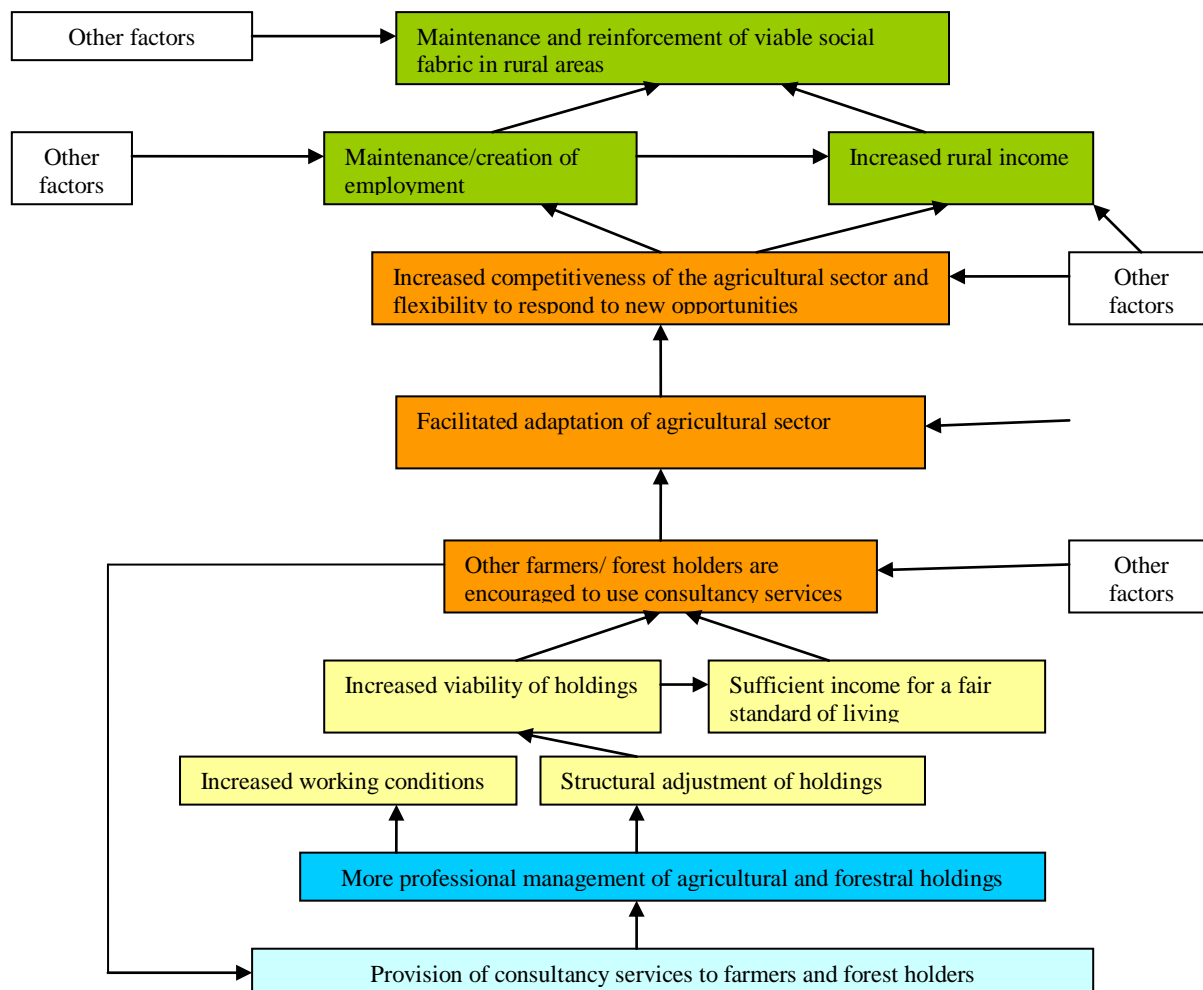


Logic model Chapter IX/ Measure 10: Land improvement and Measure 11: Re-parcelling



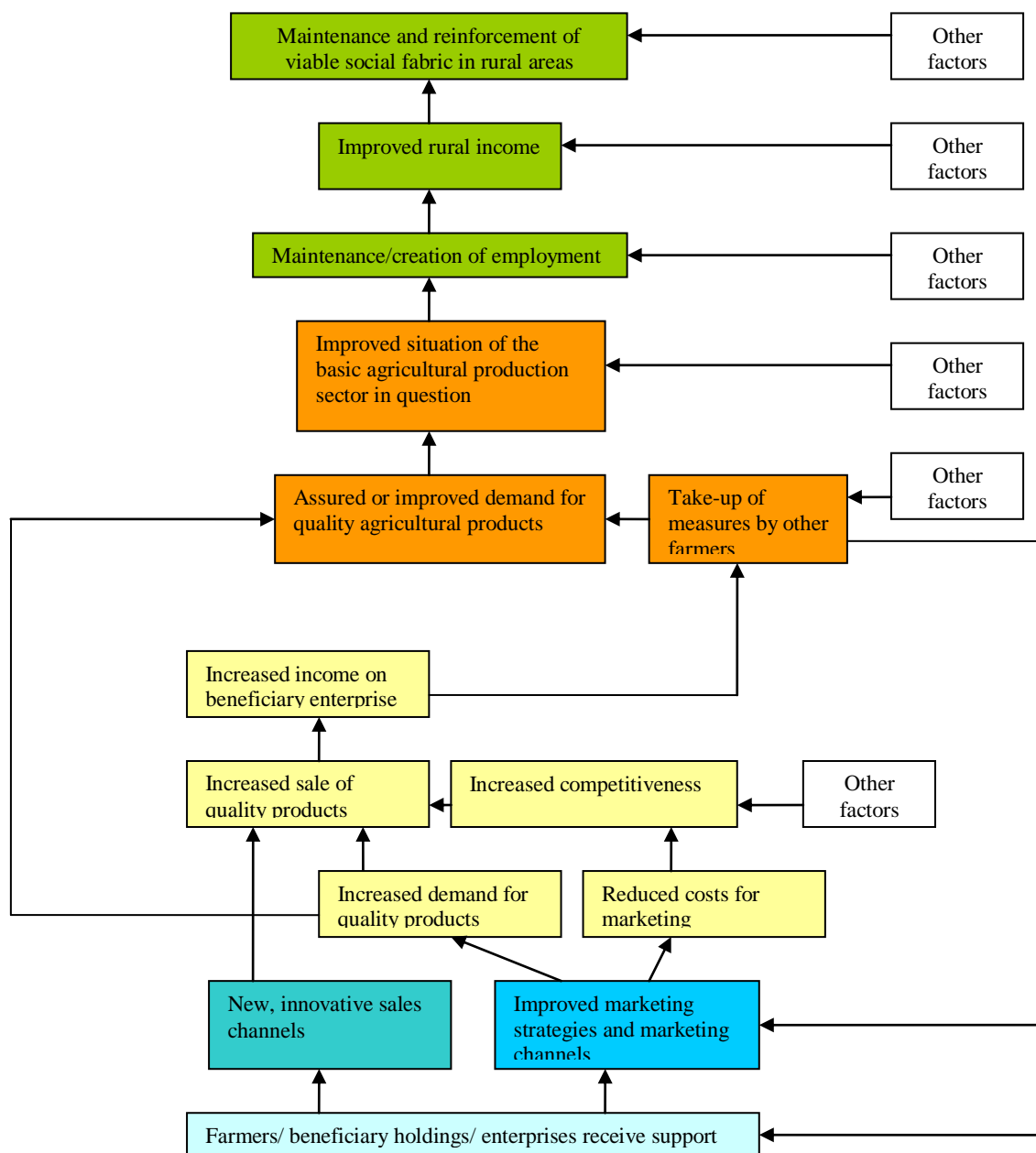


Logic model Chapter IX/ Measure 12: Setting up farm relief and farm management services, advisory and extension services



