

**SYNTHESIS OF
RURAL DEVELOPMENT
MID-TERM EVALUATION
LOT 11
EAGGF Guidance**

Final Report for

European Commission

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CONTENTS

S1. EXECUTIVE SUMMARY	V
1. INTRODUCTION.....	1
1.1. THE HISTORY OF RURAL DEVELOPMENT MEASURES AND SPECIFICITIES OF THE EAGGF-GUIDANCE PROGRAMMING AND IMPLEMENTATION MECHANISM	2
1.1.1. Treaty of Rome and the origin of rural development policy.....	2
1.1.2. Mansholt Plan and the modernisation of agricultural structures	3
1.1.3. Support for regional development.....	4
1.1.4. Structural Funds reform in 1988.....	5
1.1.5. Rural development programming and implementation in the 1989-93 programming period.....	6
1.1.6. Commission Communication on the future of rural development	7
1.1.7. Summary of rural development measures prior to MacSharry	8
1.1.8. MacSharry reforms.....	9
1.1.9. Rural development programming and implementation in the 1994-99 programming period.....	11
1.1.10. European Agricultural Strategy Paper.....	12
1.1.11. First European Conference on Rural Development, Cork	12
1.1.12. Agenda 2000 reform.....	13
1.1.13. Reform of the common structural policy	14
1.1.14. Rural development financing.....	15
1.1.15. Rural development programming and implementation in the 2000-06 programming period.....	15
1.1.16. 2003 CAP reform ('Mid-Term Review').....	17
1.1.17. Increased funds for rural development.....	19
1.1.18. Second European Conference on Rural Development in Salzburg	20
1.1.19. Rural development and enlargement.....	20
1.1.20. EU rural development policy post-2006.....	23
1.1.21. The Structural Funds implementation system.....	25
2. METHODOLOGY.....	29
2.1. METHODOLOGICAL PROBLEMS AND CONSTRAINTS	30
2.1.1. The mid-term evaluation reports	30
2.1.2. This evaluation	31
2.2. INTERVENTION LOGIC	32
3. EVALUATION QUESTIONS	35
3.1. OVERVIEW OF FINANCIAL INPUTS AND OUTPUTS	35
3.1.1. Financial allocations and expenditure	35
3.1.2. Overview of outputs.....	37
3.2. MEASURE-SPECIFIC EVALUATION QUESTIONS.....	39
3.2.1. Chapter I: Investments in agricultural holdings	40
3.2.2. Chapter II: Setting up of young farmers.....	61
3.2.3. Chapter III: Training.....	72
3.2.4. Chapter VII: Improving processing procedures and marketing of agricultural products.....	81
3.2.5. Chapter VIII: Forestry	98
3.2.6. Chapter IX: Promoting the adaptation and development of rural areas.....	115
3.3. CROSS CUTTING EVALUATION QUESTIONS	136

3.3.1. <i>Cross cutting summary</i>	149
3.4. ASSESSMENT OF THE EVALUATION SYSTEM.....	151
3.4.1. <i>Use of Commission Evaluation Guidelines</i>	151
3.4.2. <i>Use of Common Evaluation Questions, criteria and indicators</i>	152
3.4.3. <i>Relevance of Common Evaluation Questions</i>	154
3.4.4. <i>Evaluation system efficiency and effectiveness</i>	156
3.4.5. <i>Alternative criteria and indicators used</i>	157
3.4.6. <i>National/regional questions</i>	158
3.5. ASSESSMENT OF THE DELIVERY SYSTEM.....	158
3.6. ASSESSMENT OF THE OVERALL OBJECTIVES OF RURAL DEVELOPMENT.....	166
3.6.1. <i>Appropriateness of the current menu of measures</i>	166
3.6.2. <i>Widening eligibility and scope to include the non-agricultural sector</i>	172
3.6.3. <i>Adequacy of existing agricultural restructuring measures</i>	174
3.6.4. <i>Impact on the wider rural economy and community to date</i>	178
3.6.5. <i>Coherence between the RDR and Structural Funds</i>	182
3.6.6. <i>Gender in the Rural Development Regulation</i>	185
4. GENERAL CONCLUSIONS AND RECOMMENDATIONS.....	189
4.1. KEY QUESTIONS REGARDING OVERALL OBJECTIVES OF RURAL DEVELOPMENT.....	189
4.2. INDIVIDUAL MEASURES.....	190
4.2.1. <i>Chapter I: Investments on farm</i>	190
4.2.2. <i>Chapter II: Young farmers</i>	192
4.2.3. <i>Chapter III: Training</i>	193
4.2.4. <i>Chapter VII: Investments in processing and marketing</i>	193
4.2.5. <i>Chapter VIII: Forestry</i>	194
4.2.6. <i>Chapter IX: Adaptation and development of rural areas</i>	195
4.3. DELIVERY SYSTEM.....	196
4.4. EVALUATION SYSTEM.....	197
APPENDIX 1: REFERENCES AND BIBLIOGRAPHY.....	199
A1.1. REFERENCES.....	199
A1.2. BIBLIOGRAPHY.....	207
APPENDIX 2: ANALYSIS TOOLS AND PROGRAMMES INVESTIGATED.....	231
A2.1. ANALYSIS TOOLS.....	231
A2.2. REGIONS SELECTED FOR FURTHER INVESTIGATION.....	234
APPENDIX 3: DEFINITION OF EVALUATION QUESTIONS AND INDICATORS.....	237
A3.1. CHAPTER I: INVESTMENTS IN AGRICULTURAL HOLDINGS.....	237
A3.2. CHAPTER II: SETTING UP OF YOUNG FARMERS.....	243
A3.3. CHAPTER III: TRAINING.....	246
A3.4. CHAPTER VII: IMPROVING PROCESSING PROCEDURES AND MARKETING OF AGRICULTURAL PRODUCTS.....	250
A3.5. CHAPTER VIII: FORESTRY.....	256
A3.6. CHAPTER IX: PROMOTING THE ADAPTATION AND DEVELOPMENT OF RURAL AREAS.....	264
A3.7. CROSS CUTTING ISSUES.....	271
APPENDIX 4: ANALYSIS OF THE USE OF CEQS, ADDITIONAL INDICATORS AND NATIONAL QUESTIONS.....	279

A4.1. USE OF COMMON EVALUATION QUESTIONS, CRITERIA AND INDICATORS	279
A4.2. ALTERNATIVE CRITERIA AND INDICATORS USED.....	303
A4.3. NATIONAL/REGIONAL QUESTIONS.....	318

S1. Executive summary

S1.1. English executive summary

S1.1.1. Introduction

The Rural Development Regulation (RDR) consolidates previous legislation into a 'menu' of measures offering support for rural development under the following Chapters:

Chapter I:	Investments on farm
Chapter II:	Young farmers
Chapter III:	Training
Chapter IV:	Early retirement
Chapter V:	Less Favoured Areas
Chapter VI:	Agri-environment
Chapter VII:	Investments in processing and marketing
Chapter VIII:	Forestry
Chapter IX:	Adaptation and development of rural areas (Article 33)

Rural development is funded through EAGGF Guarantee and Guidance with the former operating across the EU with respect to early retirement, Less Favoured Areas, agri-environmental and forestry measures and outside Objective 1 regions with respect to the other measures listed above. EAGGF Guidance is the funding mechanism within Objective 1 regions, with the exceptions noted above.

The current programming period runs from 2000 to 2006 and the programmes were evaluated at the mid-term point across the EU in 2003. The Directorate-General for Agriculture requested a meta-evaluation, or synthesis, of the mid-term evaluations of EAGFF Guidance measures in Objective 1 regions. The time period of this evaluation is 2000 to 2003 and the evaluation covers the EU-15. This contract was carried out by Agra CEAS Consulting Ltd. at the Centre for European Agricultural Studies, Imperial College at Wye and in Brussels between January and October 2005.

S1.1.2. Evaluation methodology and constraints

This meta-evaluation was carried out by means of desk research and analysis based on the mid-term evaluation (MTE) reports submitted to the Commission for each Rural Development Programme, supplemented by secondary data. A selection of programmes and measures were selected in conjunction with the Steering Group to be followed up through interviews with implementing authorities and other key

stakeholders in each Member State in order to gather further information where that contained in the mid-term evaluation reports was deemed to be insufficient. Finally, a meeting of the core evaluation team assessed the overall objectives of the RDR. A number of methodological problems and constraints are discussed fully in Chapter 2, but it should be noted that the mid-term evaluation reports on which this evaluation is primarily based often contained limited information as a result of the short period over which the measures had been in operation under this programming period at the mid-term point.

It should also be noted that the MTE of Objective 1 regions was conducted using the methodology prescribed by DG Regio of the European Commission rather than that used by DG Agriculture¹. The DG Regio methodology did specify the use of DG Agriculture methodology and Common Evaluation Question framework with respect to the rural development measures within the wider evaluations of Operational Programmes and Single Programming Documents. However, in practice, due to the relative weight of the rural development measures within these wider programmes, the extent to which they were a primary focus of these evaluations is variable. Consequently evidence on the impact of EAGGF Guidance funded interventions in the majority of the MTEs for Objective 1 regions is relatively limited (especially when compared to the evidence that is available outside Objective 1 regions).

The answers to the measure-specific evaluation questions are embedded in the following structure. First the measure objectives and intervention logic are set out explaining how the measure is supposed to work. This is followed by a synthesis of evidence from the MTE reports and secondary data. This evidence is used to consider how the measures worked in practice. The conclusions and recommendations build on this structure to consider why the measures did or did not work and to offer recommendations to improve their operation.

S1.1.3. Main evaluation findings

The main evaluation findings are presented below as set out in the contract. Within these sections the conclusions address the Common and Further Evaluation Questions set out in the contract.

Key questions regarding overall objectives of Rural Development

The Agenda 2000 reform consolidated the previous nine legislative texts on rural development into a single regulation on support for rural development. Although in

¹ Mid-term evaluations of Objective 1 programmes were conducted using DG Regio methodology. The majority of evaluations either did not refer to CEQs at all or only made a brief reference to them. Only a minority of evaluations used CEQs and in all these cases only a small proportion of the CEQs were used.

terms of presentation it appears a more coherent package, the RDR does not therefore a 'new' menu of measures.. The fact that the menu remains to a degree an agglomeration of previously available and separately implemented measures can reduce overall efficiency in terms of delivering outcomes and meeting objectives at the programme level, not least because there are examples where the objectives, or at least the impacts, of individual measures are in conflict with one another. That said, it is recognised that the choice of measures to offer in the individual programme is the responsibility of implementing authorities and it is incumbent upon them to ensure that the measures selected are appropriate to their rural development needs.

The potential for a lack of coherence between individual measures at the programme level is clearly acknowledged by the Commission and the new Regulation for the 2007-2013 programming period takes a more strategic approach to rural development through the definition of three core objectives which will be addressed by three main axes, together with a LEADER axis. This will transform rural development policy from a measure-led to an objective-led system and as a consequence it is likely to improve programme efficiency and internal coherence with respect to the overall policy objectives targeted within each programme.

Recommendation

- Implementing authorities should ensure that the measures that they decide to implement form a coherent package at the programming level.

Several measures under the RDR can be expected to have an indirect impact beyond the agricultural sector in terms of, for example, employment, in addition to the support targeted explicitly on the wider rural population under Chapter IX: Adaptation and development of rural areas (Article 33). The impact of this targeted support is likely to increase over time as Article 33 suffered from late implementation in many cases. Whilst the Structural Funds provide a mechanism to increase cohesion generally across the EU, Article 33 provides for support targeted specifically on rural areas and is therefore a useful addition to this overall policy framework.

There is a high degree of complementarity between rural development policy and the Structural Funds at the conceptual level in terms of their contribution to EU cohesion and this generally results in coherence at the operational level through co-operation between the relevant implementing authorities.

The overall approach to implementing rural development measures and the Structural Funds is considered to be appropriate and as long as regions/Member

States continue to be encouraged to implement these policies with synergy in mind, as they currently are, then the approach is satisfactory.

Individual measures

Measure-specific concluding comments and recommendations are presented below. These address the Common and Further Evaluation Questions set out in the contract.

Chapter I: Investments on farm

The objectives of this measure are to reduce production costs; improve and re-deploy production; increase quality; preserve and improve the natural environment; hygiene conditions and animal welfare standards; and, promote the diversification of farm activities.

There is mid-term evaluation evidence from some regions/Member States to suggest increases in income and a positive impact in terms of the better use of production factors as a result of support under this Chapter, for example, improvements in productivity in Greece and Portugal.

Whilst evidence from Finland and Greece suggests that measures under this Chapter have resulted in a re-orientation of farming activities, this is by no means a universal finding.

A generally positive impact on job maintenance and creation has been realised as a result of the diversification of on-farm activities resulting from supported activities, although there is considerable regional variation. In Portugal, for example, increases of between 2.3% and 32.7% in terms of Annual Work Units were noted depending on the region.

The issue of deadweight was little addressed in the MTE reports, most likely because the nature of many of the specified indicators does not explicitly request a consideration of this. This means that we cannot comment on the extent to which deadweight is present. It is also important to bear in mind that investments sometimes require a longer time period in which to demonstrate expected impacts and that therefore impact of the supported investments, and as a result the impact of the measure, may be underestimated at the mid-term point.

Overall the evidence suggests that investments directed at improving product quality are having a positive impact, both where this is a direct objective of the supported investment and also indirectly, for example, in the case of Ireland where

support for dairy hygiene helps ensure continued compliance with the Dairy Hygiene Directive 92/46/EEC.

There is evidence from a range of regions/Member States (for example, Italy, Finland, Ireland, Greece, Spain, Germany, France and Portugal) to suggest that supported investments have facilitated more environmentally friendly farming. Positive environmental benefits are often supported investment aims (whether this is a main aim or otherwise) and positive outcomes have been reported. Even where measures do not directly address environmental concerns the need to comply with minimum environmental standards should have ensured that investments were at least environmentally neutral and as such these standards are successful in terms of protecting the environment.

The potential for supported investments to enhance working conditions and animal welfare is widely recognised and some positive impacts have been detected. However, where there has been a positive impact on animal welfare this has, in most cases, been indirect. The role of farm advisory services was cited as being of particular importance in ensuring that improvements to working conditions and animal welfare are maximised.

This measure remains relevant at the RDR level and implementing authorities are free to target it at the programme level on those issues that they feel are most appropriate given their needs, i.e. on economic (including diversification) issues where the agricultural sector has structural problems and on other issues such as working conditions and the environment where these are considered to be more pressing concerns.

Chapter II: Young farmers

Although not stated explicitly in the RDR, the implicit objective of this measure, based on Article 8 of Regulation 1257/99, is to facilitate farm transfer thus reducing the average age of those in the sector.

The evidence provided by the evaluation indicates that support covers upwards of one third of setting up costs (Castilla-La-Mancha, Spain) rising to almost all of the costs (Murcia, Spain), although it is more typically around 50%. Qualitative evidence also suggests that the interventions have contributed positively to the earlier transfer of farms, albeit very marginally.

There is evaluation evidence from some regions/Member States of positive synergy from a few regions/Member States between setting-up aid and aid for early retirement in achieving the earlier transfer of farms. For example, evidence from

Finland and Spain indicates that transferees benefiting from both schemes tend to be marginally younger which might suggest that the measures in combination contribute to an earlier transfer of farms compared to the operation of the measure in isolation.

Whilst it is clear that young farmers set up with support under this measure, the extent to which the existence of the support influences their decisions is not known and as a result it is not possible to attribute causality to the scheme itself. In terms of gender, whilst a varying proportion of young farmers are female, the majority are male in all regions/Member States.

Even at the mid-term stage evidence suggests that the measure has made positive contributions to the safeguarding of employment, although, as is indicated above, the extent to which the measure is the cause of young farmers setting up is generally not known. However, in Spain in particular and southern Europe in general, this measure is reported to be one of the main contributors to the maintenance and creation of employment across the programmes.

In conclusion, the available evidence at the mid-term stage suggests that this measure does facilitate farm transfer, although the extent to which it is a key driver in the decision to set up remains unclear.

Recommendation

- A survey of supported farmers should be undertaken to establish the extent to which the scheme had an impact on their decision to set up and the extent to which the measure covered their setting up costs.

Chapter III: Training

Training within the RDR is designed essentially to facilitate access to the other available measures. Monitoring data from the CAP-IDIM system records the areas in which training is offered where it is funded through EAGGF Guarantee, but does not monitor training carried out within Objective 1 regions. The absence of this monitoring information obviously reduces the evidence available with which to address the use of this measure. However, there is clear evidence from some regions/Member States (for example, Finland, Germany and Spain) to suggest that assisted training courses have been tailored to meet previously identified needs and they do exhibit coherence with the other measures in the programme.

Evidence from some regions/Member States (for example, Finland and the UK) suggests that acquired skills/competence have helped to improve the situation of

the trainees and of the agricultural/forestry sector with roughly three-quarters of training beneficiaries receiving qualifications and/or experiencing job improvements.

In conclusion, this measure is considered to be relevant and to work well with other measures under the RDR.

Chapter VII: Investments in processing and marketing

The objectives of this measure are to guide production in line with foreseeable market trends or 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 or waste; apply new technologies; favour innovative investments; improve and monitor quality and health conditions; and, protect the environment.