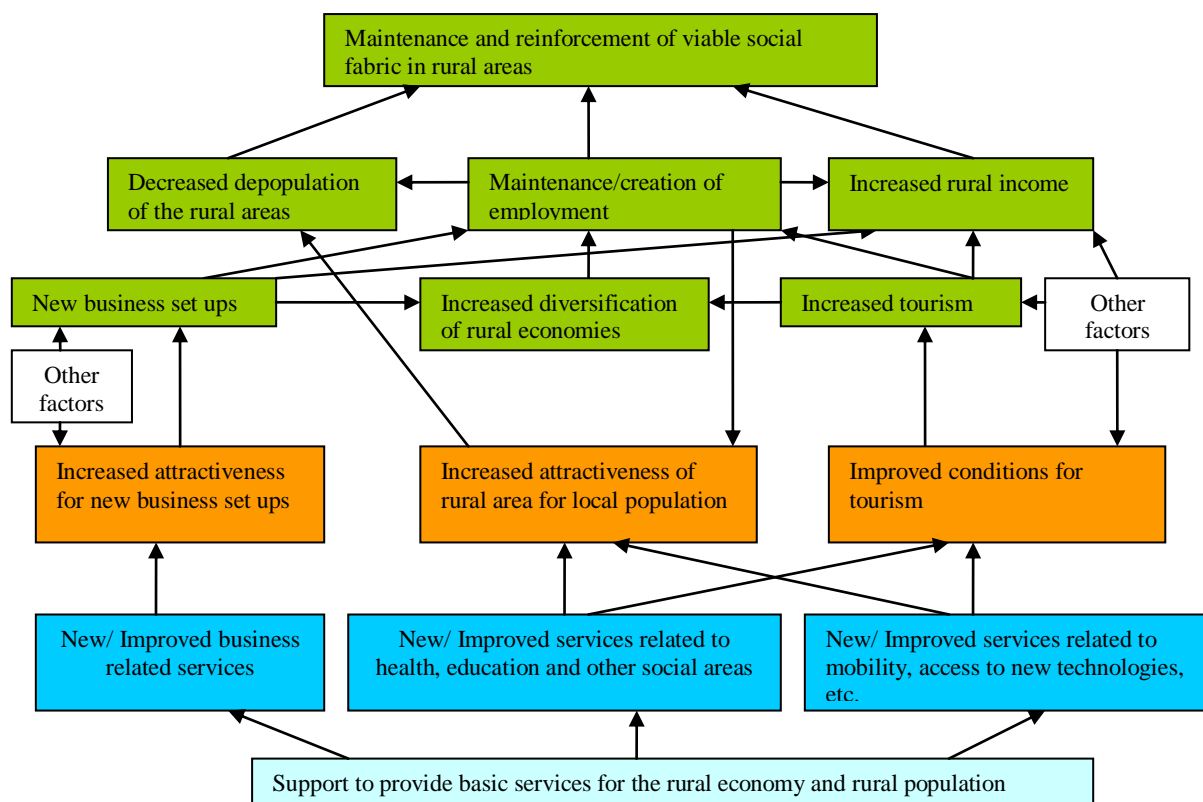


Logic model Chapter IX/ Measure 13: Marketing of quality agricultural products



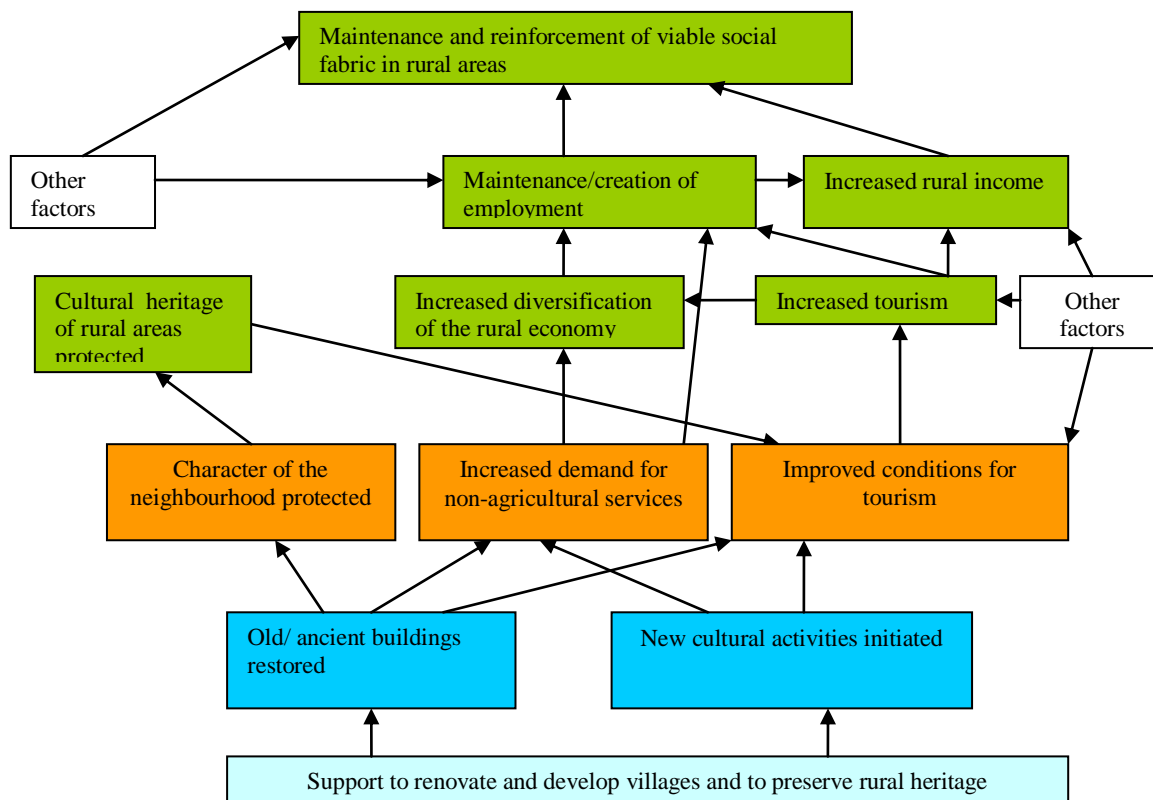


Logic model Chapter IX/ Measure 14: Basic services for the rural economy and populations

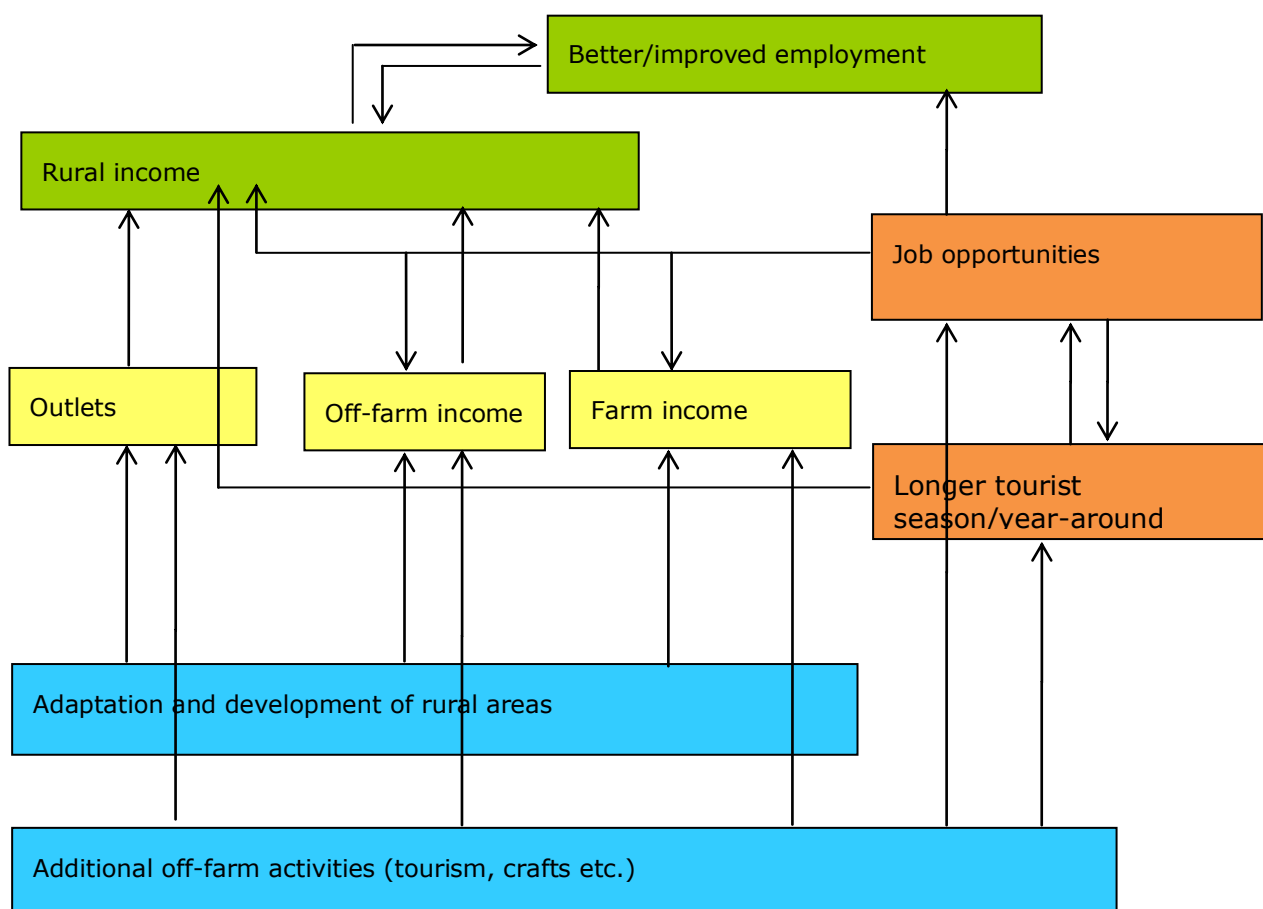




Logic model Chapter IX/ Measure 15: Renovation and development of villages, rural heritage

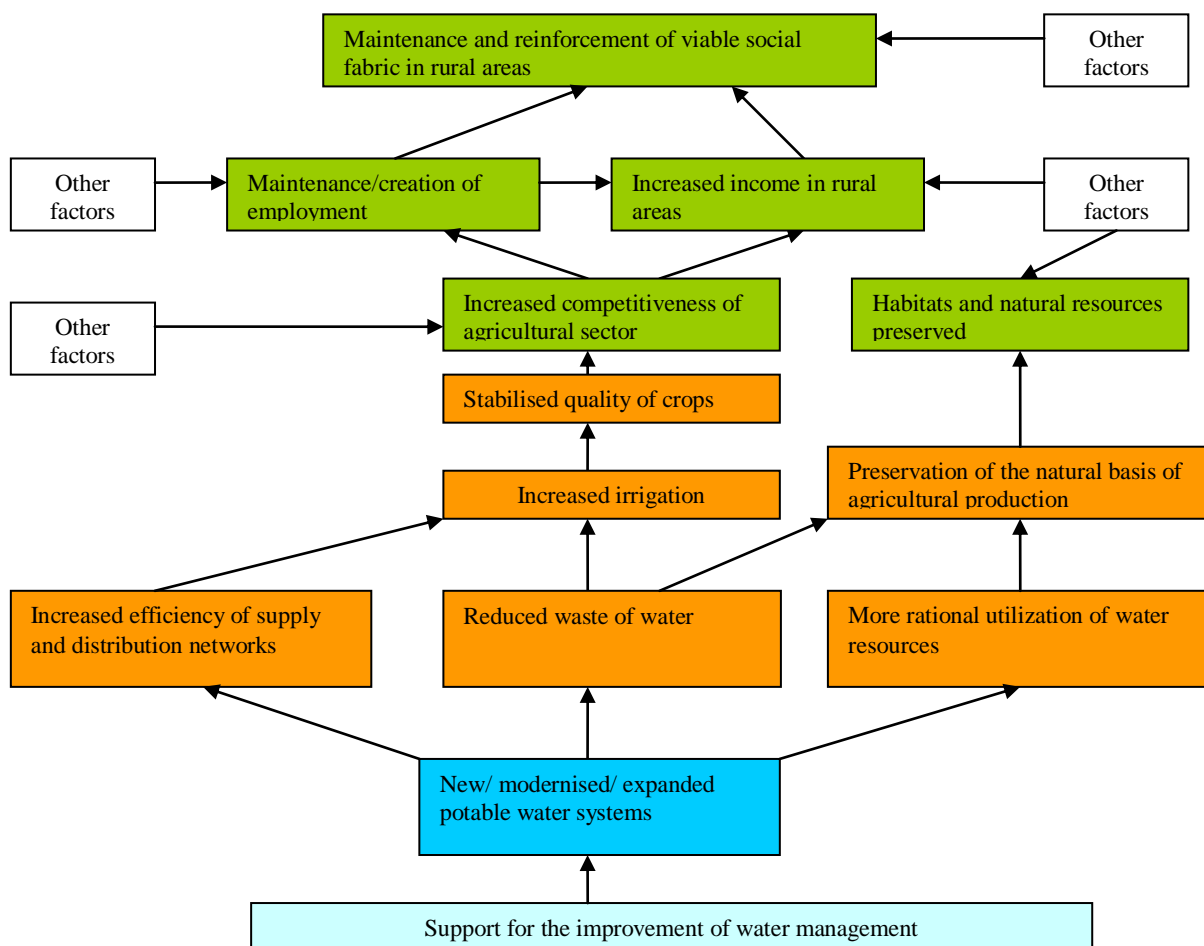


Logic model Chapter IX/ Measure 16: Diversifying agricultural activities



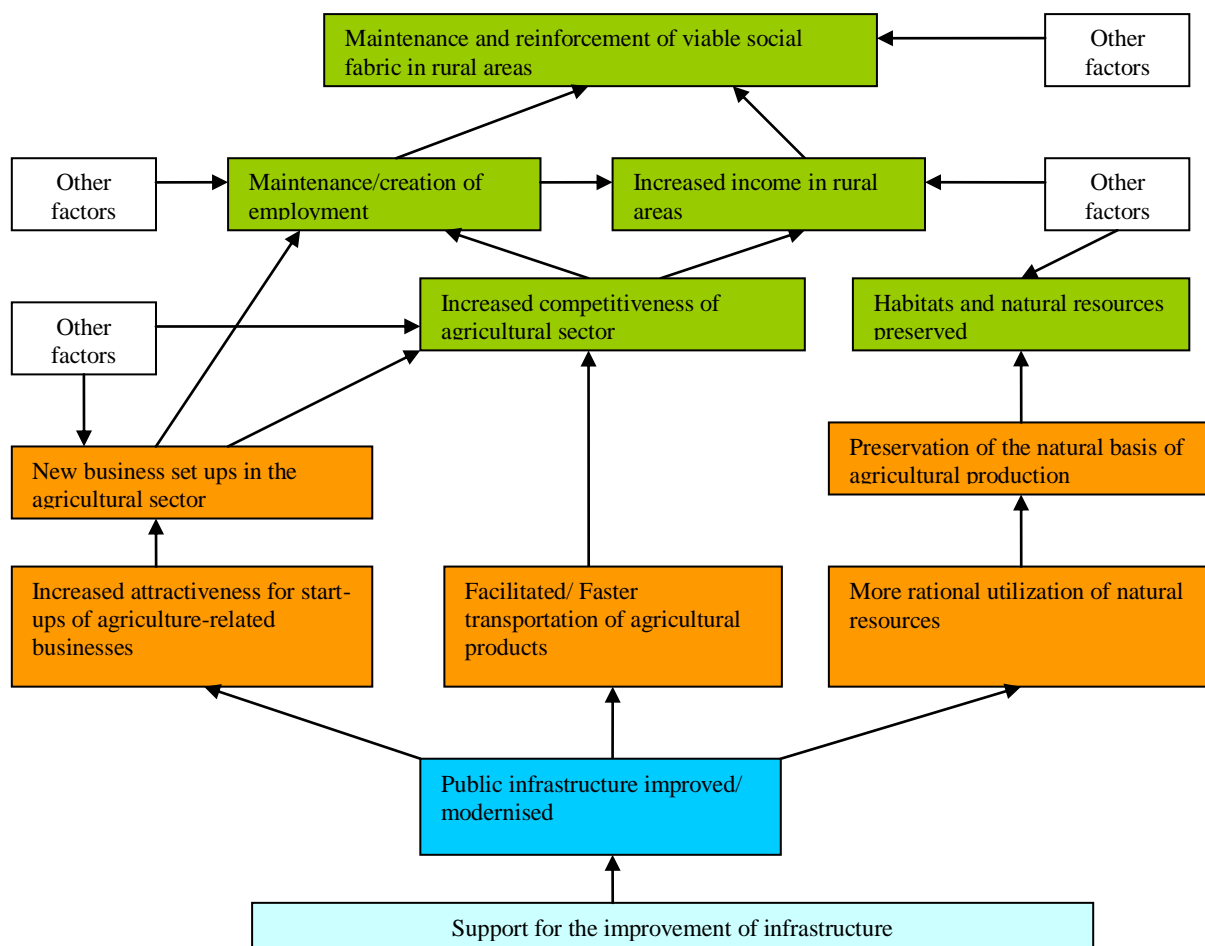


Logic model Chapter IX/ Measure 17: Managing agricultural water resources



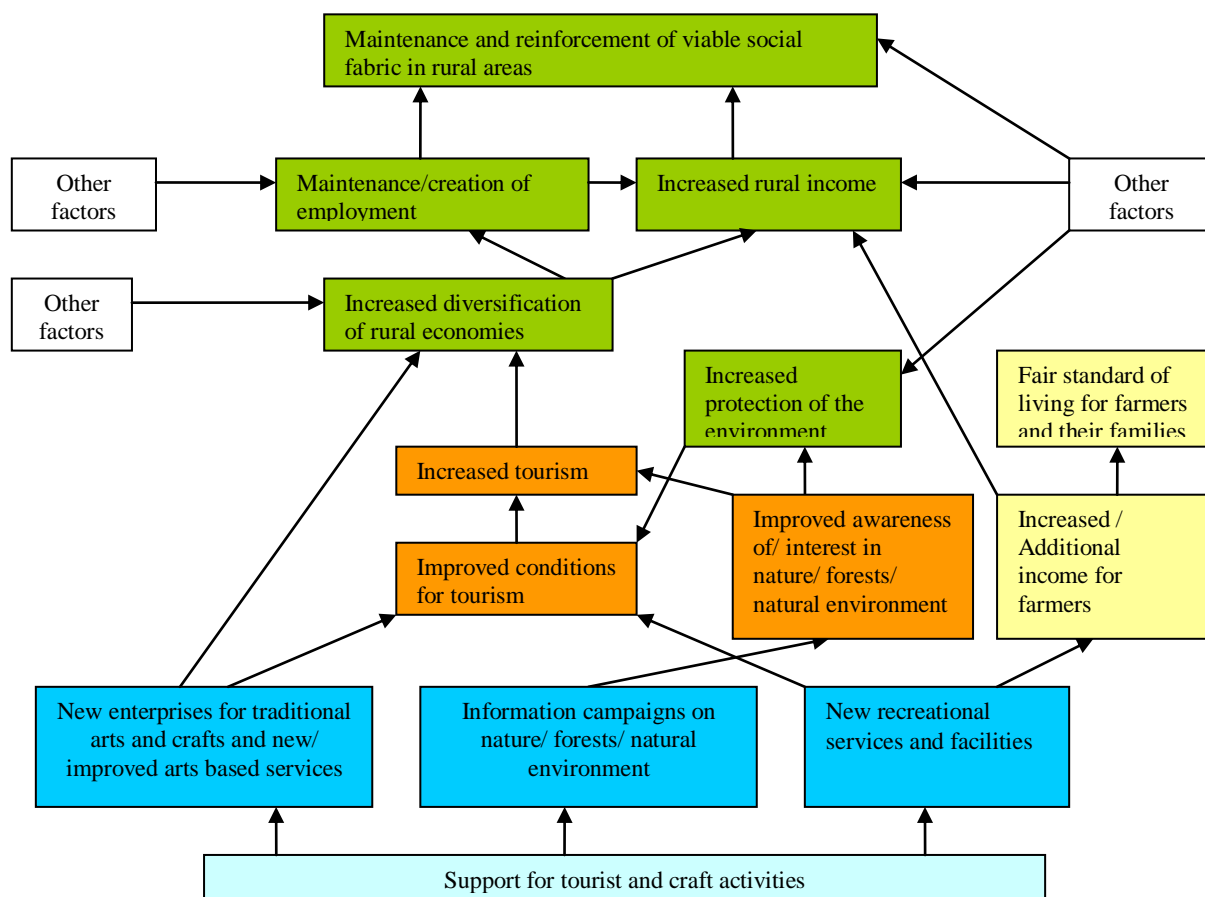


Logic model Chapter IX/ Measure 18: Infrastructure connected with the development of agriculture