There is evidence from a wide range of regions/Member States to suggest that supported investments have helped to enhance the competitiveness of agricultural products. In many cases the bulk of the improvements stem from technological investments which have improved and rationalised processing procedures (for example, in the UK), although there is some evidence that support to producer groups has also enhanced marketing ability (for example, Austria).

There is also evidence to indicate that supported investments have helped to increase the added value and competitiveness of agricultural products through quality improvements. In some cases, for example in Spain and Portugal, producers are increasingly using regional/national labelling schemes (as well as other quality devices) and technology to differentiate and promote their products as a result of the support.

Interview evidence (from in particular Spain and Greece) highlights the importance of formal long-term and multi-annual contracts (or equivalent instruments) between producers and processors in delivering benefits to the basic agricultural production sector as well as leveraging quality and technological improvements. The existence of 'top-ups' in the level of assistance was reported in Austria to have delivered additional improvements that might not otherwise have been realised.

Positive impacts on health and welfare, particularly on the nutritive and hygiene aspects of products and on workplace conditions, have been observed as a direct result of measures in some regions/Member States (whereas positive impacts on animal welfare tend to derive from collateral effects). That said, whether the improvements noted here go beyond minimum standards is often unclear.

A positive impact on the environment was noted mainly as a result of the requirement to meet minimum environmental standards and there was no suggestion of any negative environmental impact.

The evidence in relation to company size is mixed with some regions/Member States reporting greater effectiveness for medium sized companies, for example companies with up to 50 employees in Greece, and others noting that larger companies were more likely to carry out investments unaided than smaller ones, for example, Spain.

Finally, it is also important to bear in mind that investments sometimes require a longer time period than currently available at the mid-term point in which to demonstrate expected impacts. The impacts noted at this time may therefore underestimate the impact in the longer-term which will be more apparent in the *ex-post* evaluation.

Chapter VIII: Forestry

The objectives of these measures are to provide sustainable forest management and development of forestry; the maintenance and improvement of forest resources; and the extension of woodland area.

Many regions/Member States reported positive impacts in relation to the maintenance and enhancement of forest resources, although due to the long-term nature of the resource involved, these impacts were marginal at the mid-term stage.

There is evidence in some regions/Member States (for example, Finland, Greece and Spain) to suggest that the assisted actions contribute positively to the maintenance and development of employment (as well as other socio-economic functions and conditions), with, for example, some 372 full-time jobs maintained in Finland and a further 343 created. While some regions/Member States provided evidence of positive outcomes in terms of maintenance and encouragement of productive functions on forest holdings (Finland, for example), the evidence overall was too variable to allow a definitive assessment of impact.

Evidence from a number of regions/Member States suggests that assisted actions have contributed to the ecological functions of forests by maintenance of their health and vitality, including Greece, for example, where some 2,000 hectares of forest is maintained and a further 24,000 hectares protected. Assisted actions have resulted in the maintenance, conservation and appropriate enhancement of biological diversity in a number of cases, including Portugal where approximately 600

hectares of critical sites were being maintained or improved and over 200 hectares of indigenous species were planted or restored.

Recommendations

- Longer-term monitoring and evaluation, independent of financial programming periods, should be established to provide a proper assessment of impacts in this area.

Chapter IX: Adaptation and development of rural areas

A range of measures are available under this Chapter targeted at both the agricultural and the non-agricultural sectors. These include measures promoting competitiveness in the agricultural sector, protecting the environment and the adaptation and development of rural areas.

There is a body of evidence to suggest that Article 33 measures have at least helped to maintain incomes in the rural population. Tourism-related projects were identified by some regions/Member States as being effective in delivering positive income-related outcomes. In Finland, for example, the share of tourism-related turnover in total turnover of supported enterprises was 19% in the east and 3% in the north; and in Corsica (France), supported investments in agro-tourism resulted in income increases of between 15% and 30%. Positive effects on employment maintenance (and to a lesser extent employment creation) were also widely reported and were substantial in some cases, for example, Finland, Spain, Ireland and Greece. However, these positive employment effects tend to involve the farming population rather than the non-farming population.

Positive environmental outcomes were reported in a number of regions/Member States, although these tended to be quite modest. In southern regions/Member States the interventions have been focused primarily on more fundamental issues such as water resources management and environmental awareness, whereas regions/Member States in the north have tended to focus on rural advice, conservation and the support of local community projects.

Whilst there have been some positive impacts on living conditions as a result of supported actions, particularly in Portugal, these generally remain small-scale at this point in the programme.

Projects supported by Article 33 measures have involved a wide range of beneficiaries which has contributed positively to the maintenance/improvement of the structural characteristics of the rural economy.

In conclusion, although the implementation of this measure has been hampered by delays in many cases, the early evidence suggests that positive impacts are already filtering through.

Delivery system

The evidence available suggests that the implementing arrangements have contributed positively to maximising the intended effects of the programme (although in some cases it was too soon for effects to have become visible). In some situations (for example Austria), programmes have become more complementary, due largely to the prior assessment of projects, which has helped to ensure consistency and coherence. Several Member States reported funding leverage effects ranging from, for example, 3.6:1 in relation to supported biogas assistance in Sachsen, Germany to 1.5:1 in relation to the young farmer measure in East Finland. There was evidence of only minimal deadweight with, for example, less than 5% associated with supported projects in East Finland and approximately 1% in North Finland.

Some negative effects were reported. Administrative and bureaucratic burdens were reported to have added significant complexity to the programme in some cases, for example, in relation to delays in project approval processes. In some cases, excessive bureaucracy was cited as resulting in programme inefficiency and bureaucracy was also found to present a barrier to entry, especially in relation to smaller-scale projects. In such situations the decentralisation of decision-making to the local level (i.e. to Local Action Groups or umbrella groups) was proposed in order to improve access. While some of these inevitably stem from the slow start to some of the programmes, others, such as insufficient funding, were cited in several cases as having prevented the involvement of all rural actors.

From the evidence available it is clear that feedback from the mid-term evaluations has resulted in some improvements to implementation mechanisms in some cases, for example, in relation to information provision and guidelines in Northern Ireland.

Evaluation system

There is no reason to suppose that the relevance of CEQs will be any different within Objective 1 regions compared to their relevance outside Objective 1 regions. Essentially, there is a core of CEQs across most Chapters which are always likely to be relevant even where contextual circumstances differ, for example, those relating to the impact of measures on income, employment, etc. where the measure objectives are designed to have such an impact. Beyond this core it appears that setting CEQs centrally to apply in all evaluations reduces the extent to which they are targeted to the specific circumstances found across the different regions/Member States,

although it is accepted that this increases consistency across the EU in terms of the coverage of evaluation reports. Examples where CEQs are less relevant are those relating to investment measures where impacts are not necessarily expected in the short-term. However, this is clearly an issue of timing rather than of the relevance of the CEQs themselves. In general it is felt that the CEQs are usually sufficiently relevant to evaluate the quality of the rural development measures (provided that they are used as envisaged under the DG Agriculture evaluation guidelines).

The use of the specified indicators was less widespread due to the lack of data and in some cases the limited relevance of the indicator specified in the regional/national context. That said, the use of alternative indicators and additional national questions was low suggesting that the specified indicators were generally appropriate and the range of questions asked was sufficient to provide a satisfactory evaluation of the RDR. An additional issue here is that where multiple indicators were proposed it was quite common for evaluators to simply use the most straightforward of these.

Evaluation effectiveness and efficiency would be improved by evaluating all rural development measures together regardless of funding source (although evaluations are, in practice, often necessary for financial control reasons as well as to provide feedback into policy design). Unsurprisingly, evaluations tend to focus on the measures accounting for a greater proportion of expenditure and, given the weight of rural development measures within Operational Programmes and Single Programming Documents, attention given to measures funded through EAGFF Guidance is relatively light.

Additionally, it is considered that the efficiency and effectiveness of the evaluation system depends in part on the attitude of the region/Member State. In those regions/Member States where it is felt that evaluation feeds back into better policy design, monitoring systems are better adapted to facilitating evaluation. Finally, the collection of monitoring information relating to the rural development measures within Objective 1 regions is not as widespread as it is outside these areas. This has reduced the efficiency of the mid-term evaluations by necessitating additional data collection. Evaluation effectiveness is compromised where this additional data was not, or could not, be collected.

Recommendations

- A smaller set of core questions relating to more broadly relevant issues such as income and employment, etc. would increase the general relevance of the evaluation system. Greater freedom should be allowed in areas where regional context is more likely to be a factor in terms of relevance.

- Many indicators require an assessment of change over time and in this context greater effort should be made to establish suitable baselines.
- Whilst having central evaluation guidelines is considered to be useful a greater degree of flexibility in the choice of indicators should be permitted- the point is to answer the evaluation questions, not address the indicators as such. Also, it should be recognised that certain data requirements impose a greater burden on beneficiaries and a greater cost on implementing authorities. Where possible, specified indicators should be simple rather than complex.
- A greater effort should be made to persuade regions/Member States of the use of evaluations in feeding in to better policy design in order to encourage monitoring systems more capable of facilitating evaluation.
- In order to ensure thorough evaluation in Objective 1 regions rural development measures should either be evaluated separately, i.e. outside the framework of the wider Operational Programmes and Single Programming Documents, or they should be evaluated alongside the measures funded through EAGGF Guarantee.
- Whether or not the above recommendation is taken up, monitoring in relation to rural development measures should be encouraged inside Objective 1 areas.

S1.2. Synthèse en français

S1.2.1. Introduction

Le Règlement de Développement Rural (RDR) regroupe la législation antérieure dans un 'menu' de mesures. Le soutien est fourni sous les Chapitres suivants:

- Chapitre I:** Investissements dans les exploitations agricoles
- Chapitre II:** Installation des jeunes agriculteurs
- Chapitre III:** Formation professionnelle
- Chapitre IV:** Préretraite
- Chapitre V:** Zones défavorisées
- Chapitre VI:** Agri-environnement
- Chapitre VII:** Améliorations de la transformation et de la commercialisation des produits agricoles
- Chapitre VIII:** Sylviculture
- Chapitre IX:** Encouragement à l'adaptation et au développement des zones rurales (Article 33)

Le développement rural est financé par les sections Garantie et Orientation du FEOGA. La première est compétente à travers l'UE pour les mesures de préretraite, des zones défavorisées, d'agri-environnement et de sylviculture, ainsi que pour toutes les autres mesures précitées dans les régions en dehors de l'Objectif 1. Le FEOGA Orientation finance les mesures de l'Objectif 1, hormis les exceptions précitées.

L'actuelle période de programmation s'étend de 2000 à 2006 et les programmes ont été évalués à mi-parcours à travers l'UE en 2003. La Direction Générale de l'Agriculture et du Développement rural a commandé une méta-évaluation, ou synthèse, des évaluations à mi-parcours des mesures du FEOGA Orientation dans les régions de l'Objectif 1. La période étudiée s'étend de 2000 à 2003 et l'évaluation couvre l'UE-15. Cette étude a été réalisée par Agra CEAS Consulting Ltd. au Centre for European Agricultural Studies, Imperial College à Wye et à Bruxelles entre janvier et octobre 2005.

S1.2.2. Méthodologie d'évaluation et contraintes

Cette méta-évaluation est basée sur l'analyse des rapports d'évaluation à mi-parcours (EMP) qui ont été soumis pour chaque Programme de Développement Rural (PDR) à la Commission. Cette analyse a été complétée par une revue de la bibliographie. Une série de programmes et de mesures ont été sélectionnés en accord avec le Comité de pilotage pour la réalisation d'entretiens avec les autorités

compétentes et d'autres parties impliquées pour chaque Etat Membre afin d'obtenir des informations complémentaires lorsque celles figurant dans les évaluations à mi-parcours étaient insuffisantes. Enfin, l'équipe d'évaluation, incluant les experts de tous les Etats Membres, s'est réunie afin d'effectuer une appréciation des objectifs généraux du RDR. Une série de problèmes et de contraintes concernant la méthodologie sont décrites dans le Chapitre 2, mais il est important de remarquer que les rapports d'évaluation à mi-parcours sur lesquels est initialement basée cette évaluation contiennent une quantité d'information limitée suite à la courte période au cours de laquelle les mesures ont été opérationnelles sous cette période de programmation à mi-parcours.

Il faut remarquer que l'évaluation à mi-parcours de l'Objectif 1 a été effectuée sur base de la méthodologie proposée par la DG Politique régionale de la Commission européenne plutôt que celle utilisée par la DG Agriculture². La méthodologie de la DG Politique régionale recommandait l'utilisation de la méthodologie de la DG Agriculture et des Questions d'Evaluation Communes (CEQ) au sujet des mesures de développement rural au sein des évaluations générales des Programmes Opérationnels et des Documents Uniques de Programmation. Néanmoins, dans la pratique, à cause du poids relatif des mesures de développement rural dans ces programmes généraux, l'ampleur avec laquelle ces questions ont été prises en compte dans les évaluations a été variable. Par conséquent, les données sur les effets du soutien sous le FEOGA Orientation étaient relativement limitées pour la plupart des EMP des régions de l'Objectif 1 (en particulier si l'on compare aux données disponibles en dehors des régions de l'Objectif 1).

Les réponses aux questions d'évaluation spécifiques à chaque mesure suivent la structure suivante. Tout d'abord, une description des objectifs de la mesure et de sa logique d'intervention est présentée. Celle-ci est suivie d'une synthèse de l'information contenue dans les EMP, la bibliographie et les entretiens pour les questions où ceux-ci ont été effectués. Cette information permet d'établir comment les mesures ont fonctionné en pratique. Les conclusions et recommandations se fondent sur cette structure pour établir pourquoi les mesures ont ou n'ont pas fonctionné et pour proposer des recommandations pour améliorer leur mise en œuvre.

S1.2.3. Principales conclusions

² Les évaluations à mi-parcours des programmes de l'Objectif 1 ont été réalisées d'après la méthodologie de la DG Politique régionale. La plupart des évaluations soit ne mentionnaient pas les Questions d'Evaluation Communes (CEQ), soit n'y faisaient qu'une brève allusion. Seule une minorité des évaluations a utilisé les CEQ et, le cas échéant, seule une faible proportion des CEQ a été utilisée.

Les principales conclusions de l'évaluation sont présentées ci-dessous tel que décrit dans le contrat. Au sein de ces sections, les conclusions se rapportent aux questions d'évaluation (CEQ/FEQ) tel que décrit dans le contrat.

Principales questions concernant les objectifs généraux du Développement rural

La réforme de l'Agenda 2000 a regroupé les neuf documents législatifs sur le développement rural antérieurs en une réglementation unique pour le soutien du développement rural. Bien qu'en termes de présentation il reflète un ensemble de mesures cohérent, le RDR n'introduit dès lors pas un 'nouveau' menu de mesures. Le fait que le menu reste dans une certaine mesure un agglomérat de mesures pré-existantes et mises en œuvre séparément peut en réduire l'efficacité globale en termes de résultats et de satisfaction des objectifs, d'autant plus qu'il y a des cas où les objectifs, ou pour le moins les effets, de différentes mesures sont contradictoires. Ceci étant dit, il faut rappeler que la sélection des mesures à proposer dans le programme individuel est du ressort des autorités locales et c'est à celles-ci qu'il revient de s'assurer que les mesures choisies sont en accord avec les besoins du développement rural.

Le manque potentiel de cohérence entre les mesures individuelles au niveau du programme est reconnu par la Commission et le nouveau Règlement pour la période de programmation 2007-2013 adopte une approche de développement rural plus stratégique à travers la définition de trois objectifs principaux qui seront recherchés à travers trois axes, ainsi que d'un axe LEADER. Ceci transformera la politique de développement rural d'un système basé sur des mesures à un système basé sur des objectifs, ce qui, par conséquent, devrait accroître l'efficacité du programme et sa cohérence interne par rapport aux objectifs généraux de la politique qui sont ciblés dans chaque programme.

Recommandation

- Les autorités locales devraient s'assurer que les mesures qu'elles décident de mettre en œuvre forment un ensemble cohérent au niveau du programme.

Outre le soutien ciblé explicitement sur la population rurale au sens large sous le Chapitre IX: Encouragement à l'adaptation et au développement des zones rurales (Article 33), plusieurs mesures du RDR sont susceptibles d'avoir un impact indirect au-delà du secteur agricole, par exemple en matière d'emploi. L'impact de ce soutien ciblé devrait s'accroître à l'avenir car l'Article 33 a pâti dans de nombreux cas d'une mise en œuvre tardive. Alors que les fonds structurels fournissent un mécanisme pour accroître la cohésion à travers l'UE, l'Article 33 fournit un soutien ciblé exclusivement sur les zones rurales et forme par conséquent un complément utile au cadre politique général.

Il y a un degré important de complémentarité au niveau conceptuel entre la politique de développement rural et les Fonds Structurels en matière de leur contribution à la cohésion de l'UE, ce qui induit généralement une cohérence au niveau de la mise en œuvre par le biais de la coopération entre les autorités compétentes.

L'approche générale pour la mise en œuvre des mesures de développement rural et des Fonds Structurels est considérée comme adaptée et, pour autant que les régions/Etats membres continuent à être encouragés à mettre en œuvre ces politiques en tenant compte des synergies, comme c'est le cas actuellement, l'approche est satisfaisante.