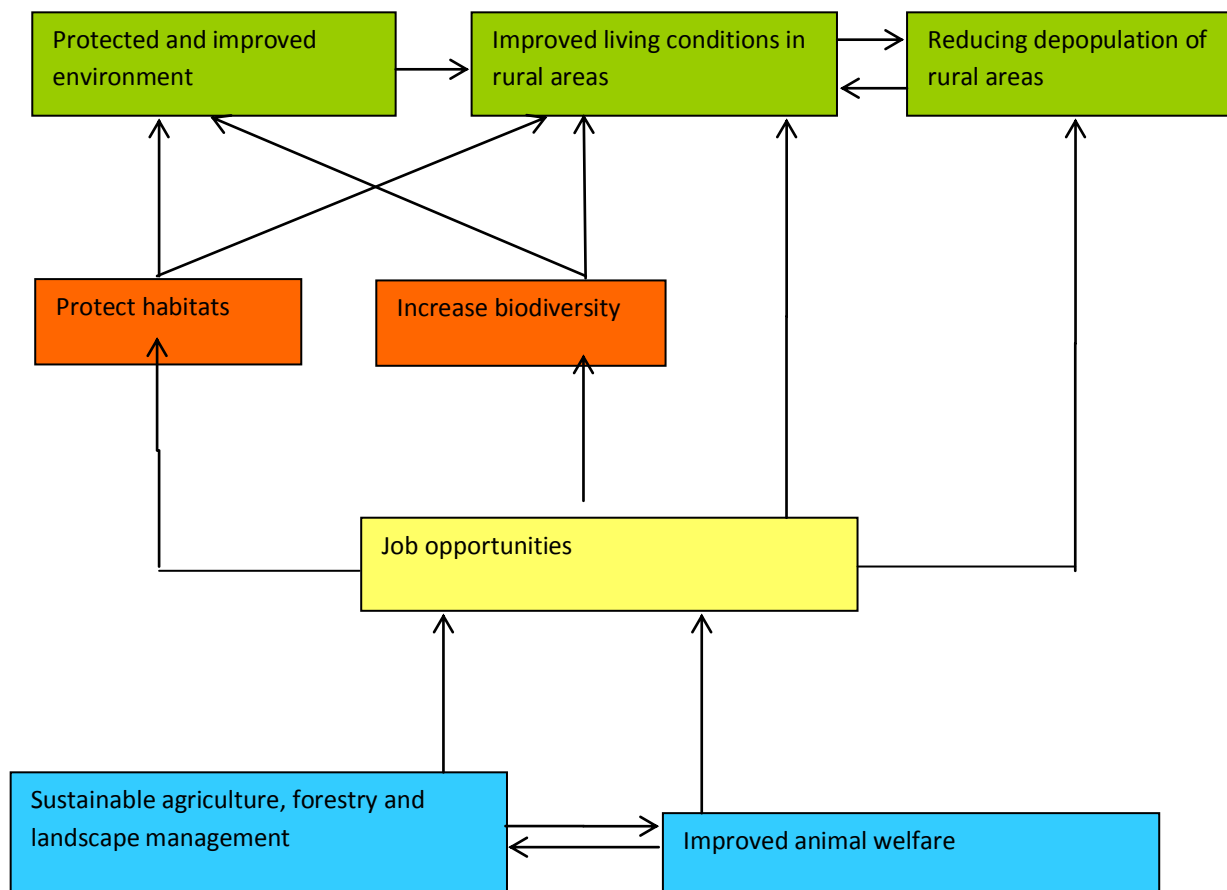


Logic model Chapter IX/ Measure 19: Encouraging tourist and craft activities



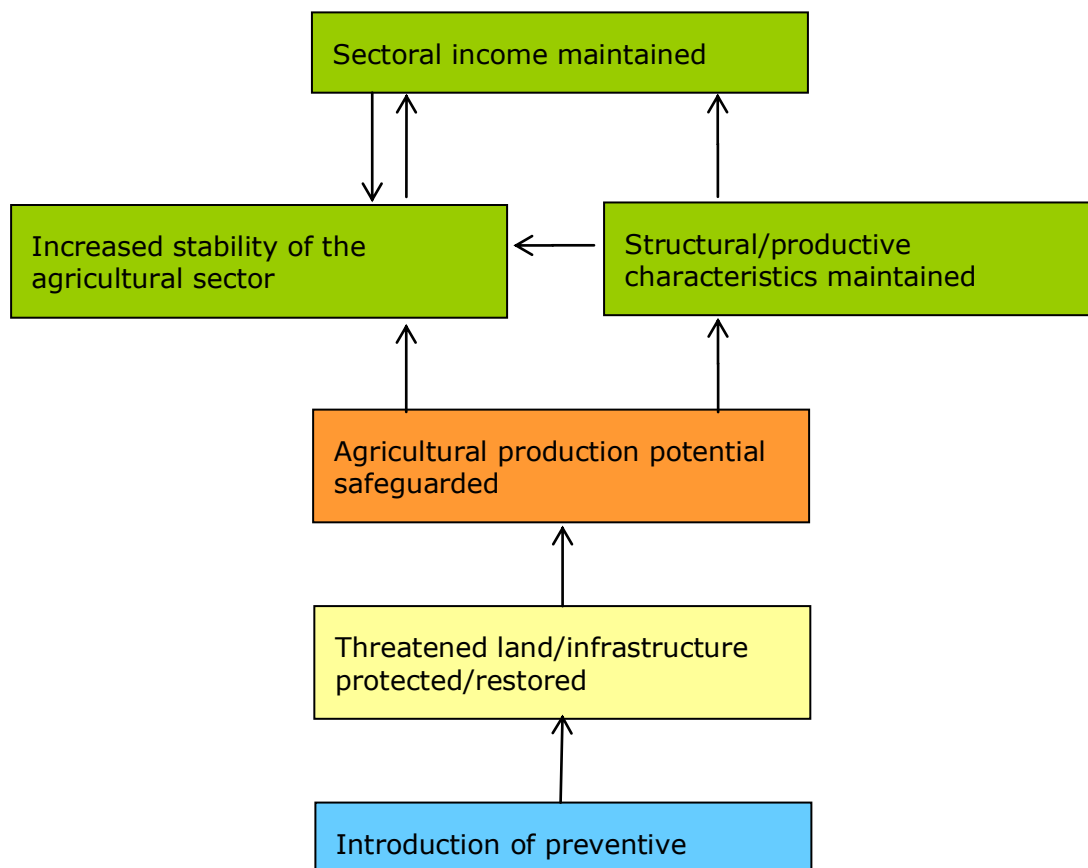


Logic model Chapter IX/ Measure 20: Protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare



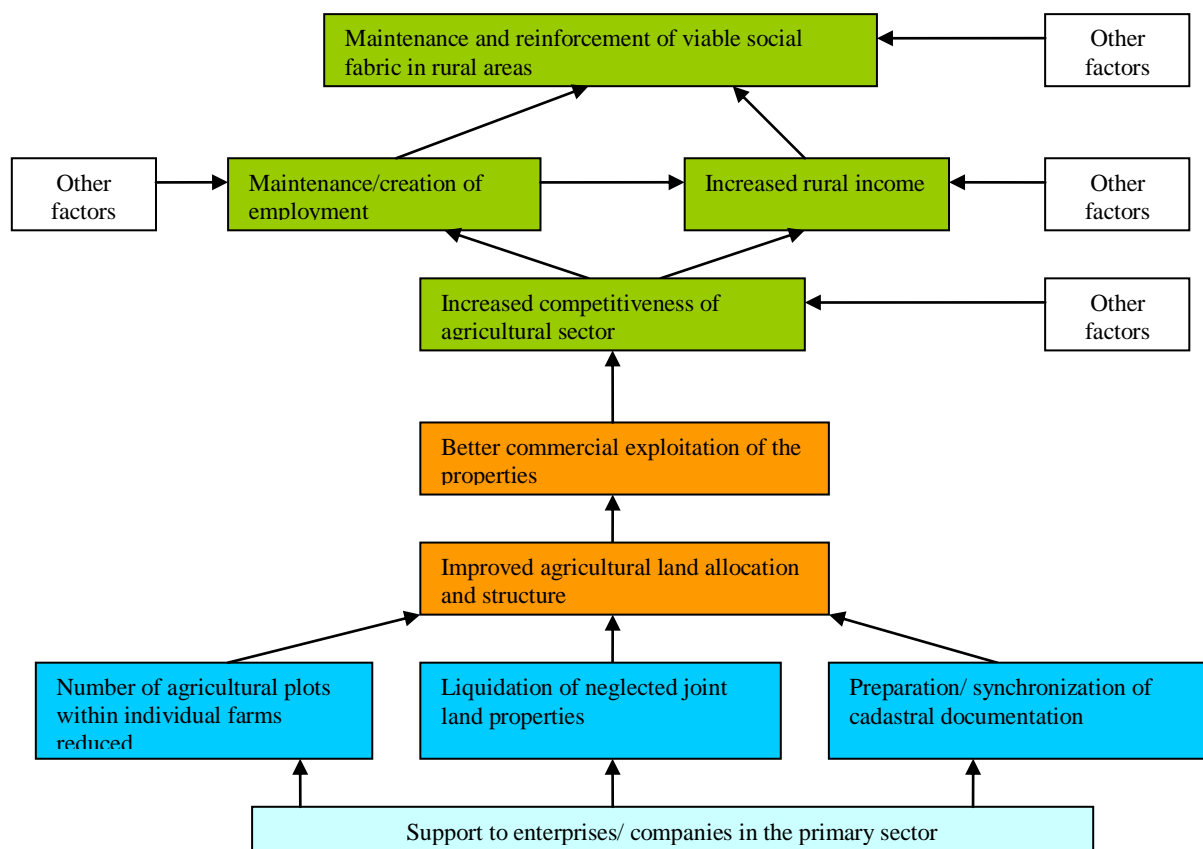