Mesures individuelles

Des commentaires et recommandations spécifiques aux mesures sont présentés ci-dessous. Ceux-ci se rapportent aux questions d'évaluation (CEQ/FEQ) définies dans le contrat.

Chapitre I: Investissements dans les exploitations agricoles

Les objectifs de cette mesure sont de réduire les coûts de production; d'accroître et de réorienter la production; d'accroître la qualité; de préserver et d'améliorer l'environnement naturel; les conditions d'hygiène et les normes de bien-être animal; et de promouvoir la diversification des activités agricoles.

Il y a des données de certaines régions/Etats membres à mi-parcours suggérant des hausses dans les revenus et un impact positif en matière d'utilisation optimisée des facteurs de production suite au soutien sous ce chapitre. Des améliorations de productivité en Grèce et au Portugal en sont des exemples.

Bien que les données de la Finlande et de la Grèce suggèrent que les mesures de ce chapitre ont induit une réorientation de l'activité agricole, ceci n'est certainement pas une conclusion universelle.

Un impact positif général sur le maintien et la création de l'emploi a été obtenu suite à la diversification des activités des exploitations agricoles qui provient du soutien, bien qu'il y ait une variation régionale importante. Au Portugal, par exemple, des augmentations de l'Unité de travail/année, allant de 2,3% à 32,7% en fonction des régions, ont été observées.

La problématique des effets d'aubaine n'a été que faiblement abordée dans les rapports EMP, probablement parce que la plupart des indicateurs spécifiés n'exigent

pas de considération explicite pour ce phénomène. Ceci implique que nous ne pouvons pas évaluer l'étendue de la présence d'effets d'aubaine. Il est également important de rappeler que les investissements nécessitent parfois une période plus longue avant que les effets puissent être observés. Par conséquent, l'impact des investissements soutenus et dès lors l'impact de la mesure pourraient être sous-estimés à mi-parcours.

Les données suggèrent globalement que les investissements visant à augmenter la qualité des produits ont un impact positif, aussi bien lorsque c'est un objectif direct qu'indirect, par exemple dans le cas de l'Irlande où le soutien à l'hygiène laitière contribue à assurer de manière continue les exigences de la Directive sur les règles sanitaires laitières 92/46/EEC.

Des données de plusieurs régions/Etats membres (par exemple Italie, Finlande, Irlande, Grèce, Espagne, Allemagne, France et Portugal) suggèrent que les investissements soutenus ont facilité une agriculture plus soucieuse de l'environnement. L'amélioration de l'environnement est un but fréquent des investissements soutenus (que ce soit un but principal ou non) et des résultats positifs ont été observés. Même lorsque les mesures ne s'adressent pas directement aux questions environnementales, l'exigence de conformation aux normes environnementales minimum devrait avoir assuré que les investissements sont pour le moins neutre du point de vue environnemental et que dès lors ces normes sont bénéfiques en matière de protection de l'environnement.

Le pouvoir des investissements à améliorer les conditions de travail et le bien-être animal est largement reconnu et quelques effets positifs ont déjà été observés. Toutefois, lorsqu'il y a eu des effets positifs sur le bien-être animal, ceux-ci ont été indirects dans la plupart des cas. Le rôle du système de conseil agricole semble avoir une importance particulière dans le contrôle de la maximisation des conditions de travail et de bien-être animal.

Cette mesure reste pertinente au niveau du RDR et les autorités locales sont libres de la cibler sur les domaines où elle sera la plus adaptée, c-à-d les questions économiques (diversification incluse) où le secteur agricole a des problèmes structurels et sur d'autres problèmes telles que les conditions de travail et l'environnement où ceux-ci sont des préoccupations majeures.

Chapitre II: Installation des jeunes agriculteurs

Bien qu'il ne soit pas mentionné explicitement dans le RDR, l'objectif implicite de cette mesure est, sur base de l'Article 8 de la Régulation 1257/99, de faciliter le

transfert des exploitations et, par conséquent, de réduire l'âge moyen dans le secteur.

Les données fournies par l'évaluation indiquent que le taux de couverture des frais d'installation fourni par le soutien va de un tiers (Castilla-La-Mancha, Espagne) à presque la totalité des coûts, bien que la moyenne avoisine 50%. Les données qualitatives suggèrent également que les interventions ont également contribué positivement, quoique de manière très marginale, au transfert anticipé des exploitations.

Il y a des données d'évaluation de certaines régions/Etats membres indiquant une synergie positive entre l'aide à l'installation et l'aide à la préretraite dans le transfert anticipé des exploitations. Des données de Finlande et d'Espagne, par exemple, indiquent que les transferts utilisant les deux mesures impliquent des personnes qui sont marginalement plus jeunes, ce qui pourrait signifier que les mesures utilisées en combinaison contribuent à un transfert plus précoce des exploitations par rapport à ce qui se passerait en présence d'une seule mesure.

Bien qu'il apparaisse clairement que les jeunes agriculteurs s'installent en utilisant cette mesure, l'ampleur avec laquelle ce soutien influence leur décision n'est pas connue et il n'est dès lors pas possible d'établir un lien de cause à effet au programme. Au sujet des questions de genre, bien qu'une part variable des jeunes agriculteurs sont féminins, la majorité sont masculins dans toutes les régions/Etats membres.

Même à mi-parcours, les données suggèrent que la mesure a eu des effets positifs en matière de maintien de l'emploi, bien que, tel qu'indiqué ci-dessus, l'impact de la mesure dans l'installation des jeunes agriculteurs n'est généralement pas connu. Néanmoins, en Espagne et dans l'Europe du Sud en général, cette mesure semble être un des facteurs principaux, parmi tous les programmes, au maintien et à la création de l'emploi.

Pour conclure, les données disponibles à mi-parcours suggèrent que cette mesure facilite le transfert des exploitations, bien que son poids dans la décision du transfert reste inconnue.

Recommendation

- Une enquête sur les agriculteurs soutenus devrait être effectuée afin d'établir l'ampleur avec laquelle la mesure a eu un impact sur leur décision de s'établir et l'ampleur avec laquelle cette mesure a couvert les frais d'installation.

Chapitre III: Formation professionnelle

La formation professionnelle fournie dans le RDR a été conçue essentiellement pour faciliter l'accès aux autres mesures disponibles. Les données de suivi du système CAP-IDIM enregistre les zones où la formation est proposée, au cas où elle est financée par le FEOGA Garantie, mais ce système ne s'occupe pas des formations réalisées au sein des régions de l'Objectif 1. Cette absence de données de suivi réduit bien évidemment la quantité de données disponibles pour évaluer l'utilisation de cette mesure. Néanmoins, il y a des données explicites de certaines régions/Etats Membres (par exemple Finlande, Allemagne et Espagne) suggérant que les formations soutenues ont été conçues pour s'attaquer à des besoins pré-identifiés et qu'elles font preuve de cohérence avec certaines autres mesures du programme, mais possiblement pas toutes. Cette situation prévaut probablement à travers la plupart de régions/Etats Membres.

Les données provenant de certaines régions/Etats Membres (par exemple Finlande et le Royaume Uni) suggèrent que les compétences acquises ont participé à l'amélioration de la situation des stagiaires et du secteur agricole/sylvicole. De fait, environs trois quarts des bénéficiaires de formations ont obtenu des diplômes ou ont connu des promotions professionnelles.

Pour conclure, cette mesure apparaît pertinente et se marie bien avec les autres mesures du RDR.

Chapitre VII: Améliorations de la transformation et de la commercialisation des produits agricoles

Les objectifs de cette mesure sont de guider la production en fonction des tendances prévisibles des marchés; d'encourager le développement de nouveaux débouchés pour les produits agricoles; d'améliorer ou de rationaliser les circuits de commercialisation ou de transformation; d'améliorer la présentation et la préparation des produits ou d'encourager une meilleure utilisation ou élimination des sous-produits ou des déchets; d'encourager l'application de nouvelles technologies; de soutenir les investissements innovants; d'encourager l'amélioration et le suivi de la qualité et des conditions sanitaires; et de protéger l'environnement.

Certaines données provenant de diverses régions/Etats membres suggèrent que les investissements soutenus ont participé à accroître la compétitivité des produits

agricoles. Dans de nombreux cas, la majeure partie des améliorations provient des investissements technologiques qui ont amélioré et rationalisé les systèmes de transformation (par exemple, Royaume Uni), bien qu'il y ait quelques indications que le soutien aux groupes de producteurs ait également augmenté le potentiel de commercialisation (par exemple Autriche).

Il y a également des données indiquant que les investissements soutenus ont participé à l'augmentation de la valeur ajoutée et de la compétitivité des produits agricoles par des améliorations en qualité. Dans certains cas (par exemple Espagne et Portugal), les producteurs utilisent de manière croissante les programmes d'étiquetage régionaux/nationaux (entre autres procédures de qualité) et les techniques pour différencier et promouvoir leurs produits suite au soutien dont ils ont bénéficié.

Les entretiens (particulièrement d'Espagne et de Grèce) soulignent l'importance des contrats formels à long terme et multi-annuels entre les producteurs et les transformateurs (ou autres instruments équivalents) dans le transfert des bénéfices au secteur de production agricole de base ainsi que dans la promotion de la qualité et des améliorations technologiques. Il a été mentionné en Autriche que l'existence de 'compléments' dans le taux d'assistance a favorisé des améliorations supplémentaires qui n'auraient pas pu être réalisées en leur absence.

Des effets positifs sur la santé et le bien-être, en particulier sur les aspects de nutrition et d'hygiène des produits et des conditions de travail, ont semblé découler de manière directe des mesures de certaines régions/Etats Membres (alors que les effets positifs sur le bien-être animal résulteraient d'effets collatéraux). Ceci étant dit, il n'est pas évident d'établir si les améliorations observées ici vont au-delà des normes légales minimum.

Des effets positifs sur l'environnement ont été observés, principalement suite à l'exigence d'atteindre des normes environnementales minimum et il n'y a pas eu la moindre indication d'effets négatifs sur l'environnement.

Les données concernant la taille des entreprises varient. Certaines régions/Etats membres mentionnent une plus grande efficacité pour les moyennes entreprises (par exemple les entreprises ayant jusqu'à 50 employés en Grèce) et d'autres (par exemple Espagne) remarquent que de plus grandes entreprises étaient plus susceptibles d'effectuer des investissements non soutenus que les petites entreprises.

Finalement, il est important de rappeler qu'à mi-parcours, les investissements n'ont pas toujours le temps d'exprimer leurs effets. Les effets observés à cette période

peuvent dès lors sous-estimer l'impact à plus long terme qui deviendra apparent lors de l'évaluation ex-post.

Chapitre VIII: Sylviculture

Les objectifs de ces mesures sont d'assurer une gestion et un développement durable de la forêt; la préservation et l'amélioration des ressources sylvicoles; et l'extension de la surface sylvicole.

De nombreuses régions/Etats Membres ont rapporté des effets positifs concernant l'entretien et l'amélioration des ressources sylvicoles, bien que, suite à la nature de la forêt, ces effets étaient marginaux à mi-parcours.

Il y a des données dans quelques régions/Etats membres (par exemple Finlande, Grèce et Espagne), dont le maintien de 372 emplois à temps plein et la création de 343 nouveaux emplois en Finlande, suggérant que les actions soutenues contribuent de manière positive au maintien et au développement de l'emploi (ainsi que d'autres fonctions et conditions socio-économiques). Bien que dans certaines régions/Etats membres des résultats positifs ont été observés en matière de maintien et d'encouragement des fonctions productives sur les exploitations sylvicoles (Finlande, par exemple), les données globales étaient trop variables pour permettre une évaluation définitive des effets.

Les données provenant de certaines régions/Etats membres suggèrent que les actions soutenues ont contribué aux fonctions écologiques des forêts par le maintien de leur santé et de leur vitalité. En Grèce par exemple, quelques 2.000 hectares de forêt ont été maintenus et quelques 24.000 hectares supplémentaires protégés. Dans certains cas, les actions soutenues ont induit le maintien, la conservation et l'amélioration adaptée de la diversité biologique. Au Portugal par exemple, 600 hectares de sites critiques ont été préservés ou améliorés et plus de 200 hectares d'espèces indigènes ont été plantés ou entretenus. Bien que certaines régions/Etats membres aient fourni des données indiquant des résultats positifs en matière de maintien et d'encouragement des fonctions de productions sur les exploitations sylvicoles (Finlande par exemple), les données étaient globalement trop variables pour permettre une évaluation définitive des effets.

Recommandations

- Un suivi et une évaluation à plus long terme, ainsi que des périodes de programmation financière indépendantes, devraient être élaborés afin de fournir une évaluation appropriée à ce sujet.

Chapitre IX: Encouragement à l'adaptation et au développement des zones rurales

Une série de mesures est proposée sous ce Chapitre. Elles ciblent aussi bien le secteur agricole que le secteur non-agricole et comprennent des mesures promouvant la compétitivité du secteur agricole, protégeant l'environnement ainsi que l'adaptation et le développement des zones rurales.

Il y a une série de données qui suggère que les mesures de l'Article 33 ont pour le moins participé au maintien des revenus au sein de la population rurale. Certaines régions/Etats membres ont souligné l'efficacité des projets touristiques en matière de revenu. En Finlande, par exemple, la part du turnover lié au tourisme dans le turnover total des entreprises soutenues était de 19% à l'est et de 3% au nord. En Corse (France), les investissements soutenus dans l'agro-tourisme ont induit une hausse des revenus allant de 15% à 30%. Des effets positifs sur le maintien de l'emploi (et d'une moindre manière sur la création de l'emploi) ont également été largement rapportés et étaient considérables dans certains cas tels que la Finlande, l'Espagne, l'Irlande et la Grèce. Néanmoins, ces effets positifs sur l'emploi paraissent plus impliquer la population agricole que la population non-agricole.

Des résultats environnementaux positifs ont été rapportés dans certaines régions/Etats membres, bien que ceux-ci tendent à être relativement modestes. Dans les régions/Etats Membres du sud, les interventions se sont concentrées principalement sur des questions plus fondamentales telles que la gestion des ressources hydriques et la conscientisation environnementale alors que les régions/Etats Membres du nord se sont plus concentrés sur le conseil rural, la conservation et le soutien des projets des communautés locales.

Bien qu'il y ait eu certains effets positifs, et particulièrement au Portugal, sur les conditions de vie suite aux actions soutenues, celles-ci ont jusqu'ici généralement été à petite échelle.

Les projets soutenus par les mesures de l'Article 33 ont impliqué un grand nombre de bénéficiaires, ce qui a contribué de manière positive au maintien/amélioration des caractéristiques structurelles de l'économie rurale.

Pour conclure, bien que la mise en œuvre de cette mesure ait été freinée dans bon nombre de cas par les retards, les premières données suggèrent que les effets positifs se développent déjà.

Système de mise en œuvre

Les données disponibles suggèrent que le dispositif de mise en œuvre a contribué de manière positive à la maximisation des effets attendus du programme (bien que dans certains cas il était trop tôt pour que les effets soient visibles). Dans certains cas

(Autriche par exemple), les programmes sont devenus plus complémentaires, principalement à cause de l'évaluation *a priori* des projets qui en a assuré la consistance et la cohérence. Plusieurs Etats Membre ont observé des effets de levier allant de, par exemple, 3,6:1 pour le soutien du biogaz en Saxe en Allemagne à 1,5:1 pour la mesure des jeunes agriculteurs dans l'est de la Finlande. L'effet d'aubaine semble être minimal, moins de 5% pour les projets de l'est de la Finlande et environs 1% dans le Nord de la Finlande.

Quelques effets négatifs ont été rapportés. Des contraintes administratives et bureaucratiques ont par ailleurs dans certains cas ajouté à la complexité du programme par exemple au sujet de retards dans les procédures d'approbation des projets. Dans certains cas, la lourdeur de la bureaucratie a semblé induire des inefficacités dans le programme et la bureaucratie a également constitué une barrière à l'entrée, surtout pour les projets à petite échelle. Dans ce cadre, la décentralisation de la prise de décision au niveau local (par des Groupes d'Action Locale ou des organisations faïtières) a été proposée pour améliorer l'accès. Bien que certains de ces effets provient inévitablement de la mise en œuvre tardive, d'autres, tels que le financement insuffisant, ont paru dans plusieurs cas empêcher l'implication de tous les acteurs ruraux.

A partir des données disponibles, il semble clair que le feedback des évaluations à mi-parcours a induit des améliorations dans les mécanismes de mise en œuvre dans certains cas, notamment au sujet de la fourniture d'information et de lignes directrices en Irlande du Nord.

Système d'évaluation

Il n'y a pas de raison de supposer que la pertinence des questions d'évaluation communes (CEQ) soit différente dans les régions de l'Objectif 1 par rapport à leur pertinence dans les régions hors de l'Objectif 1. En réalité, il y a une groupe de CEQ de base à travers la plupart des chapitres qui sont pertinents dans tous les cas même lorsque le contexte diffère. Celui-ci inclut par exemple les indicateurs se rapportant aux effets des mesures sur le revenu ou l'emploi, où les objectifs des mesures sont conçus pour avoir de tels effets. Au-delà de ce groupe, il semble que la conception centralisée des CEQ, qui doit être appliquée à toutes les évaluations, réduit l'ampleur avec laquelle elles sont ciblées sur les circonstances spécifiques des différentes régions/Etats Membres, même s'il est évident que cela augmente la cohérence à travers l'UE en matière de couverture des rapports d'évaluation. Des exemples où les CEQ sont moins pertinentes sont celles qui se rapportent aux mesures d'investissement où les effets ne sont pas particulièrement attendus à court terme. Toutefois, ceci est plutôt une question de timing plutôt que de pertinence des CEQ elles-mêmes. D'une manière générale, il semble que les CEQ sont

d'habitude suffisamment pertinentes pour évaluer la qualité des mesures de développement rural (pour autant qu'elles soient utilisées tel que décrit dans les lignes directrice d'évaluation de la DG Agriculture).