Logic model Chapter IX/ Measure 21: Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention mechanisms



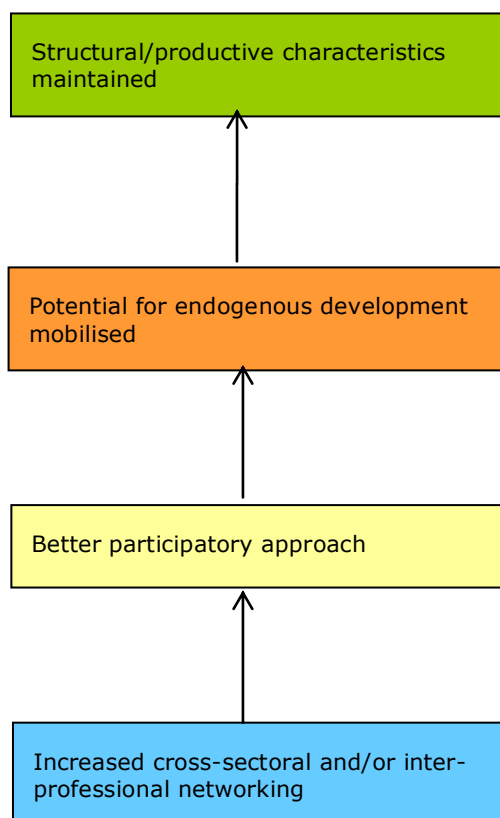


Logic model Chapter IX/ Measure 22: Financial Engineering



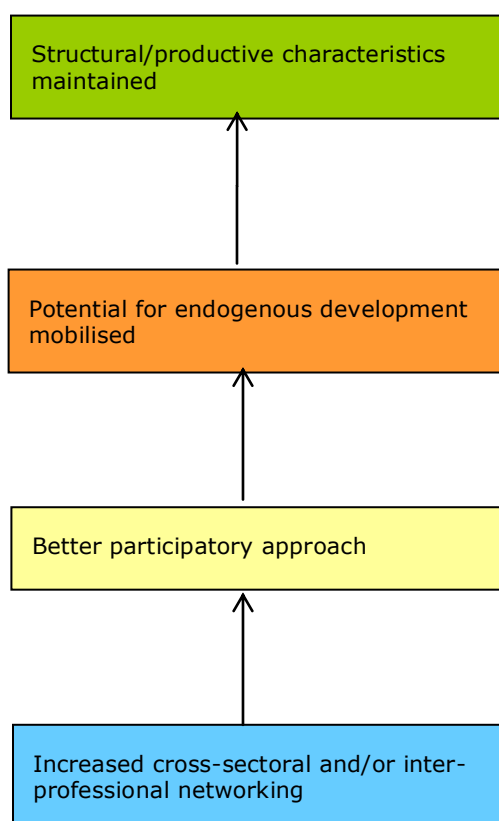


Logic model Chapter IX/ Measure 23: Management of integrated rural development strategies by local partners (EU15 only)