La fréquence d'utilisation des indicateurs spécifiés était limitée par le manque de données et dans certains cas par la pertinence limitée de l'indicateur spécifié dans le contexte régional/national. Ceci étant dit, l'utilisation d'indicateurs alternatifs et des questions nationales supplémentaires était faible, ce qui suggère que les indicateurs étaient généralement adaptés et que la série de questions posée était suffisante pour fournir une évaluation satisfaisante du RDR. De plus, il faut noter ici que lorsque plusieurs indicateurs étaient proposés, les évaluateurs avaient tendance à simplement choisir le plus évident de ceux-ci.

L'efficacité et l'efficience de l'évaluation pourrait être améliorée en évaluant toutes les mesures de développement rural ensemble, indépendamment des sources de financement (bien que les évaluations soient, en pratique, non seulement nécessaires pour des raisons de rétroaction dans la conception des politiques, mais également de contrôle financier). Comme on pouvait s'y attendre, les évaluations se concentrent sur les mesures qui impliquent les dépenses les plus importantes. Etant donné la part des mesures de développement rural dans les Programmes Opérationnels et des Documents Uniques de Programmation, l'intérêt pour ces mesures financées par le FEOGA Orientation a été relativement faible.

De plus, il semble que l'efficience et l'efficacité des systèmes d'évaluation dépende partiellement de la perception que les régions/Etats Membres ont de l'utilité de l'évaluation. Dans les régions/Etats Membres qui estiment que l'évaluation induit une meilleure conception des politiques, les systèmes de suivi sont mieux adaptés pour faciliter l'évaluation. Finalement, la récolte de données de suivi se rapportant aux mesures de développement rural au sein des régions de l'Objectif 1 n'est pas aussi répandue qu'en dehors de ces zones. Ceci a réduit l'efficience des évaluations à mi-parcours suite à la nécessité de récolte de données supplémentaires. L'efficacité de l'évaluation est compromise lorsque ces données supplémentaires n'ont pas ou n'ont pas pu être récoltées.

Recommendations

- Une plus petite série de questions centrales, se rapportant à des questions générales telles que le revenu et l'emploi, pourrait améliorer la pertinence globale du système d'évaluation. Une plus grande liberté devrait être proposée dans les domaines où le contexte régional risque plus d'avoir un effet sur la pertinence des questions.
- Nombre d'indicateurs requièrent une estimation de l'évolution temporelle et, dans ce contexte, des efforts plus importants devraient être effectués pour établir des données de référence.
- Bien que des lignes directrices centrales pour l'évaluation soient une bonne chose, une plus grande part de flexibilité dans le choix des indicateurs devrait être autorisée – le but étant de répondre aux questions d'évaluation et non d'estimer les indicateurs. De même, il doit être reconnu que la récolte de certaines données impose une contrainte plus importante aux bénéficiaires et un coût plus important aux autorités. Lorsque c'est possible, les indicateurs spécifiés devraient être simple plutôt que complexe.
- Un plus grand effort de persuasion devrait être effectué auprès des régions/Etats Membres au sujet de l'utilité de l'évaluation pour la conception de meilleures politiques afin d'encourager des systèmes de suivi plus aptes à faciliter l'évaluation.
- Afin d'assurer une évaluation rigoureuse de l'Objectif 1, les mesures de développement rural devraient soit être évaluées séparément, c-à-d en dehors du cadre des Programmes Opérationnels et des Documents Uniques de Programmation, soit être évaluées avec les mesures financées par le FEOGA Garantie.
- Que la recommandation ci-dessus soit adoptée ou non, le suivi des mesures de développement rural devrait être encouragé au sein des zones de l'Objectif 1.

1. Introduction

The Directorate-General for Agriculture requested a meta-evaluation, or synthesis, of the national/regional mid-term evaluations carried out under the Rural Development Regulation (RDR) in 2003. This was divided into two Lots, Lot I covering the areas funded by the European Agriculture Guidance and Guarantee Fund (EAGGF) Guarantee across the EU and Lot II covering the areas funded by EAGGF Guidance through the Objective 1 Operational Programmes. Agra CEAS Consulting Ltd. was contracted to provide this evaluation under both Lots. This document comprises our Preliminary Final Deliverable for Lot II and comprises research carried out between January and the end of August 2005.

The Agra CEAS team was led by Dr Dylan Bradley with key input from Conrad Caspari, Damien Fontaine, Doris Haug and Matthew Morris. Agra CEAS were supported in this task by Dr Ignacio Atance, Universidad de Valladolid in Spain, Professor Sophia Efstratoglou, Agricultural University of Athens, Professor Roberto Fanfani, University of Bologna in Italy, Åsa Pettersson, Nordregio in Sweden, Professor Kyosti Pietola, MTT Agrifood Research, Finland, Dr Andreas Poelking, Agro Plan in Germany, Claude Saint-Pierre, Tercia consultants, France, Pedro Serrano, AGRO.GES in Portugal, Dr Louis Slangen and Dr Nico Polman, Wageningen University in the Netherlands and Jean-Pierre Vercruyse, AEIDL in Belgium.

The report is structured into four Chapters as set out in the terms of reference. This Introduction sets out the structure of the report and presents a history of rural development in the EU. Chapter 1 sets out the methodology used in this meta-evaluation and Chapter 3 sets out answers to the evaluation questions. This Chapter is sub-divided into: an overview of financial inputs and policy outputs; answers to measure-specific evaluation questions, itself sub-divided by applicable RDR Chapter; answers to cross cutting evaluation questions; an assessment of the evaluation system; an assessment of the delivery system; and an assessment of the overall objectives of the rural development. Chapter 4 presents our evidence-based conclusions and recommendations. Appendix 1 contains full references to documents cited in the text, Appendix 2 presents our analysis tools, the specific rural development programmes selected for further investigation and the contacts made as part of this investigation. Appendix 3 sets out the evaluation questions, their criteria and indicators and presents our comments on these. Finally, Appendix 4 contains detailed information on the use of Commission-specified evaluation questions, alternative indicators and additional national questions.

1.1. The history of rural development measures and specificities of the EAGGF-Guidance programming and implementation mechanism

This section provides an overview of the rural development measures under review as they developed since 1992 and describes the specific EAGGF-Guidance programming and implementation mechanism.

Rural development policy has had a long process of evolution since the establishment of the Community and the key dates in the development of European Union rural development policy are set out below:

- 1957 Treaty of Rome;
- 1968 Mansholt Plan;
- 1972 Directives on the modernisation of agricultural holdings, early retirement and training;
- 1975 Directive on support for LFAs;
- 1987 EU-funding for agri-environment measures;
- 1988 Reform of Structural Funds and 'The Future of Rural Society';
- 1992 MacSharry CAP Reform;
- 1995 European Agricultural Strategy Paper;
- 1996 First European Conference on Rural Development in Cork;
- 1999 Agenda 2000 and the Rural Development Regulation;
- 2003 Mid-term review agreement on Rural Development;
- 2003 Second European Conference on Rural Development in Salzburg;
- 2004 Commission proposal on rural development policy 2007-2013.

1.1.1. Treaty of Rome and the origin of rural development policy

The current rural development policy essentially developed from the gradual inter-linkage of three major policy areas: agricultural structures policy, regional development policy and latterly agri-environment policy³.

Both the Treaty of Rome 1957 and the Stresa conference establishing a Common Agricultural Policy stressed the importance of structural improvement in agriculture. Article 39 of the Treaty of Rome asserts:

"In working out the Common Agricultural Policy, account shall be taken of the particular nature of agricultural activity, which results from the social structure of

³ In order to respond to the growing awareness of the interrelations between agriculture and the environment in the general public, during the 1980s, agri-environment measures were introduced at EU level in 1987. They are not further discussed here since they are funded by EAGGF-Guarantee Section in the current programming period and therefore not being examined in this evaluation study.

*agriculture and from **structural and natural disparities between the various agricultural regions.***"

In 1964, Regulation (EEC) 17/64 introduced the distinction between the 'Guarantee' and 'Guidance' Sections of the CAP's financial instrument, the European Agricultural Guidance and Guarantee Fund (EAGGF). The Regulation clearly delineated the field of intervention of the EAGGF-Guidance Section, which was to finance the adaptation and improvement of:

- the production structures of agricultural holdings; and,
- the structures and conditions for processing and marketing agricultural products.

1.1.2. Mansholt Plan and the modernisation of agricultural structures

As a result of Article 39 of the Treaty of Rome and due to the clear need for improving the efficiency of the sector, initial policy development focused on **agricultural structures**, rather than on rural development per se. Thus, in 1968 the European Commission issued a Memorandum known as the '**Mansholt Plan**', after the then Commissioner for Agriculture, Sicco Mansholt. The intention of the Mansholt Plan was to begin a major reform of European Union agriculture to assist structural change in agricultural production and in the processing and marketing of agricultural products. This agricultural structures policy was considered a necessary part of an overall common policy for agricultural markets. Commissioner Mansholt believed that by modernising the structure of agriculture, some of the difficulties that the European Union agricultural sector was facing at the time could be solved.

The new Council Regulation on the financing of the Common Agricultural Policy (Regulation (EEC) 729/70) formalised the regulatory framework of the structures policy up until the reform of the Structural Funds in 1988. Structural measures were defined as "common actions" and their financing was brought into this Regulation alongside the price and market policies. In 1972 the Mansholt Memorandum was given concrete form by the approval of three "socio-structural" directives concerning:

- the **modernisation of agricultural holdings** (Directive 159/72/EEC), providing inter alia for support for farm investment, keeping farm accounts and the setting up of producer groups;
- **encouragement to cease farming**, i.e. early retirement aid (Directive 160/72/EEC); and,
- **vocational training** measures for people working in agriculture and support for the development of services providing socio-economic advice to farmers on whether to continue farming or to move out of agriculture (Directive 161/72/EEC).

These directives were replaced in the mid 1980s by Regulation 797/85 and later consolidated by Regulation 2328/91 on improving the efficiency of agricultural structures (see Section 1.1.7).

The horizontal measures introduced in 1972 were subsequently supplemented by both regional and sectoral measures as follows:

- first, Regulation 1035/72 concerning the constitution of producer groups in the fruit and vegetable sectors, followed later by Regulation 1360/78 on producer groups and associations thereof;
- then, in the middle of the 1970s, a Directive (Directive 268/75/EEC) in support of agriculture in mountainous and certain less-favoured areas and,
- then, a measure designed to improve processing and marketing conditions for agricultural products (Regulation 355/77); and,
- finally, support for the setting up of young farmers was introduced in 1981 via Directive 81/528 for farmers under 40 who undertook to participate in farm development plans under Directive 72/159 within 5 years.

The introduction of compensatory measures for mountainous areas and Less Favoured Areas represented the first territorial approach in agricultural structures policy. The aim was to stop the agricultural and rural exodus that threatened the social integrity of rural areas and the survival of the natural environment.

All these measures were co-financed by the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF-Guidance).

However, the common structural policy encountered considerable difficulty in being effectively launched. Implementation of the measures foreseen in the socio-structural guidelines was slow in some countries because of existing conflicts of interest, differing expectations of what was to be achieved as well as institutional and administrative obstacles. In addition, difficulties in obtaining co-funding of structural measures in view of tight national budgets may also have contributed to the slow pace of development.

1.1.3. Support for regional development

In the 1970s, the variations in the levels and pace of economic development of various European regions increased because of the general economic crisis and rising unemployment. Therefore, **regional development policy** became an increasingly significant political and economic focus for the Community.

The preamble of the Treaty of Rome includes the aim of decreasing the differences in economic development between regions in Europe. This political objective was included as an individual aim of Cohesion policy in the Single European Act in 1987. The Treaty of Rome had already established the European Social Fund (ESF) and the European Investment Bank (EIB) as instruments to reach these goals. In 1975, a further 'Structural Fund', the **European Regional Development Fund** (ERDF) was set up as the central instrument for the common regional policy.

1.1.4. Structural Funds reform in 1988

The accession of Greece, Spain and Portugal to the European Community in 1981 and 1986 caused a fundamental rethink of the relationship between agriculture and rural development. Each of these countries had a large farming population and a clear need for investment in its rural areas. Thus it became apparent that the modernisation of agriculture in Southern Europe would need to be accompanied by large-scale investment in infrastructure, services, and non-agricultural sources of rural employment. First attempts for an integrated approach in regions lagging behind in development were undertaken in the early 1980s. Measures from the three policy fields and the available funds – mainly EAGGF-Guidance, ERDF and ESF – were integrated into a single development programme and adjusted in order to benefit from synergies. This opened the door to the principle of pluri-annual programming of structural actions, whereby objectives and priorities are defined, as well as the operational means to achieve them.

This integrated approach was further developed as the central strategy for rural development in the context of the **Structural Funds reform in 1988** in the so-called Objective 1, 5b⁴ and later on also Nordic Objective 6⁵ regions. The different structural policy instruments were combined in regionally targeted and co-ordinated programmes with the overall aim of enhancing economic and social cohesion. As part of this process there was a major expansion of the EAGGF-Guidance Section, most of which became part of a broader territorial approach to integrated development, with new partnership and decision-making arrangements for programme management established between the European Commission, Member States, and sub-national actors. The Commission funded a maximum of 75% of the total cost (at least 50%) of public expenditure for measures carried out in Objective 1 regions and a maximum of 50% (at least 25%) in other regions. The revised structural funding rules applied for the first time for the 1989-93 programming period.

⁴ Under Objective 5b, support was provided for the development and economic diversification of fragile rural areas

⁵ Under Objective 6, development support was provided for sparsely populated areas in the North of Finland and Sweden (this objective was created in 1995 when Finland and Sweden joined the EU).

In addition to the main Structural Fund programmes, the Community also established a large number of much smaller 'Initiatives' for particular purposes. Of these, the **LEADER Initiative** (Link Between Actions for the Development of Rural Economy) was set up to promote 'bottom up' integrated and innovative approaches to rural development at local community level.

1.1.5. Rural development programming and implementation in the 1989-93 programming period

According to Regulation 2052/88 on Structural Funds and Regulation 4256/88 on implementing measures co-funded by the EAGGF Guidance Section, support for rural development from EAGGF-Guidance is subject to the general Structural Funds rules and therefore has to be provided in the context of Community support frameworks **in multi-annual programmes**. Where appropriate,

measures had to be implemented in the form of **Operational Programmes**⁶ (OPs) including an **integrated approach and global grants**⁷, and cover one or more of the measures co-funded by EAGGF-Guidance. Rural development programmes had to be established, prepared, financed, monitored and assessed through close consultation between the Commission, the Member State concerned and the competent authorities designated by the latter at national, regional, local or other level ('**partnership**')⁸.

According to Article 8(4) and Article 11(3) of Regulation 2052/88, Member States had to submit to the Commission their regional development plan(s) for Objective 1 and 5 regions. Regarding rural development, these plans had to include:

- an identification of the problems of agricultural structures at a relevant geographical level;
- a description of the regional development priorities and the corresponding operations selected in an attempt to overcome these problems;
- an indication of the use to be made of assistance available under EAGGF-Guarantee in implementing the plans; and,

⁶ An Operational Programme is a document approved by the European Commission to implement a Community Support Framework. It comprises a consistent set of priorities comprising multi-annual measures and may be implemented through recourse to one or more Structural Funds. An Integrated Operational Programme means an Operational Programme financed by more than one Structural Fund.

⁷ A global grant is that part of assistance the implementation and management of which may be entrusted to one or more approved intermediaries, including local authorities, regional development bodies or non-governmental organisations ('partnership approach'), used preferably to assist local development initiatives. The Commission may decide to employ a global grant for all or part of the assistance.

⁸ See Article 4(1) of Regulation 2052/88 on Structural Funds.

- in the case of Objective 5 regions, any link with the consequences of reform of the Common Agricultural Policy.

After examining the plans and determining whether they are consistent with the objectives of Regulation 2052/88, the Commission established, on basis of all the plans and through the partnership referred to above, the Community **Support Framework**⁹ (CSF) for Community structural operations. These covered in particular.

- the priorities adopted for Community assistance;
- the forms of assistance;
- the indicative financing plan, with details of the amount of assistance and its source;
- the duration of the assistance.

1.1.6. Commission Communication on the future of rural development

Also in 1988, the **European Commission** presented its **communication on 'The Future of Rural Society'**. This formed the basis for many of the initiatives which have subsequently followed. It also recognised rural development as being a legitimate EU policy area in its own right, and from 1989, all EU Agriculture Commissioners from Ray MacSharry onwards have officially had responsibility for 'rural development' as well as for 'agriculture'.

In this 1988 Communication, the Commission expressed its belief that rural development policy:

"must be geared to local requirements and initiatives, particularly at the level of small and medium-sized enterprises, and must place particular emphasis on making the most of local potential".

The Commission stated that this does not simply mean continuing to work on established and accepted rural development practices. Instead, the Commission took it to mean making the most of all the advantages of each particular rural area. Accordingly, the European Union's agricultural structures policy began to be shifted away from enhancing productivity to improvements in the quality of agricultural output, and establishing new markets for agricultural products.

⁹ A Community Support Framework is the document approved by the Commission, in agreement with the Member State concerned, following appraisal of the plan submitted by a Member State and containing the strategy and priorities for action of the Structural Funds and the Member State, their specific objectives, the contribution of the Funds and the other financial resources. This document has to be divided into priorities and implemented by means of one or more Operational Programmes.

1.1.7. Summary of rural development measures prior to MacSharry

Council Regulation 4256/88 (implementing Regulation of Regulation 2052/88 as regards the EAGGF-Guidance Section) sets out the kinds of measures which could be funded by EAGGF-Guidance. It provided for support from the EAGGF-Guidance Section for the attainment of Objective 1, 5a and 5b.

Objective 5a (with a view to the reform of the CAP, speeding up the adjustment of agricultural structures): thematic objective with no geographical delimitation:

- measures accompanying the market policy that help re-establish a balance between production and market capacity such as adjusting production potential and reorienting and converting production including measures to promote quality products;
- forestry measures to assist agricultural holdings and the afforestation of farmland in particular,
- early retirement aid;
- compensatory payments for Less Favoured Areas and mountain and hill areas;
- agri-environmental measures;
- setting up aid for young farmers;
- farm investment aid;
- measures to improve the marketing and processing of agricultural, forestry and fishery products; and,
- support for the establishment of producers' associations.

Objective 1 (Promoting the development and structural adjustment of less developed regions): geographical objective covering certain areas. Fund assistance for Objective 1 regions shall in the main take the form of operational programmes including an integrated approach and global grants. Support measures in Objective 1 regions may include:

- early retirement and young farmers schemes;
- conversion, diversification, and reorientation and adjustment of production potential;
- improving rural infrastructures;
- measures to achieve diversification;
- re-parcelling and associated work;
- individual or collective land or pasture improvement;
- irrigation;
- encouragement for tourist and craft investments;
- protection of the environment and maintenance of the countryside;

- restoring agricultural production potential after natural disasters;
- forestry measures, including afforestation aid;
- development of agricultural and forestry advisory services and vocational training.

Objective 5b (with a view to reform of the CAP, promoting rural development by facilitating the development and structural adjustment of rural areas): geographical objective covering certain areas.

Fund assistance for Objective 5b regions shall in the main take the form of operational programmes, including an integrated approach, and global grants and cover one or more of the operations referred to under Objective 1 above.

In a review of the structural measures in 1989, the European Commission stated that 'the measures to be adopted in future must be increasingly integrated into a broader vision of maintaining economic activity and the social fabric in rural regions'. The necessary amendments to existing Community-wide schemes on improving the efficiency of agriculture, early retirement, and the setting up of producer groups were contained in **Regulation 3808/89**. Certain innovations in the Regulation should be highlighted: the encouragement of diversification of enterprises on the farm through tourism, craft activities, manufacture and sale of farm produce; and the aid to improvement of hygiene in livestock enterprises, and animal welfare standards.

Details (eligibility conditions, funding rates etc.) on the main support schemes that were co-financed by EAGGF-Guidance and in place just before the 1992 MacSharry reforms are laid down in:

- **Regulation 2328/91** on improving the efficiency of agricultural structures (providing for support for farm investment, young farmers, introduction of accounts, producer groups, farm management and relief services, Less Favoured Areas and mountainous areas, agri-environmental measures, forestry measures, vocational training projects);
- **Regulation 1096/88** establishing a Community scheme to encourage the cessation of farming; as amended by **Regulation 3808/89**; and,
- **Regulation 866/90** on improving the processing and marketing conditions for agricultural products.

1.1.8. MacSharry reforms

Table 1.1: Summary of rural development and the MacSharry reforms

Reform measures relating to RD	Main RD regulations and inventory of measures
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	co-funded by EAGGF-Guidance in Objective 1 regions
<p>Introduction of the newly named set of enhanced 'accompanying measures', namely:</p> <ul style="list-style-type: none"> • Agri-environmental measures (the reform obliged all Member States to offer these measures to their farmers); • Farmland forestry; and, • Early retirement for farmers, <p>which from 1993 were co-financed by the Guarantee Section of EAGGF</p>	<ul style="list-style-type: none"> • Remained in force: Council Regulation (EEC) No 2328/91 on improving the efficiency of agricultural structures; and, • Remained in force: Council Regulation (EEC) No 866/90 on improving the processing and marketing conditions for agricultural products.

The first major reform of the Common Agricultural Policy to focus specifically on rural development issues was the 1992 MacSharry reform. This reform included a marked reduction in support prices for grains, oilseeds and beef in order to bring Common Agricultural Policy prices closer to world market prices and the introduction of direct payments to arable and beef farmers in order to compensate for these price cuts. In addition, reform introduced obligatory set-aside to reduce the over-production of arable crops as well as a newly named set of enhanced 'accompanying measures'¹⁰, that were literally meant to accompany market measure, namely:

- Agri-environmental measures (the reform obliged all Member States to offer these measures to their farmers) (Council Regulation (EEC) No 2078/92);
- Farmland forestry (Council Regulation (EEC) No 2079/92); and,
- Early retirement for farmers (Council Regulation (EEC) NO 2080/92).

In addition, the funding provisions were changed: according to Regulation 1992/93, these measures were fully funded by the EAGGF-Guarantee Section from 1993. The European Commission argued that this would allow the concentration of the funds under Objective 5a on fewer measures, thereby increasing their impact.

In 1993, the objectives of structural policy as outlined in Section 1.1.7 were modified and Objective 5 was reworded (under Regulation 2081/93 amending Regulation 2052/88 on the tasks of the Structural Funds) as promoting rural development by:

- speeding up the adjustment of agricultural structures in the framework of the reform of the CAP;
- facilitating the development and structural adjustment of rural areas.

¹⁰ All of these measures had already been supported by EU funds prior to 1992, however, they were further developed by the MacSharry reform, and in the case of agri-environment measures Member States were now obliged to offer the measures to their farmers.

This is an important shift of emphasis: no longer is the reform of the CAP seen as an end in itself but rather as a means of achieving a wider goal for the rural sector as a whole (see recitals for Regulation 2085/93).

1.1.9. Rural development programming and implementation in the 1994-99 programming period

In order to take into account the change in structural policy objectives mentioned above, the implementing Regulation for EAGGF-Guidance (4256/88) was amended by Regulation 2085/93. The latter Regulation introduced new measures such as encouragement for the production of non-food agricultural commodities, the promotion of quality local or regional agricultural and forest products, the renovation and development of villages, and the protection and conservation of the rural heritage. The general Structural Funds regulation was amended by Regulation 2081/93 and Regulation 2082/93 laying down provisions for implementation.

The programming and implementation rules for rural development measures inside Objective 1 in the 1994-99 programming period were in essence the same as in the previous period (see Section 1.1.5). The following provisions were changed:

Rural development plan/Community Support Framework: The requirements in terms of the quality of the programme documents/final Community Support Framework were increased. In addition to a description of the socio-economic context, the objectives and the operations, a rural development plan also had to include specific objectives, if possible quantified, and a global financial table. A Community Support Framework had to include a SWOT analysis, a strategy, an environmental impact assessment of the strategy, quantified goals, priorities with financial amounts and an indication of the intervention forms as well as a list of measures.

Single Programming Document: In the 1989-93 period, a three-stage approach was required (1. development programme, 2. Operational Programme, 3. Community Support Framework). In order to simplify and speed up programming procedures, the Single Programming Document (SPD)¹¹ was introduced in the 1994-99 period. This means that there was the possibility for the plan and the application for assistance to be presented in a single document and for the Community support framework to be adopted and assistance granted through a single Commission decision. A SPD has to contain the same information as is to be found in a CSF and OP.

¹¹ See articles 5(2) and 10(1) of regulation 2082/93 laying down provision for the implementation of the Structural Funds Regulation

1.1.10. European Agricultural Strategy Paper

In 1995, the then Commissioner for Agriculture, Franz Fischler, took the next step in the reform process with the publication of a European Agricultural Strategy Paper. It acknowledged that the balance of forces shaping the CAP was shifting. The prospect of European Union enlargement, to include countries with sizeable agricultural sectors with many social and economic difficulties, raised the issue of how the CAP would need to adapt. There were also continuing pressures for more trade liberalisation.

Rejecting both the continuation of the status quo and 'radical' liberalisation of the CAP, the paper proposed an 'integrated rural policy' that would combine the spirit of the 1992 reforms (cuts in market support offset by direct payments to farmers) with a stronger emphasis on the integration of social and environmental policy aims.

1.1.11. First European Conference on Rural Development, Cork

The first European Conference on Rural Development was held in November 1996 in Cork, Ireland. It served as an opportunity for a large variety of stakeholders to discuss and provide input to the future of rural development policy. The conference concluded with a 10-point declaration covering the following points:

- Rural preference – i.e. sustainable rural development must be put to the top of the agenda of the European Union;
- Integrated approach - rural development policy must be based on an integrated approach, multi-disciplinary in concept, and multi-sectoral in application, with a clear territorial dimension;
- Diversification - rural development must provide support for diversification of economic and social activity in order to promote the development of viable rural communities;
- Sustainability - rural development policy must be sustainable;
- Subsidiarity - given the diversity of the Union's rural areas, rural development policy must follow the principle of subsidiarity, i.e. must be as decentralised as possible and based on partnership and co-operation between all levels concerned (local, regional, national and European);
- Simplification - rural development legislation has to be simplified, in order to increase coherence between various rural development measures and subsidiarity in decision-making, to decentralise policy implementation and enhance overall flexibility;
- Programming - the application of rural development programmes must be based on coherent and transparent procedures, and integrated into one single programme for rural development for each region;

- Finance - the use of local financial resources, financial engineering in rural credit techniques and greater participation by the banking sector and other fiscal intermediaries must be encouraged;
- Management - management assistance to regional and local governments and community-based groups must be increased; and,
- Evaluation and research – monitoring, evaluation and beneficiary assessment have to be reinforced.

1.1.12. Agenda 2000 reform

Table 1.2: Summary of rural development and the Agenda 2000 reform

Reform measures relating to RD	RD regulations and inventory of measures co-funded by EAGGF-Guidance in Objective 1 regions
<ul style="list-style-type: none"> • Brought together the previous nine instruments into a single legal framework for rural development (Council Regulation (EC) No 1257/1999), offering a 'menu' of 22 measures; • Increased financial resources for rural development; • Introduced CAP Pillar 1 and 2 concept; • Added compensatory allowances to the list of 'accompanying measures' being funded by EAGGF-Guarantee. 	<ul style="list-style-type: none"> • Introduction of Council Regulation (EC) No 1257/1999, including the following measures co-funded by EAGGF-Guidance in Objective 1 regions: <ul style="list-style-type: none"> • Investment in farm businesses (Chapter I); • Setting up of young farmers (Chapter II); • Training (Chapter III); • Improving processing and marketing of agricultural products (Chapter VII); and, • Various measures for the general development of rural areas ('Article 33 measures', including agricultural water resources management, encouragement for tourist and craft activities, renovation and development of villages and protection and conservation of the rural heritage) (Chapter IX).

Agreed in March 1999 in Berlin, Germany, the Agenda 2000 package reformed the CAP, the Structural Funds and the Cohesion Fund, introduced two financial pre-accession instruments (ISPA and SAPARD) in order to prepare for enlargement and provided for a new financial framework for the period 2000-06.

In terms of rural development policy, the Agenda 2000 reform consolidated the previous nine legislative texts on rural development into a single regulation on support for rural development (**Council Regulation (EC) No 1257/1999**). The reform brought funding for rural development predominantly within the ambit of the EAGGF-Guarantee Section, partly for ease of administration, but also partly as a kind of political statement making clear that rural development and agri-environmental schemes were seen as being an integral part of the mainstream CAP. In addition,

the reform increased the financial resources available for rural development¹². Agenda 2000 also introduced the 'CAP Pillar 1 and 2' concept, which comprises traditional market measures and price support under 'Pillar I' and rural development and agri-environmental measures under 'Pillar II'.

Rural development in the candidate countries

In order to support structural development in the candidate countries, Agenda 2000 foresaw the creation of two pre-accession funds, ISPA (providing support for environmental and transport infrastructure projects, Regulation 1267/99) and SAPARD (providing support for the restructuring of the agricultural and rural sectors, Regulation 1268/99). In addition, a reserve of EUR 40 billion was set up for anticipated structural funds measures following accession. Poland, Czech Republic, Hungary, Slovakia, Slovenia, Lithuania, Latvia, Estonia, Bulgaria and Romania have been eligible for support under the SAPARD instrument. The main objectives of the programme are to:

- Establish an EU framework for supporting sustainable agricultural and rural development in the central and eastern European candidate countries during the pre-accession period;
- Solve problems affecting the long-term adjustment of the agricultural sector and rural areas;
- Help implement the EU's *acquis communautaire* in relation to the CAP and related policies.

At the same time, Cyprus and Malta have had access to specific pre-accession funds to help them prepare to implement the *acquis communautaire*.

1.1.13. Reform of the common structural policy

In the context of the reform of the common structural policy, a new Regulation (1260/1999) was introduced laying down general provisions on the Structural Funds. It reduced the number of priority objectives for an intervention of the Structural Funds from 6 to 3, i.e. two geographical objectives (**Objective 1** supporting regions lacking behind in development and having a per capita GDP of less than 75% of the Community average; and **Objective 2** supporting areas facing structural difficulties) and a thematic objective (**Objective 3** supporting the adaptation and modernisation of policies and systems of education, training and employment). In

¹² Overall EU funding for rural development for 2000-06 and the EU-15 comprises over €50 billion, with approximately €33 billion of this coming from the Guarantee Section and €20 billion from the Guidance Section (including €2 billion for the LEADER+ Initiative). In the 10 new Member States, Community financial support for rural development in 2004 to 2006 is estimated at €7.8 billion, with €5.8 billion of this coming from the Guarantee Section and €2.0 billion from the Guidance Section.

both Objective 1 and 2 regions, special integrated regional development programmes have been implemented and are obtaining support from the different Structural Funds working closely together. The EAGGF fund provides co-financing for rural development measures under both Objective 1 and 2 in the 2000-06 programming period.

1.1.14. Rural development financing

Agenda 2000 reorganised the EU financial assistance for rural development measures. The Agenda 2000 agreement added 'compensatory allowances for Less Favoured Areas and areas subject to environmental constraints' to the existing list of accompanying measures (agri-environment, early retirement, afforestation) which are co-financed by the Guarantee Section of the EAGGF throughout the Community. Since 2000, EAGGF-Guarantee also co-funds all other rural development measures outside Objective 1. This leaves only the non-accompanying rural development measures inside Objective 1 regions to be funded from EAGGF-Guidance. (In addition, LEADER+ projects, which are not subject to this evaluation, are funded from the Guidance Section of the EAGGF throughout the Union). For the total 2000-06 programming period, EUR 17.5 billion or 35% of all funds foreseen for rural development support come from the EAGGF-Guidance Section.

The Agenda 2000 agreement gives Member States the possibility of shifting funds from the First to the Second Pillar by reducing direct payments (for certain categories of farmers) and using them as additional funds for rural development ('**voluntary modulation**'). However, only four Member States (France, Portugal, the UK and Germany) seriously considered applying modulation before it became mandatory under the 2003 CAP reform as of 2005 onwards, and only the UK and Germany actually modulated funds before 2005¹³

1.1.15. Rural development programming and implementation in the 2000-06 programming period

Under a flexible programming approach, from a 'menu' of 22 measures Member States and regions can choose those which suit best their specific needs. However, the obligation to offer agri-environmental measures as introduced by the MacSharry reform remains.

Inside Objective 1 regions, all rural development measures that are co-financed by EAGGF-Guidance (i.e. all measures except for the four accompanying measures) are compulsorily integrated within Objective 1 regionalised programmes in the form of an operational programme aimed at rural development.

¹³ France introduced a modulation programme and then subsequently suspended it.

The Agenda 2000 reforms hardly changed the programming and implementation rules for rural development measures inside Objective 1 compared to the previous programming periods (see Section 1.1.5 and 1.1.9).

However, the Commission did make specific suggestions concerning the **decision on whether to use a combination of CSF and OP or a SPD**. It recommended that large Objective 1 programmes (with a Community allocation of more than €1 billion) should develop a CSF and an OP and that small Objective 1 programmes (with a Community allocation of less than €1 billion), as well as Objective 2 and 3 programmes, should use a SPD¹⁴

In addition, the '**Programme Complement**' was introduced¹⁵. While the strategy, the priorities and the measures are included in the programme documents, the implementation details at measure level (indicators, beneficiaries and financial allocation) are defined in the Programme Complement in the current programming period. The latter acts as a complement to each OP and SPD. This change was introduced in order to achieve clearer programme management and implementation mechanisms, which are specified and elaborated in much more detail in the current programming period than in previous ones.