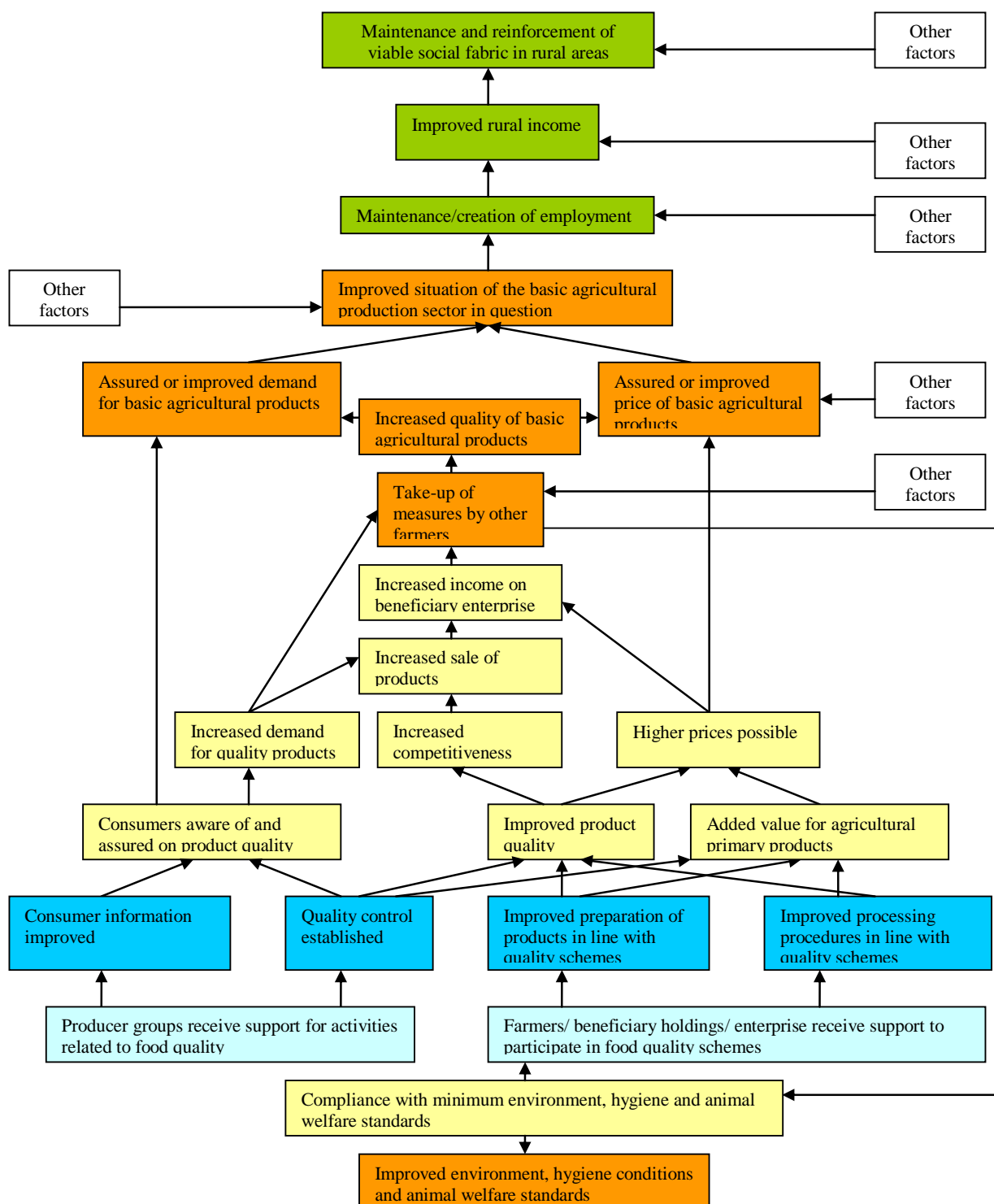


Logic model Chapter Va/ Measure 24: Implementing demanding standards and Measure 25: Use of farm advisory services connected with meeting standards



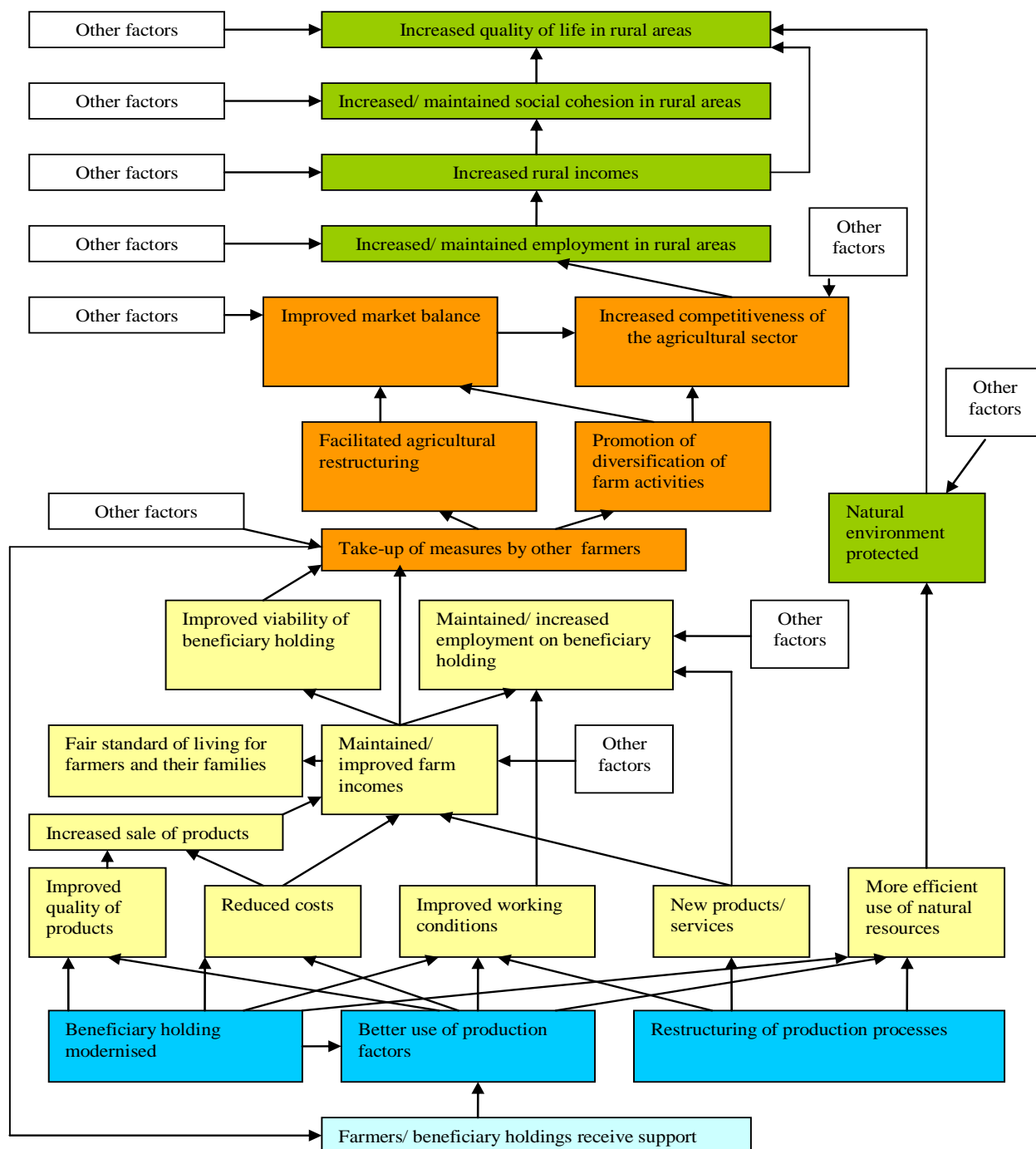


Logic model Chapter VIa/ Measure 26: Farmers voluntary participation in food quality schemes and 27: Producer group activities related to food quality