Recapitulating, there are currently three types of document for programming Structural Fund expenditure. The term "programme" generally relates to Single Programming Documents (SPDs) and Operational Programmes (OPs) drawn up by the national and regional authorities and approved by the Commission. An OP can, however, be considered only in connection with a Community Support Framework (CSF). There are the two programming systems:

- The CSFs and OPs generally relate to a country, or a group of regions within a country, which is eligible under Objective 1. The CSFs describe the social and economic context of the country or regions covered by the Structural Funds, set out development priorities and targets to be attained, and provide for financial management, monitoring, evaluation and control systems. The OPs list the various priorities of a CSF for a particular region or a particular development sector (e.g. agricultural restructuring and rural development).
- The SPDs feature aspects of both a CSF and an OP. In the case of rural development measures co-financed by EAGGF-Guidance in an Objective 1 region, they usually involve assistance amounting to less than EUR 1 billion.

¹⁴ See article 15(1) of Regulation 1260/1999.

¹⁵ See article 9(m) and 18(3) of Regulation 1260/1999

1.1.16. 2003 CAP reform ('Mid-Term Review')

Table 1.3: Summary of rural development and the 2003 CAP reform

Reform measures relating to RD (only the measures that are co-funded by EAGGF-Guidance in Objective I regions are mentioned)	RD regulations and inventory of measures co-funded by EAGGF-Guidance in Objective 1 regions
<ul style="list-style-type: none"> • Increase in funds for rural development by introducing compulsory 'modulation'; • Introduction of new rural development measures (meeting standards, food quality, developing (as well as applying) new technologies); and, • Increase in investment support for young farmers. 	<p>Remained in force: Council Regulation (EC) No 1257/1999 on support for rural development from the EAGGF:</p> <ul style="list-style-type: none"> • Investment in farm businesses (Chapter I); • Setting up of young farmers (Chapter II); • Training (Chapter III); • Improving processing and marketing of agricultural products (Chapter VII); and, • Various measures for the general development of rural areas ('Article 33 measures', including agricultural water resources management, encouragement for tourist and craft activities, renovation and development of villages and protection and conservation of the rural heritage) (Chapter IX). <p>Introduction of: Council Regulation (EC) No 1783/2003 amending Regulation (EC) No 1257/1999:</p> <p>Added the following measures (co-funded by EAGGF-Guidance in Objective I regions) to the list above:</p> <ul style="list-style-type: none"> • Support to help farmers to adapt to standards based on Community legislation in the fields of the environment, public, animal and plant health, animal welfare and occupational safety; and to use the farm advisory services in this context • Support for agricultural production methods designed to improve the quality of agricultural products and for promotion of those products; and, • Support for the development and application of new technologies.

Notes: ¹ Only the measures that are co-funded by the EAGGF-Guidance Section in Objective I regions are mentioned.

In June 2003, as part of the so-called Mid Term Review, EU Agriculture Ministers agreed a major reform of the CAP. It strengthened rural development policy both in scope and financial resources by introducing the reform measures listed in Table 1.3.

The changes agreed were laid down in **Council Regulation (EC) No 1783/2003**, which amended Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF).

1.1.17. Increased funds for rural development

Member States will have to reduce direct payments to farmers by 3% in 2005, 4% in 2006 and 5% from 2007 to 2012 ('modulation'). The first €5,000 per year in direct aids received by any farmer is exempted from the reduction. This will generate approximately €1.2 billion per year from 2007 onwards. The modulated money will be redistributed among Member States according to a complex formula.

New rural development measures (only the measures that are co-funded by EAGGF-Guidance in Objective I regions are listed):

- A new chapter on '**meeting standards**' offers temporary, degressive financial support to farmers incurring costs or foregoing income in order to apply standards related to the environment, public health, animal or plant health, animal welfare or occupational safety under the new 'cross-compliance' requirement¹⁶. These standards must be based on Community legislation and must have been newly introduced into national law. In addition, support is provided to help with the costs of using farm advisory services to assess the performance of farms against the new cross-compliance standards.
- Under another new chapter, farmers can apply for financial support for their voluntary participation in Community or national **quality schemes** for agricultural products and production processes, and for informing consumers about these schemes.
- The scope of the 'improving processing and marketing of agricultural products' chapter was expanded to include developing (as well as applying) **new technologies**.

¹⁶ The 2003 CAP reform linked the full granting of the direct payments to the respect of a certain number of statutory environmental, food safety, animal and plant health, and animal welfare standards

1.1.18. Second European Conference on Rural Development in Salzburg

The 2nd European Conference on Rural Development¹⁷ was held in Salzburg, Austria in November 2003. It provided a platform for a wide range of rural stakeholders to debate how they see current Community rural development policy for the period 2000-06 and what they consider are the priorities for the future development of the policy in the next programming period from 2007 onwards in a wider EU. The results of the conference served as a basis for developing rural development policy post-2006 (see Section 1.1.20). The main recommendations were as follows:

- Bring EU rural development measures under a single fund from 2007 onwards;
- Give Member States (and regions) more flexibility to decide on how their funds are allocated; and,
- Put greater emphasis on the rural economy, i.e. measures going beyond the agriculture.

1.1.19. Rural development and enlargement

The Act of Accession (Annex II, Chapter 6) defined, for the period 2004–06, a special rural development regime for the new Member States who joined the EU on 1st May 2004. Given the short programming period until the end of the current financial perspectives, the new regime was built on the experience gained by the implementing bodies set up under SAPARD and thereby adapted to the needs of the new Member States. The regime is mainly based on a new Temporary Rural Development Instrument (TRDI), funded by the EAGGF-Guarantee Section.

In addition to the existing measures in the EU-15 rural development programmes (e.g. setting up aid for young farmers, support for LFAs, agri-environment programmes), new measures are available in the new Member States under the TRDI, for example for:

- income support for semi-subsistence farmers undergoing restructuring;
- setting-up of producer groups;
- support for meeting EU standards (as for existing Member States but there is an additional derogation for new Member States to finance investments);
- technical assistance;
- topping-up direct payments;
- LEADER+ type activities, in particular capacity building at local level;
- the provision of extension and advisory services.

¹⁷ Planting seeds for rural future – rural policy perspectives for a wider Europe'

The financing instruments for rural development in the New Member States until 2006 are illustrated in Figure 1.1.

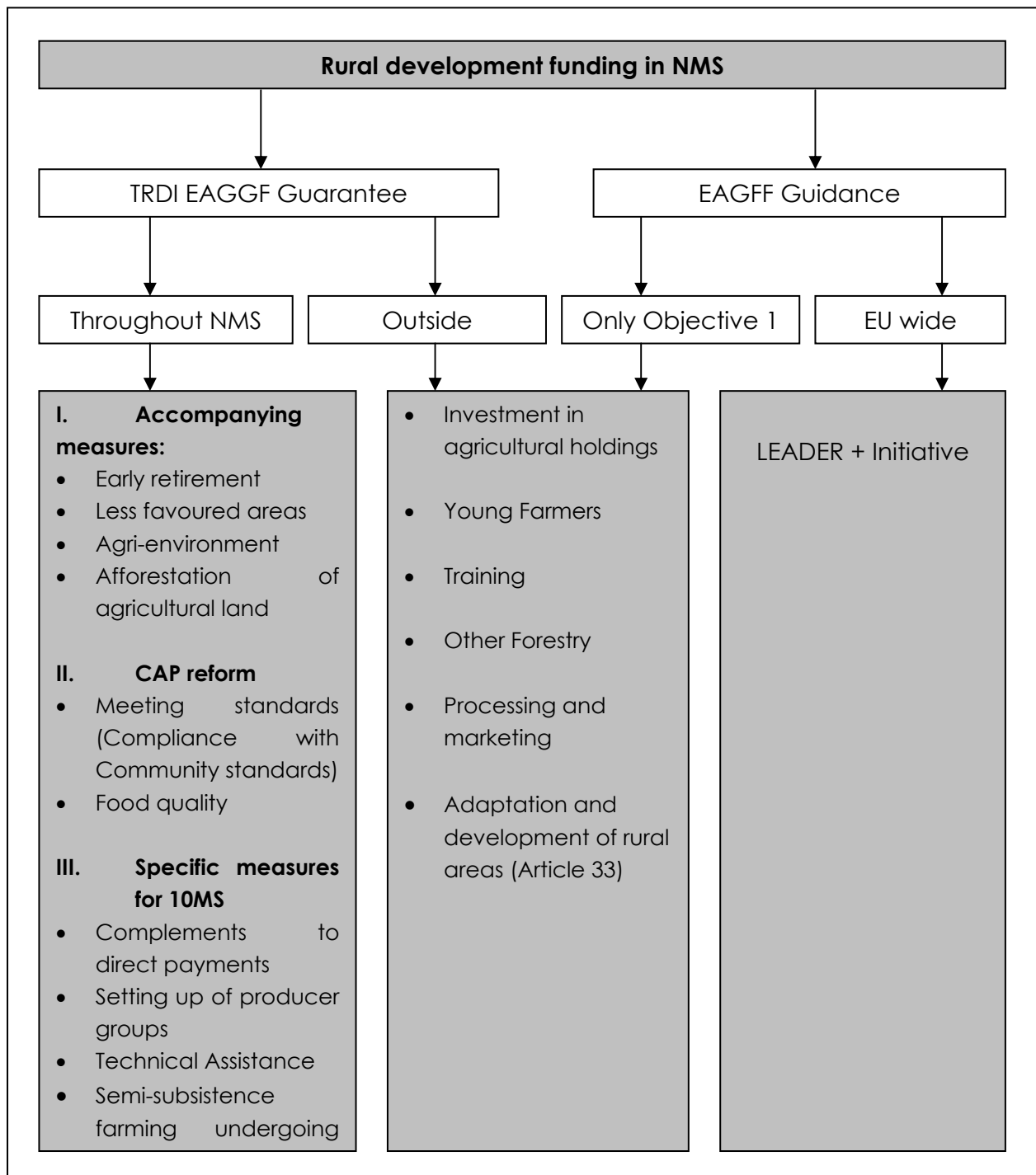


Figure 1.1: Structure of financial assistance for rural development measures in NMS (2004-2006)

1.1.20. EU rural development policy post-2006

Following a series of reviews of past and present rural development policies, on 20 June 2005, the Agriculture Council reached political agreement on a Regulation on rural development support for the next programming period. The new Regulation is based on a proposal presented by the European Commission on 15 July 2004. In line with the recommendations made at the Second European Conference on Rural Development in Salzburg (see Section 1.1.18), the Regulation aims to reinforce rural development policy and simplify its implementation by:

- Introducing a single funding and programming instrument for rural development, the European Agriculture Rural Development Fund (EARDF);
- Strengthening the bottom-up approach - Member States, regions and local action groups will have more say in attuning programmes to local needs;
- Introducing a new strategic approach for rural development with clear focus on EU priorities such as the Lisbon and Göteborg goals, and targeting the wider rural population, i.e. going beyond the agricultural sector;
- Reinforcing control, evaluation and reporting and dividing responsibilities more clearly between Member States and the Commission.

With the introduction of the EARDF, a new structure for CAP funding is being established with a single fund for each pillar (pillar 1 will continue to be funded from the European Agricultural Guarantee Fund).

Under the new strategic approach, rural development policy is to be focused on the following three core objectives:

1. Increasing the **competitiveness** of the agricultural and forestry sector through support for restructuring;
2. Enhancing the **environment and countryside** through support for **land management**; and,
3. Enhancing the quality of life in rural areas and promoting the **diversification** of economic activities through measures targeting the farm sector and other rural actors.

For each core objective, key actions are suggested across four Operational Axes as shown in Box 1.1.

Box 1.1: EU rural development policy post-2006

Axis 1: Improving competitiveness of farming and forestry

Examples:

- fostering human capital by providing training and advice to farmers and foresters;
- improving and developing infrastructure related to the development and adaptation of agriculture and forestry;
- supporting farmers who participate in food quality schemes;
- setting up of young farmers; and,
- support for semi-subsistence farmers in new Member States to become competitive.

Axis 2: Environment and countryside

Examples:

- natural handicap payments to farmers in mountain areas;
- NATURA 2000 payments;
- agri-environment measures;
- animal welfare payments; and,
- measures for sustainable forestry.

Axis 3: Improving quality of life and diversification of the rural economy

Examples:

- diversification to non-agricultural activities;
- support for the creation of micro enterprises;
- encouragement of tourism; and,
- village renewal.

Axis 4: the LEADER approach

Each programme must have a LEADER element for the implementation of bottom-up local development strategies of local action groups.

Rural development programmes in all Member States should pursue all three objectives. To ensure a balanced strategy with at least a minimum level of funding

for these three core objectives, a minimum of 10% of the national envelope has to be spent on Axis 1, 25% on Axis 2 and again 10% on Axis 3. This leaves Member States or regions enough flexibility to emphasise the core objective they wish taking into account their specific situation and needs.

The EU co-financing rate is maximum 50% (75% in convergence regions) for Axis 1 and 3 and 55% (80% in convergence regions) for Axis 2. This may be increased to 85% for the outermost regions and small Aegean islands. For afforestation, the co-funding rate is 80% in Less Favoured Areas and 70% in other areas, i.e. 20% higher than in the 2000-06 period.

Each programme must have a LEADER element for the implementation of bottom-up local development strategies of local action groups. EU-15 Member States have to reserve a minimum of 5% of national programme funding for LEADER. The ten New Member States have to allocate at least 2.5% on average over the 7-year period and 5% by 2013. This element should contribute to the priorities of the three main areas described above, but also plays an important role in terms of improving governance and mobilising the endogenous development potential of rural areas. In particular, the building of local partnership capacity, the promotion of private-public partnerships, the promotion of co-operation and innovation and the improvement of local governance are sought.

For the New Member States, the agreement reached in June 2005 allows for the aid to semi-subsistence farming to continue until 2013 (rather than 2010 as originally foreseen).

On the contentious issue of funding, the text agreed in June 2005 states that the budget commitments for 2007-2013 will be EUR 88.75 billion for the period¹⁸, as originally suggest by the European Commission, but that these will be adjusted proportionately in accordance with any final agreement on the Financial Perspectives. This means in practice that as of writing this report, details of future RD funding still have to be agreed by EU Heads of Government.

1.1.21. The Structural Funds implementation system

The implementation method for Structural Funds is essentially a model of implementation that has been designed by the European Commission in consultation with the Member States. It is based on a set of obligatory requirements and guidance documents that govern the whole of the policy system, from

¹⁸ By comparison, overall EU funding for rural development for 2000-2006 in the EU-15 comprises approximately €50 billion, with approximately €33 billion coming from the EAGGF-Guarantee Section and €18 billion coming from the Guidance Section

programming (including the identification of the problem, formulation of solution, decision on financing and the implementation system) to monitoring and evaluation procedures.

The evolution of Structural Funds through the reform processes of 1989, 1993 and most recently in 1999 have been made against the background of a number of key principles that have remained constant and unchanged. These principles are:

- **Concentration** of resources on the areas of most need, in a geographic and sectoral sense.
- Partnership between all key stakeholders at national and regional levels in the planning and implementation phases and, increasingly, the promotion of partnership arrangements across national boundaries and between regions.
- **Additionality** that ensures that the efforts of the Community do not supplant or crowd out the efforts of national and regional administrations.
- **Programming** as the defining characteristic of the management approach and intended to ensure that the other principles are respected. It is conducted on a multi-annual basis and involves the determination of objectives to be achieved against the background of an analysis of the socio-economic context, and the identification of priorities and measures capable of converting these objectives into forms of intervention, or projects, that will deliver the outcomes desired.

In order to ensure that these principles are respected, a number of management tools have been developed, which aim to ensure that the interventions are implemented in an efficient and effective way. These management tools include programming, project selection, monitoring, evaluation, financial control, performance reserve and information and publicity. The combination of the principles and the management tools provide the background against which the Member States and all relevant stakeholders implement their programmes.

Although all Member States use the common regulatory framework, implementation mechanisms for the delivery of Structural Funds vary to a large degree. Operational arrangements for the delivery of Structural Funds vary between Member States and also between regions within a Member State. In each Member State, national government and sub-national actors have different degrees of participation in decision-making and power. This reflects factors such as the distribution of competencies between national, regional and local level, political interests and linkages; the amount and scope of co-funding available, the number and scope of programmes to be dealt with at that level, and the administrative experience of managing economic development. It follows that practical arrangements for programming also vary, including the approaches to programme development,

project generation, appraisal, selection and monitoring, and the extent to which these tasks are subsumed within the existing administrative structure or whether parts of the implementation are carried out by dedicated administrative structures and how these are organised (Bachtler et al, 1999).

2. Methodology

This meta-evaluation was carried out through means of desk research and analysis based on the mid-term evaluation (MTE) reports submitted to the Commission for the rural development components of each Operational Programme or Single Programming Document. The information contained in these reports was supplemented by secondary data and through interviews with implementing authorities and other key stakeholders in each Member State. No large-scale data collection exercises were undertaken. Finally, a meeting of the core evaluation team (not envisaged in the contract) was held in Brussels towards the end of the contract to assess in particular the overall objectives of the RDR.

Two synthetic grids were constructed to collate and filter the information in the MTE reports prior to its synthesis. These were:

- A grid to extract information relating to the use of Common Evaluation Questions, their criteria and indicators. Information collected here was used in the assessment of the evaluation system (see Chapter 3.2).
- A grid to extract answers to the Common and Further Evaluation Questions and information on the methods used to collect this information in the mid-term evaluations. This information was synthesised and used in the assessment of measure-specific evaluation questions.