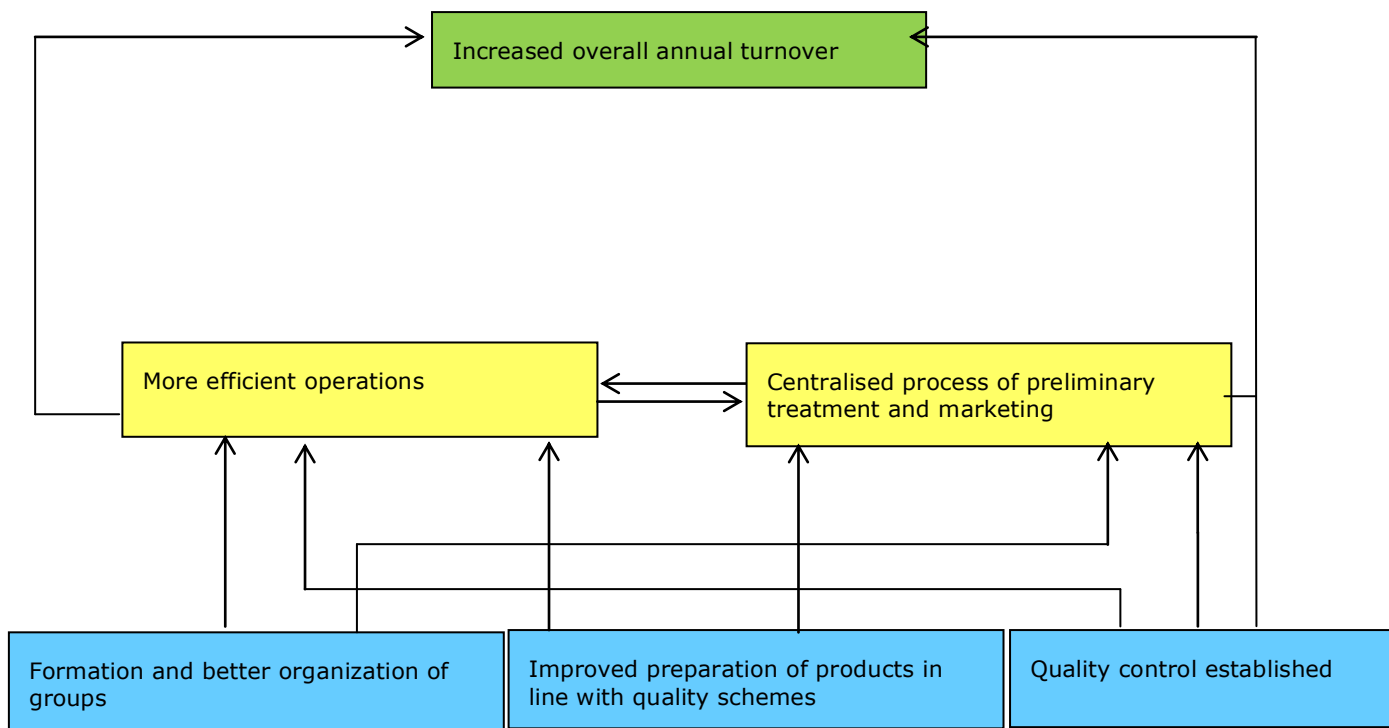


Logic model Chapter IX/ Measure 28: Semi-subsistence farms undergoing restructuring



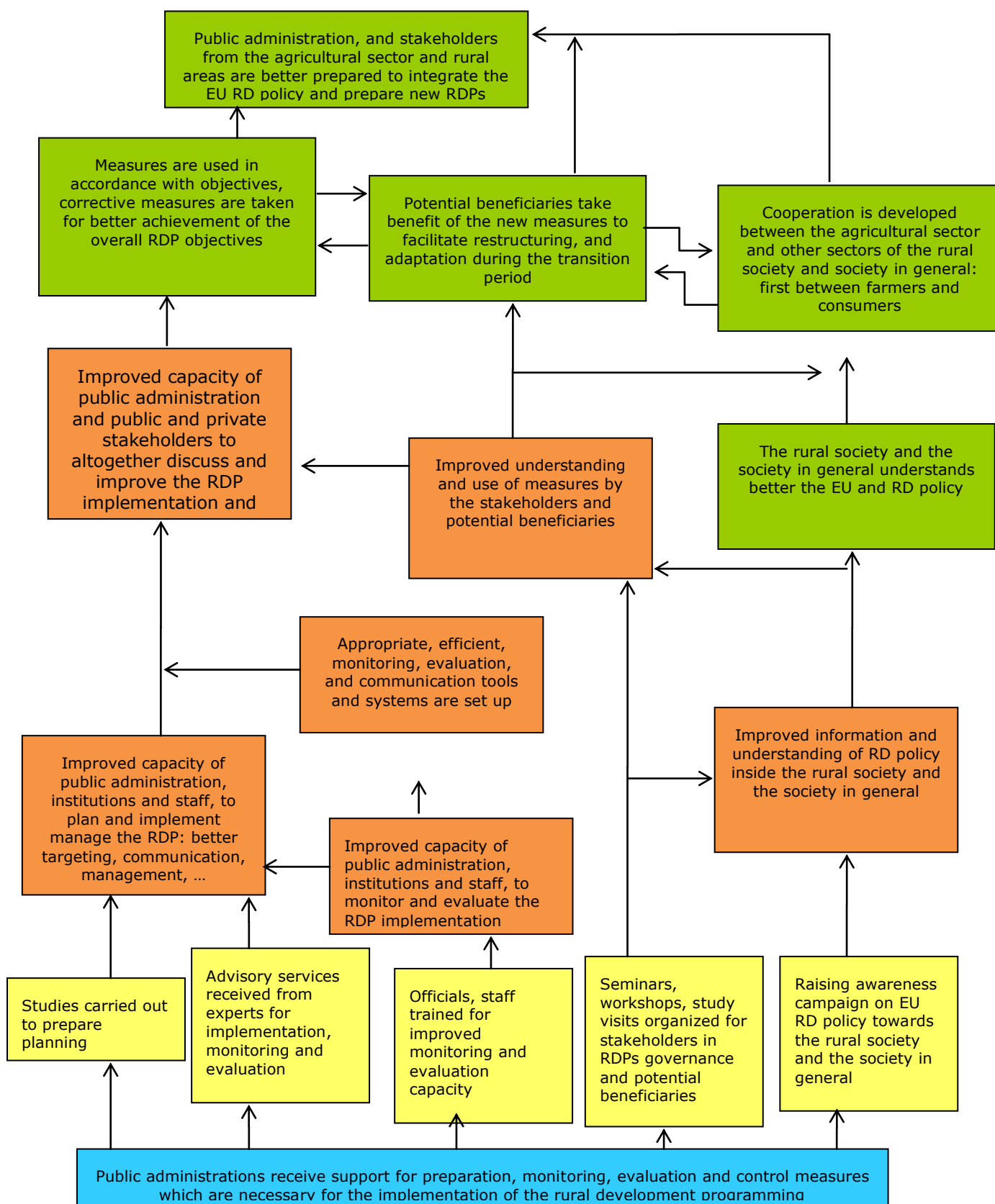


Logic model Chapter IX/ Measure 29: Producer groups (EU10 only)