These analysis tools are presented in further detail in Appendix 2.

Whilst much information was contained in the MTE reports, gaps remained with respect to some evaluation questions. In conjunction with the Steering Group, and based on the relative importance of the gaps remaining, it was agreed that further investigations would be made in relation to Chapters 1: Investments on farm, VII: Investments in processing and marketing and IX: Promoting the adaptation and development of rural areas. Gaps in cross-cutting issues, all FEQs and a new set of questions relating to Chapter VII: Investments in processing and marketing were also highlighted for further investigations.

It was also necessary to decide which Objective 1 regions would be investigated. This assessment was made on the basis of where gaps in information existed and the importance of the measure concerned in the region. Our proxy for this was expenditure. This approach ensured that a suitable balance of Member States were investigated and that a wide range of geographical contexts were considered. The regions investigated are presented in Appendix 2.

Interviews were carried out with representatives from implementing authorities and other key stakeholders across the EU between June and August. A list of people and organisations consulted is presented in Appendix 2 (N.B. some interviews were with more than one interviewee). The information gathered from these interviews was used to supplement the material available from the MTE reports in order to provide an answer to each evaluation question.

Finally, an EU-wide literature review was undertaken to supplement our empirical findings. The articles, etc. used are presented in Appendix 1 and are referenced in the text. Articles not directly cited, but which nonetheless informed the evaluation are listed separately in the same Appendix.

The answers to the measure-specific evaluation questions are embedded in the following structure. First the measure objectives and intervention logic are set out explaining how the measure is supposed to work. This is followed by a synthesis of evidence from the MTE reports and secondary data. Certain Chapters were selected for follow-up with interviews (see Chapter 3 and Appendix 2:) and a synthesis of the information gathered is added where relevant. This evidence is used to consider how the measures worked in practice. The conclusions and recommendations (see Chapter 4) build on this structure to consider why the measures did or did not work and to offer recommendations to improve their operation. All relevant information found in the MTE reports, secondary data and provided in the interview process has been included.

2.1. Methodological problems and constraints

There were two broad sets of methodological issues to be confronted in this evaluation, the first relating to the material on which this meta-evaluation is based, namely the national/regional mid-term evaluation reports, and the second relating to the operation of this contract itself, including methodologies for filling information gaps. These are considered in turn.

2.1.1. The mid-term evaluation reports

As set out above this evaluation relied primarily on the MTE reports. The quality of the MTE reports and the extent to which they contained the required information was variable and this resulted in information gaps. In some cases this was a function of the evaluators and the way in which they chose to approach the mid-term evaluation (which may have been driven to some extent by the budgets made available to carry out the evaluations by regions/Member States), but in others it is a function of factors outside the control of the evaluators such as a lack of suitable impact, baseline and financial data.

It should also be noted that the MTE of Objective 1 regions was conducted using the mid-term evaluation methodology prescribed by DG Regio of the European Commission. While this did include the EAGGF Guidance Structural Fund, the evaluation methodology did not correlate well with the information requirements for the Common or Further Evaluation Questions (CEQ/FEQ) tackled in this report. In general the DG Agriculture guidelines for the mid term evaluation of rural development programmes were only indirectly applied¹⁹. Consequently evidence of the impact of EAGGF Guidance funded interventions in the majority of the MTEs for Objective 1 regions is relatively limited (especially when compared to the evidence that is available outside Objective 1 regions). This issue is discussed in more detail in Section 3.4.1.

Finally, many of the mid-term evaluations were also hampered by the late implementation of programmes for a variety of reasons. Given that the MTE reports were written in 2003, this reduced considerably the period over which information could be taken into account.

2.1.2. This evaluation

First, secondary data concerning the 2000-2003 evaluation period is relatively sparse, due in part to the fact that the regional/national evaluation effort has focused mainly on the mid-term evaluations. The time lag involved in publishing academic papers also means that papers concerned with the RDR during the evaluation period are only now being published. Second, whilst some secondary data relating to previous programming periods holds external validity to the evaluation period, this is not always the case and caution should be exercised as the exact implementation of policy has altered in some cases and certainly the circumstances within which the policy operates has changed.

The interview process was complicated by its timing which, due to the date on which the contract was signed (23 December 2004), fell in the holiday period, including August. To counter this the interview process was brought forward as far as practicably possible. However, whilst our interview process was on-going, implementing authorities were engaged in carrying out updates to the mid-term evaluation results, preparing annual monitoring data to the Commission and preparations for the 2007-2013 programming period. Whilst this did not prevent implementing authorities from making time available to this evaluation, it did have a negative impact on the amount of time which they could spend. Finally, the extent

¹⁹ Mid-term evaluations of Objective 1 programmes were conducted using DG Regio methodology. The majority of evaluations either did not refer to CEQs at all or only made a brief reference to them. Only a minority of evaluations used CEQs and in all these cases only a small proportion of the CEQs were used.

to which implementing authorities were able to provide additional information was variable. In many cases little quantitative information could be provided and additional evidence resulting from the interview process is often not as robust as that available in the MTE reports.

It should be noted that data collection for EAGGF Guidance in Objective 1 areas is not mandated and consequently some regions were unable to provide any additional information over and above that which had already been provided for the MTE report. Despite this, the largely qualitative information gathered from the interviews did contribute to the evidence base for some regions, which in turn strengthened the analysis and provided a firmer base on which to derive judgements and conclusions. However, for some regions little or no additional impact evidence was obtainable which further exacerbated the information deficiencies outlined above.

2.2. Intervention logic

Within the public administration (financial and other) inputs are transformed into outputs. The outputs lead to results at the level of the beneficiary agricultural holdings and these results generate impacts. Two categories of impacts can be distinguished. The intermediate impacts manifest themselves at the holding level soon after the public intervention. The global impacts occur in the medium or long term at the level of (i) beneficiary holdings, (ii) the agricultural sector and (iii) in rural society.

In order to describe the intervention logic of a measure implemented under a rural development programme, the following steps are necessary:

1. identification (or constructing typologies) of the immediate results;
2. specification of the objectives;
3. identification of the impacts related to the various objectives; and,
4. analysis of the impacts.

This graphical analysis is presented in the form of a log diagram of impacts. Log diagrams of impacts reflect an idealised picture of the aid schemes at Community level. They describe how the public intervention is transformed into the expected intermediate and global impacts. For the ease of use, we describe the intervention logic in the form of Tables and by RDR Chapter, although relationships between Chapters are also considered. In this connection it should be noted that relationships can be asymmetrical (i.e. although there is a causal relationship in one direction between measures under two Chapters, this may not be mirrored in the other direction, for example, measures under Chapter III: Training are often likely to have a

positive relationship with other Chapters, say Chapter VI: Agri-environment, but there is not likely to be a reciprocal impact). These Tables are presented in Chapter 3 which contains the measure-specific evaluation questions.

3. Evaluation questions

3.1. Overview of financial inputs and outputs

The terms of reference state that an overview of financial inputs (both budget and actual expenditure) should be extracted from the mid-term evaluation reports. Whilst this information does exist in some MTE reports, it is not available in all and where it is available it is rarely in a comparable form. To counter this problem alternative sources have been used to the extent that they are available. The data here are as complete as possible given these limitations.

3.1.1. Financial allocations and expenditure

The total EU budget for rural development measures financed from EAGGF Guidance in Objective 1 regions for the period 2000-2006 (in budget years) is set out in Table 3.1 which also shows commitments and details advance and interim payments made. A total of €9.8 billion has been set aside for rural development measures within EU-15 Objective 1 regions for the period of this evaluation (2000-2003). Commitments marginally exceed budget over the period, mainly as a result of commitments made in 2001.

Table 3.1: EAGGF Guidance commitments and expenditure within EU-15 Objective 1 regions (€ millions)

	2000	2001	2002	2003	2004	2005	2006	2000-2003
Budget	€1,950	€2,495	€2,630	€2,756	€2,824	€2,877	€2,884	€9,831
Commitments	€1,239	€3,220	€2,630	€2,748	€2,796	€2,898		€9,837
Advance	€588	€632	€0					€1,220
Interim Payment		€641	€1,475	€2,167	€2,492	€1,080		€4,283

Source: DG Agri F2 (SFC-GFO databases).

Unfortunately, no official breakdown of either budget or actual spending appear to be available by rural development measure within the Objective 1 regional programmes. Further, information on financial expenditure is not available in the MTE reports in a consistent format. Indeed in many cases it is not available at all for two main reasons. First, evaluators were frequently not asked to provide this information and second, in some cases the information was not available from Member States.

The weight of EAGGF Guidance funding within the overall Objective 1 programmes has been extracted from the DG Regio website and is presented in Table 3.2. It should be noted that the data here do not quite correspond with those presented above in Table 3.1. The average weight of EAGGF Guidance funding within the

Structural Fund contribution to the Objective 1 programmes is 15%, however, there is considerable variation according to the importance of the agricultural sector in each regional programme from 30% in Mecklenburg-Vorpommern to less than 1% in Burgenland and Merseyside. The largest single budget set aside for rural development measures is €784 million in Sicily.

Table 3.2: Funding in Objective 1 regions showing EAGGF Guidance contribution (2000-2006) € million

	Total budget	Structural Funds	EAGGF	EAGGF as % of total Structural Funds
Objective 1				
Burgenland (At)	€864	€271	€1	0.3%
East Berlin (De)	€2,120	€688	€7	1.0%
Thuringen (De)	€10,020	€2,886	€539	18.7%
Sachsen-Anhalt (De)	€8,700	€3,354	€731	21.8%
Mecklenburg-Vorpommern (De)	€5,500	€2,456	€742	30.2%
Brandenburg (De)	€6,733	€3,090	€730	23.6%
Sachsen (De)	€11,240	€4,859	€703	14.5%
Attica (EL)	€1,534	€1,120	€19	1.7%
Peloponnese (EL)	€699	€457	€80	17.4%
Western Greece (EL)#	€781	€478	€76	15.9%
Continental Greece (EL)	€873	€532	€84	15.7%
Thessaly (EL)	€929	€563	€120	21.3%
Epirus (EL)	€680	€436	€79	18.2%
Crete (EL)	€730	€468	€88	18.8%
Northern Aegean (EL)	€548	€362	€44	12.3%
South Aegean (EL)	€610	€372	€36	9.7%
Ionian Islands (EL)	€375	€245	€26	10.7%
Eastern Macedonia (EL)	€1,100	€733	€155	21.1%
West Macedonia (EL)	€581	€372	€81	21.9%
Central Macedonia (EL)	€1,460	€903	€139	15.4%
Andalucia (Es)	€11,709	€7,840	€755	9.6%
Asturias (Es)	€2,053	€1,339	€206	15.4%
Canary Islands (Es)	€2,819	€1,846	€142	7.7%
Castile La Mancha (Es)	€3,063	€2,107	€242	11.5%
Castile-Leon (Es)	€4,826	€3,156	€642	20.4%
Valencia (Es)	€4,172	€2,744	€213	7.8%
Extremadura (Es)	€3,050	€2,131	€271	12.7%
Galicia (Es)	€5,087	€3,430	€702	20.5%
Murcia (Es)	€1,711	€1,137	€106	9.3%
N Finland	€1,053	€321	€70	21.6%
E Finland	€2,559	€627	€128	20.4%

	Total budget	Structural Funds	EAGGF	EAGGF as % of total Structural Funds
Reunion (Fr)	€2,878	€1,516	€300	19.8%
Guadeloupe (Fr)	€1,986	€809	€140	17.3%
French Guiana (Fr)	€730	€371	€63	16.9%
Martinique (Fr)	€1,700	€674	€100	14.8%
Ireland BMW	€806	€400	€89	22.3%
Calabria (It)	€5,863	€1,994	€410	20.6%
Campania (It)	€9,216	€3,825	€650	17.0%
Apulia (It)	€6,671	€2,639	€523	19.8%
Sardinia (It)	€4,686	€1,946	€406	20.9%
Sicily (It)	€9,415	€3,858	€784	20.3%
Basilicata (It)	€1,586	€743	€171	23.0%
Azores (Pt)	€1,259	€854	€134	15.6%
Algarve (Pt)	€728	€453	€37	8.3%
Alentejo (Pt)	€1,868	€1,089	€232	21.3%
Centro (Pt)	€2,860	€1,711	€206	12.1%
Maderia (Pt)	€1,187	€705	€80	11.3%
Norte (Pt)	€4,640	€2,718	€224	8.2%
Norra Norrland (Se)	€1,041	€391	€51	12.9%
Sodra Skogslan (Se)	€1,009	€357	€61	17.1%
Cornwall & Isles of Scilly (UK)	€1,181	€498	€79	15.9%
Merseyside (UK)	€3,298	€1,333	€6	0.4%
S Yorkshire (UK)	€3,039	€1,172	€23	2.0%
W Wales & Valleys (UK)	€3,937	€1,853	€131	7.0%
Transitional Objective 1				
Hainault (Be)	€2,221	€645	€42	6.4%
Cantabria (Es)	€519	€297	€65	21.9%
Nord Pas de Calais (Fr)	€1,100	€389	€39	10.0%
Corsica (Fr)	€366	€181	€34	18.8%
South and East Region (Ire)	€1,733	€572	€80	14.0%
Molisse (It)	€605	€350	€73	20.9%
Flevoland (NL)	€471	€126	€10	7.9%
Lisboa e Vale do Tejo (Pt)	€2,732	€1,449	€107	7.4%
Highlands & Islands (UK)	€853	€309	€40	12.9%
Northern Ireland (UK)	€1,514	€890	€78	8.8%
Other				
Spain technical	€25	€19	€9	47.2%
PEACE II (UK, Ire)	€740	€531	€45	8.4%
TOTAL	€182,641	€88,990	€13,478	15.1%

Source: DG Regio.

3.1.2. Overview of outputs

The extent to which outputs are set out in the MTE reports is variable. Clearly where these are necessary to answer individual CEQs this information is usually (although

not always) present and is commented on in the answers to the measure-specific evaluation questions in Chapter 3.2. However, many CEQs are concerned with outcome rather than output information and where this is the case outputs are frequently unavailable. It should also be noted that as the mid-term evaluations were carried out in 2003, information on outputs (where available) does not cover the full year. It is not therefore meaningful to present an overview of outputs for the 2000-2003 evaluation period.

Member States submit an annual report to the Commission concerning Objective 1 programme outputs and progress towards targets and this information is sometimes available on the websites of implementing regions/Member States²⁰. The types of outputs considered are similar to those monitored outside Objective 1 regions as set out below on a Chapter by Chapter basis.

- **Chapter I: Investments on farm.** Number of applications approved, total grants awarded, average grant awarded, number of jobs created.
- **Chapter II: Young farmers.** Number of supported young farmers, age of transferees, age of transferors, gender of transferees, total grants awarded, average grant awarded, number of jobs created.
- **Chapter III: Training.** Number of training courses offered, number of training days, number of trainees, total support offered, average support offered per course/per trainee, number of qualifications obtained.
- **Chapter VII: Investments in processing and marketing.** Number of jobs created and safeguarded, number of projects assisted, total grants awarded, average grants awarded, number of collaborative marketing ventures supported, number of novel outlets created, number of assurance schemes assisted, share of investments related to health and welfare, share of investments related to environmental improvement
- **Chapter VIII: Forestry.** Area of assisted planting, share of holdings connected to associations thanks to assistance, number of additional assisted outlets, number of jobs created or safeguarded, area planted with a view to protective functions, area planted with indigenous species, area of critical sites maintained or improved, area planted in zones with low or missing forest cover, area relevant to

²⁰ The DG Regio website contains a gateway to various Member State and regional websites where publicly available information can be found http://europa.eu.int/comm/regional_policy/country/gateway/index_en.cfm.

the prevention of calamities, area protected or restored from damage arising from natural hazards.

- **Chapter IX: Adaptation and development of rural areas.** The outputs under this Chapter are not so generic and relate to the types of initiatives undertaken. Examples are provided by Indent:
 - land improvement and land reparation: area supported, area reparation and number of beneficiaries.
 - Farm relief and management services: number of businesses benefiting, number of jobs created/safeguarded and rural area served by these services.
 - Marketing quality products: number of supported businesses, number of jobs created/safeguarded and number of quality products marketed.
 - Basic services for the rural economy and population: number and type of beneficiary, number of services supported, number of ICT projects supported.
 - Village renewal: number of beneficiaries and number of initiatives.
 - Diversification of agricultural activities: number of new enterprises supported, number of jobs created or safeguarded, number of farm/rural tourist bed places created/maintained, number of projects to facilitate public access, number of visitor management plans.
 - Water resources management: number of businesses supported, area of supported irrigation.
 - Development and improvement of infrastructure: number of businesses benefiting, number of jobs created/safeguarded.
 - Encouragement for tourist and craft activities: number of businesses supported, number of jobs created/safeguarded, number of new rural craft practitioners created.
 - Protection of the environment and improvement of animal welfare: area protected, number of projects supported, number of projects benefiting animal welfare.
 - Restoring agricultural production potential: area restored, area protected, number of projects supported.
 - Financial engineering: number of projects supported.