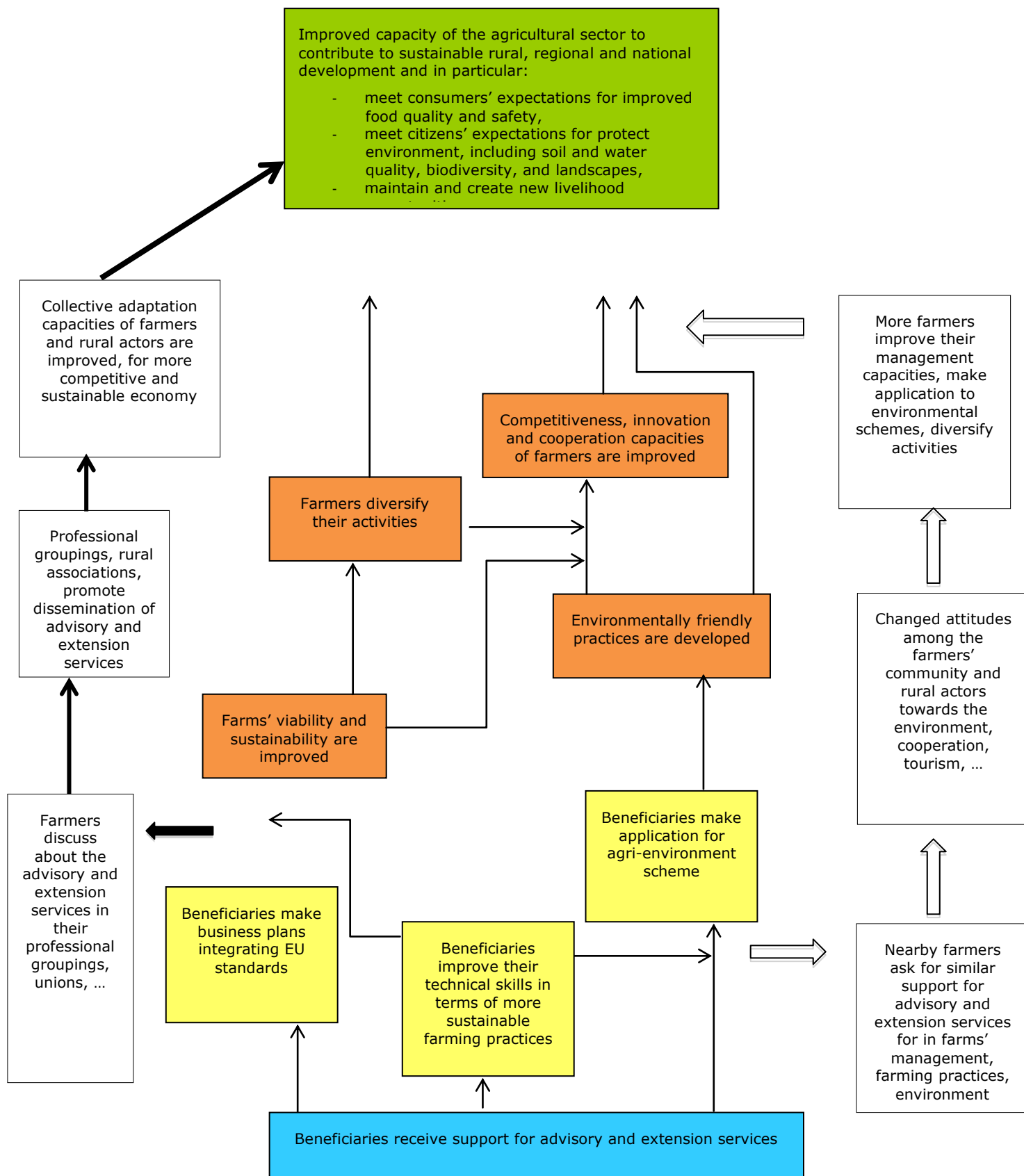


Logic model Chapter IXa/ Measure 30: Technical assistance





Logic model Chapter IXa/ Measure 31: Provision of advisory and extension services



Appendix II - List of criteria for selecting case study regions/programmes

Table 1- Choice of case study regions/programmes

(1) Country	(2) Region/ programme	(3) Guidance Budget (€ mil)	(4) EAGGF as % of total SF	(5) Budget per measure (in bold the most important measure)	(6) Other factors
EU15					
Finland	East Finland	128	20.4%	Investments (23.30%) Setup (3.88%) Training (0,62%) Other forestry (3.00%) Adaptation (34.56%)²⁹ Farm relief (0.04%) Marketing (0.18%) Basic services (17.98%) Village renovation (2.00%) Diversification (10.29%) Infrastructure (0.29%) Tourism & craft (3.78%)	
France (Obj 2)³⁰	Rhône- Alpes	56	13.8%	Investments (1.76%) Processing & marketing (2.57%) Adaptation (45,54%) Reparcelling (4,55%) Marketing (7.24%) Basic services (16.17%) Village renovation (10.17%) Diversification (6.01%) Environment (4.73%) Restoring potential (1.26%)	Priority for French Ministry. Representative of the modern ongoing trends of rururbanisation, and transformation of rural character with newcomers from cities, plus a mix of rururban, classical agricultural flatlands, and also mountain areas (pre- Alps and central Alps). Eastern part, continental, Mid- latitude for France Hexagone. Region has given evidence it is interested in the evaluation.
German y	Thüringen	539	18.7%	Investments (15.73%) Other forestry (4.08%) Processing & marketing Adaptation (39.99%) Reparcelling (7.06%) Village renovation (26.66%) Infrastructure (2.69%)	More diverse region in terms of rural areas (low range mountain areas, arable areas, rural areas close to or far away from large cities, ...). Links/contacts of country experts with representatives from the Ministry of Thüringen.
Greece	Thessaly ⁽¹⁾	120	21.3%	Investments (23,00%) Marketing (2,01%) Infrastructure (3,83%) Environment (8,73%) Water management (43%) Restoring (6,42%)	Region with high Guidance budget. Links/contacts of country experts with actors in the region. Possibly where the pilot of the MAPP method will take place.

²⁹ For all selected regions/programmes, the most important measure in terms of budget commitments is highlighted in **bold green**.

³⁰ For France Objective 2 regions, figures are Guarantee Fund.



(1) Country	(2) Region/ programme	(3) Guidance Budget (€ mil)	(4) EAGGF as % of total SF	(5) Budget per measure (in bold the most important measure)	(6) Other factors
				Tourism & craft (8,06%) Village renovation (2,66%) Technical assistance (1,94%)	
Italy	Campania ⁽¹⁾	650	17.0%	Investments (18.62%) Set up (6.29%) Training (0.88%) Processing & marketing (4.14%) Other forestry (2.49%) Reparcelling (0.71%) Farm relief (0.45%) Basic services (2.89%) Village renovation (11.9%) Diversification (1.05%) Tourism & craft (3.98%) Marketing (0.02%) Infrastructure (13.25%) Water management (33%) Integrated RD local partnerships (0.06%) Restoring of agricultural production	Dimension and economic relevance of the region. Agri-food sector is very important.
Portugal	Alentejo	232	21.3%	Investment Set up Training Processing & marketing Other forestry (13.77%) Water management (49%) Restoring of agricultural production Financial engineering	Highest investment in Portugal, from both sides of the EAGGF (Guarantee and Guidance) and considerable diversity, enabling to find successful and less successful projects. In addition, its AGRIS measure of the Regional Operational Programme Alentejo, within Objective 1 Pt includes a specific action for the integrated development of the Alqueva Zone (the biggest European dam), providing structural changes related with irrigation.
Spain	Andalucia	755	9.6%	Processing, marketing (28.62%) Other forestry (33.13%) Marketing (12.54%) Infrastructure (10.62%) Environment (11.69%) Restoring potential (3.40%)	South Spain, very mixed rural area with very developed and less developed parts. Strong social capital (networking tissue) will facilitate the application of the MAPP method. Rich in areas of high natural value.



(1) Country	(2) Region/ programme	(3) Guidance Budget (€ mil)	(4) EAGGF as % of total SF	(5) Budget per measure (in bold the most important measure)	(6) Other factors
					Specialised agricultural products associated with quality/image.
UK	West Wales & the valleys	131	7.0%	Investments (6.43%) Training (8.51%) Processing, marketing (25%) Other forestry (15.53%) Adaptation (21.95%) Basic services (8.20%) Tourism & craft (2.80%) Environment (10.95%)	Useful lessons related to management effectiveness (or ineffectiveness) Interesting in terms of assessing factors that contribute to impact (net impact) Very rural region, rural development budget critical for the area. There have been many administrative changes in the UK, but there are still some relevant/ knowledgeable contacts in Wales & NI (see below).
EU10					
Hungary		943	n/a	Investments (49.57%) Setup (1.08%) Training (0.72%) Processing & marketing (10.6%) Adaptation (19.21%) Village renovation (4.35%) Diversification (1.82%) Infrastructure (10.23%)	
Poland		2,124	n/a	Investments (27.76%) Setup (7.82%) Training (0.40%) Processing & marketing (22.7%) Adaptation (20.68%) Reparcelling (1.02%) Other forestry Village renovation (5.05%) Diversification (3.84%) Water management (6.07%) Infrastructure (1.95%) Advisory & extension services	
Slovakia		195	n/a	Investments (46.70%) Training (0.43%) Processing & marketing	

(1) Country	(2) Region/ program me	(3) Guidanc e Budget (€ mil)	(4) EAGGF as % of total SF	(5) Budget per measure (in bold the most important measure)	(6) Other factors
				(20.7%) Other forestry (5.58%) Adaptation (13.29%) Land improvement (5.19%) Diversification (8.10%)	

(1) Data for Thessaly and Campania is from the programme documents

Sources:

1. Column (3) - For Guidance budget Objective 1 regions from the Synthesis of Mid Term Evaluations (data from DG Regio).
2. Column (3) - For Guarantee budget France Objective 2 regions from the Synthesis of Mid Term Evaluations (data from DG Regio).
3. Column (3) - For the EU10, Guidance budget is total public commitments from CAP-IDIM.
4. Column (4) - EAGGF as % of total SF: Synthesis of Mid Term Evaluations (data from DG Regio).
5. Column (5) - For budget per measure (presented here only for the selected programmes):
 - a) Total public expenditure committed from CAP-IDIM database (available years)
 - b) Total budget from the RDP programming documents for the countries/regions for which no CAP-IDIM data is available, namely, Greece, Portugal, Spain.
6. Column (6) - Other factors: country expert opinions.

Table 2 - Agri-environment (according to the amount of total public budget)

Measure	Austria	Czech Republic	Ireland
Proportion of agri-environment in total RDP budget	51.9%	53.8%	50.95%
Total RDP public budget	7,119.00 million	678.5 million	2,420.4 million

Source: Final reports for Austria and Czech Republic. RDP summary for Ireland.

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