3.2. Measure-specific evaluation questions

This Chapter contains answers to the Common and Further Evaluation Questions for each RDR Chapter and the cross cutting questions. Each Chapter is preceded by a concise introduction. Prior to the mid-term evaluations of the RDPs, the Commission specified the Common Evaluation Questions and associated criteria and indicators. These are presented before the evaluation answer with comments on the use of the indicators set out. Whilst Further Evaluation Questions were also specified by the Commission (in the terms of reference to this project), criteria and indicators were

not. These were developed by Agra CEAS in the structuring phase of this evaluation and these are presented with the FEQ and comments before answers to the FEQs are provided.

3.2.1. Chapter I: Investments in agricultural holdings

3.2.1.1. Measure objectives

Support for investments in agricultural holdings has been available in one form or another since the mid-1960s, 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 sector (European Commission, 2004).

Agra CEAS Consulting (2003a) explain 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 to 1999 programming period, the former type of investments tended to be focused in regions with small farms with low standard gross margins including, for example, regions within Greece, Portugal, Spain and Italy. The latter type of investment tended to be focused predominantly in regions with larger average farm sizes, but still with a relatively low standard gross margin including, for example, regions within Sweden, Austria and Finland.

Support for investment in agricultural holdings shall contribute to the improvement of agricultural incomes and of living, working and production conditions. Regulation 1257/99 sets out the objectives of this Chapter as being to:

- reduce production costs;
- improve and redeploy production;
- increase quality;
- preserve and improve the natural environment, hygiene conditions and animal welfare standards; and,
- promote the diversification of farm activities.

Support can only be granted to agricultural holdings:

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

Support will not be granted for investments where the objective is an increase in production for which no normal market outlets can be found. Support can be granted to 40% of the total eligible investment (45% when the investment is made by a young farmer as defined under Chapter II: Young farmers) with a ceiling of 50% in Less Favoured Areas (55% for investments made by young farmers).

3.2.1.2. Intervention logic

Need/problem	Inappropriate farm structures
Measure	<ul style="list-style-type: none"> • Financial support for investment
Expected results	<ul style="list-style-type: none"> • Modernisation of the beneficiary holding • Better use of production factors • Redeployment of production/diversification into alternative activities
Expected impacts at the level of the beneficiary holding	<ul style="list-style-type: none"> • Maintenance or improvement of farm incomes through reduction in costs, fair standard of living for farmers and their families • Maintained/increased employment through increased activity on the farm Improved product quality • Improved viability of the beneficiary holding
Expected impacts on the agricultural sector in general	<ul style="list-style-type: none"> • Contribution to agricultural restructuring • Increased competitiveness • Promoting the diversification of farm activities • Improved market balance (as a result of redeployment of production, uptake of alternative activities etc.)
Expected impacts on the rural society	<ul style="list-style-type: none"> • Maintenance/improvement of the structural and productive characteristics of the rural economy • Natural environment protected/improved • Improved animal welfare standards • Improved hygiene conditions/human health • Improved rural incomes • Maintenance/creation of employment • Maintenance and reinforcement of viable social fabric in rural areas
Possible positive interactions with other Chapters	<ul style="list-style-type: none"> • It is possible that links between this Chapter and Chapter III: Training could develop, depending on the training being offered. Positive links might also occur with Chapter VII: Investment in Processing and Marketing and Chapter VI: Agri-environment. There is also a positive relationship with Chapter II: Young Farmers, who can apply for a higher proportion of support under measures in this Chapter.

Possible conflicts with other Chapters	<ul style="list-style-type: none"> There could, depending on the exact nature of measures implemented under this Chapter, be a conflict with measures under Chapter VI: Agri-environment where intensification and/or increases in scale may entail negative environmental impacts.
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3.2.1.3. Common Evaluation Questions

CEQ I.1: To what extent have supported investments improved the income of beneficiary farmers?

It was possible to obtain an answer from the MTE reports in 7 of the 13 Member States where this question is applicable. In almost a third of cases the MTE reports find a positive impact on the income of beneficiary farmers. In just under half the cases it was considered too early to provide an answer and in less than 30% of cases it was not possible to provide a meaningful answer (Table 3.3).

Table 3.3: Short answers to CEQ I.1

	De	Es	Fr	Gr	Ire	It	Pt	%
On balance a positive change			1	1				29%
Mixed according to circumstances								0%
Mixed according to region								0%
No change								0%
On balance a negative change								0%
Too early to note impact		1	1				1	43%
No meaningful answer possible						1	1	29%

Scheme monitoring data, national data sets, beneficiary surveys and interviews with implementing authorities/scheme managers were mainly used to respond to this question.

Investments were reported to have impacted positively on the income of beneficiary farmers in a number of Member States. For example, in Greece gross farm incomes are reported to have increased by almost 13%, and in Italy (Sicilia) gross farm income was estimated to have increased by more than 50% (with positive changes also reported in the MTE report for the region of Sicilia, Basilicata and Puglia).

Case studies in Germany (Sachsen) also show a generally positive impact on income. However, in 20% of cases a negative impact was noted. In Brandenburg

for example, farmers interviewed indicated that their income had declined, although the investments had helped to attenuate this decline in some situations. However, it should be noted that it is quite common for investments to initially have a negative impact on income. FAL (2001) note that between 40% and 60% of German beneficiaries in the 1994-1999 programming period noted an income improvement four years after investment compared to between 10% and 25% who noted a decline in impact. A similarly positive impact is expected in the longer-term in the current programming period.

Farm investments in the French Objective 1 regions (which tend to focus primarily on modernisation) are perceived to only have positive impacts on incomes in the long-term, and only in those cases where investments target financially sound businesses. This is problematic, particularly in Corsica (where over-indebtedness in holdings producing fruit and wine is a widespread problem) and La Reunion (where evidence of negative income effects on post-investment suggests that there is no obvious relationship between farm investments and income). In addition to these structural problems considerable 'sectoral' problems are also hampering the effectiveness of the investments. In sugarcane regions, for example, no impact on incomes is visible due to the general crisis in the sector. Overall, the impact of investments on income has so far been marginal.

Interview respondents in Spain, while acknowledging the potential of the measure to enhance performance and income, again indicated that the impact to date has only been marginally positive (with other factors external to the measure, such as the increase in input prices witnessed between 2000 and 2003, exerting a greater influence). Similarly in Belgium, the overall impact of the investments both inside and outside Objective 1 regions was reported generally positive albeit marginally so.

Interviews in Austria and Belgium revealed that no direct link between investments and income had been found (although the measure in Austria is thought to contribute significantly by maintaining holdings and improving liquidity which in turn helps to support incomes in the longer-term).

For Finland the situation is less clear, primarily due to the time lag between investment and impact. Even with careful quantification of the changes in income over time, the respondents anticipate that it will be difficult to separate changes from what would have naturally taken place in the absence of the investments.

Respondents from Ireland also reported that there was no evidence that farm investment measures had increased the incomes of beneficiaries. However, respondents highlighted the fact that the schemes were designed primarily to

enhance the environment and hygiene conditions and as such income improvement was not a stated objective of either scheme.

Judgement

Increasing income is not an objective of measures under this Chapter per se, but is implied through the objective to reduce production costs (see intervention logic) and to some extent through the objectives to increase quality and promote diversification²¹.

There is some evidence to suggest increases in income as a result of the measures under this Chapter, but not enough to draw a definitive conclusion across all Objective 1 areas. However, in some cases (e.g. Austria, Belgium) the link between investments and income improvements is yet to be proven. Several countries (e.g. Finland, Spain) also reported that the separation of scheme impacts from non-scheme effects (i.e. external factors) is likely to be problematic.

In most cases the lack of investment maturity at the mid-term stage meant that the positive impacts expected from this measure were not tangible. Furthermore it is widely anticipated that impacts from these investments are medium- to long-term in nature. To what extent this view has informed monitoring programmes is unclear but it is anticipated that the assessment of this measure will develop (or will need to develop) during the second half of the current programming period.

It is noted that in the case of Germany some negative impacts have been observed, but it is considered likely that these will be short-term (investments are usually based on business plans and the eventual outcome would have to be positive in order for a rational farmers to proceed, although not all investments will have income increases as an objective, for example, those targeted on improvements in working conditions).

CEQ I.2: To what extent have supported investments contributed to a better use of production factors on holdings?

Table 3.4 shows that just less than a third of the MTE reports in 7 of the 13 Member States where this question is relevant found that the measures under this Chapter made a positive contribution to the better use of production factors. In a further two

²¹ Whilst it is considered very likely that reductions in production costs will lead to increases in net income, increases in quality may also be used to safeguard supply and diversification may also be designed to spread risk across a wider range of activities.

cases it was too early to note an impact and in the remaining three cases it was not possible to extract a meaningful answer.

Table 3.4: Short answer to CEQ I.2

	De	Es	Fr	Gr	Ire	It	Pt	%
On balance a positive change			1		1			29%
Mixed according to circumstances								0%
Mixed according to region								0%
No change								0%
On balance a negative change								0%
Too early to note impact	1						1	29%
No meaningful answer possible				1		1	1	43%

The responses to this question were mainly collected from scheme monitoring data, surveys, and interviews with implementing authorities/scheme managers.

Spain appears to have experienced a positive change as a result of the scheme with agreement that a better use of production factors on-farm is one of the main aims of the investments supported. However, this is an aim and not an outcome and this finding will need to be verified at the ex-post stage. At the national level, Greece reports an increase in productivity of 22% and an increase in farm output of 62.4% in the Central Greece region. Interview respondents in Austria also indicated that the investments have contributed positively to the better use of production factors, although quantification was not possible.

Based on aspirational data from application forms, the likely impact of these measures in Portugal appears promising in that for Madeira an increase in output of 100% per hectare and 50% per Annual Work Unit (AWU²²) are given. For the mainland operational programme an increase of €17,000 in terms of Gross Value Added/AWU was anticipated, while for the regional programmes this indicator increased by between 9% and 16% according to the region.

Increased productivity is not a main aim of the measures in Ireland, although it is noted that both the Dairy Hygiene Measure and the Farm Waste Management

²² The number of hours to one Annual Work Unit (AWU) corresponds to the number of hours actually worked in a normal full-time job. The System of National Accounts states that full-time equivalent employment in a given country is defined as the total hours worked divided by the average annual number of hours worked in full-time jobs within the economic territory. (Definition source: http://europa.eu.int/comm/agriculture/envir/report/en/lex_en/report_en.htm#Glossaire).

measure should be contributing to better use of production factors due to investments in equipment and facilities. Neither scheme had been widely taken up at the mid-term stage.

Interview evidence from the German, French and Belgian respondents were not conclusive. For France there is some indication that investments have enhanced harvesting of sugarcane in Martinique (something that was previously done by hand). However, the lack of investment maturity prevented respondents in Germany and Belgium from drawing any firm conclusions at this stage.

Judgement

The better use of production factors is a means through which the objective to reduce production costs can be met and is an expected outcome from supported investments under the intervention logic.

There is a body of (mainly) qualitative and/or aspirational evidence to suggest that a positive impact in terms of the better use of production factors has or will transpire as a result of the measures under this Chapter. The extent of impact will be related to investment objectives and it is noted that increases in productivity are not always main project aims.

As with the previous question the lack of investment maturity at the mid-term stage appears to have prompted the delay in monitoring and evaluation. Again, it is likely that this aspect of the programme will need develop further in the second half of the programming period if this CEQ is to be adequately addressed.

CEQ I.3: To what extent have supported investments contributed to the reorientation of farming activities?

This question was answered in the MTE reports from 8 of the 13 Member States where it was considered to be applicable. Table 3.5 shows that in a quarter of cases a positive impact on the reorientation of farming activities resulted from the measures under this Chapter. Two MTE reports reported that the impact was mixed according to circumstance or region and almost 40% of reports provided no meaningful answer.

Table 3.5: Short answer to CEQ I.3

	Be	De	Es	Fin	Fr	Gr	Ire	It	%
On balance a positive change					1		1		25%
Mixed according to circumstances		1							13%
Mixed according to region			1						13%
No change	1								13%
On balance a negative change									0%
Too early to note impact									0%
No meaningful answer possible						1	1	1	38%

The responses to this question were taken mainly from monitoring data in Member States, with additional information from surveys and interviews with implementing authorities/scheme managers.

In Finland, 1.4% of assisted holdings introduced alternative activities in North Finland as a result of assisted actions and 1.2% in East Finland. However, investment subsidies in Finland were geared towards assisting investments in traditional activities. A quarter of respondents to a questionnaire in East Finland took more than 10% of their income from alternative activities, but time spent working on alternative activities was less than 10% in both Objective 1 regions.

Interviews in Portugal revealed that supported holdings before and after the investment displayed a significant concentration in specialised permanent crops (from 36.7% to 45.1%), specialised horticulture (5.3% to 11.5%) and specialised herbivorous production (11% to 17.3%), whilst non-classified activities decreased significantly from 23.2% to 0.8%. For Greece approximately 9% beneficiaries surveyed had introduced alternative activities.

In contrast MTE reports in Spain reveal that investments have not produced a re-orientation of activity, but they have altered the crops grown on supported farms. This has particularly been the case where the investment has involved the introduction or improvement of irrigation on farms (for example, in the region of Castilla y Leon). However, the percentage of farms changing their crop pattern varies greatly between regions from, for example, 53% in Castilla y Leon to 15% in Andalucia. A major re-orientation of activities has only occurred in those regions where rural tourism is a real alternative for farmers (for example, Asturias). Information gathered during the interview phase of this project confirms that little reorientation activity has taken place, primarily as most investment plans tackle

modernisation and/or production capacity. The lack of advisory services for farmers has been cited as a reason for the limited reorientation witnessed to date.

These findings were echoed by some Italian interview respondents (e.g. in Puglia) where most projects have focused on the improvement of farm structures and existing activities rather than reorientation. However, the Italian MTE reports tend to suggest that the measures have contributed positively to the reorientation of farming activities (although evidence is limited due to delays in implementation).

In Germany the impact was reported to vary according to the region concerned: in Brandenburg, output on assisted holdings remains unchanged while in Sachsen there has actually been some increase in production in surplus lines, although BMVEL (2004) note that the importance of direct marketing increases amongst beneficiaries and this is only possible if there is a market to sell to. Alternative activities have included tourism in Brandenburg, bio-gas plants in Sachsen and processing and direct marketing in Sachsen-Anhalt.

The re-orientation of activities was not a main objective of the measures under this Chapter in France. In the overseas districts, reorientation from sugarcane (and banana in Guadeloupe) towards commodities with local markets (livestock²³ and horticulture) was planned in the Single Programming Documents but is not currently taking place. In other overseas districts, several factors have combined to limit the use of EAGGF for diversification, including the lack of potential horticultural beneficiaries and the fact that the sugarcane industry has absorbed a significant proportion of the available funds. In Corsica reorientation activity has focused more on quality improvement (what is locally referred to as 'professionalisation', a concept which replaced 'modernisation' during the 1994-99 period). In Corsica reorientation has mainly been achieved through investments in agri-tourism whilst in Nord Pas de Calais it has been achieved primarily through the on-farm milk processing (but hardly any changes have been observed).

The respondents in Belgium reported that the investments had in some cases resulted in intensification rather than re-orientation and in other the programme had not impacted positively on surplus production. However, there is evidence that the role played by alternative activities has increased since the start of the programme.

²³ Livestock accounts already for approximately 30% in La Reunion and Guadeloupe but the national-level requirement of a structured commodity line receiving national counterpart funds is proving difficult to comply with.

Judgement

The re-orientation of farming activities is an objective of measures under this Chapter. Such a re-orientation may have the effect of securing employment and incomes and through the latter impact may help to increase economic viability (see intervention logic).

Whilst there is some evidence to suggest that measures under this Chapter have resulted in a re-orientation of farming activities (e.g. Austria, Portugal), this is by no means a universal finding. The measures have not necessarily had the objective of introducing alternative activities to farms²⁴ (with the notable exception of Portugal) when implemented and the results shown tend to reflect this. In some cases it is again too early to comment on whether objectives have been achieved.

It is apparent, particularly in the case of France and Italy, that some regions/Member States have varying definitions of 'reorientation' (e.g. quality improvements in existing products). Obviously the challenges faced in the French overseas districts are quite different to mainland Europe but this form of derogation is perhaps quite common (which makes the comparison of the measure between regions/countries complex). Additionally the schemes do not always specifically address 'reorientation' and as such it is likely that monitoring regimes are not geared to detecting the changes sought by this question.

CEQ I.4: To what extent have supported investments improved the quality of farm products?

This question was answered in the MTE reports from 7 of the 13 Member States where it was considered to be applicable. Table 3.6 shows that in only one case a positive impact on the quality of farm products resulted from the measures under this Chapter. In a further two cases the impact was mixed according to region, and in the remaining four it was considered either too early to note an impact or it was not possible to extract a meaningful answer.

²⁴ This finding links back to the two different types of investment noted by Agra CEAS Consulting (2003a) in the previous programming period, i.e. those concerned with more traditional farm restructuring with the intention of increasing efficiency and those concerned with newer issues such as improving animal welfare. In some regions/Member States the former type of investment dominates and in the others the latter.

Table 3.6: Short answer to CEQ I.4

	De	Es	Fr	Gr	Ire	It	Pt	%
On balance a positive change					1			14%
Mixed according to circumstances								0%
Mixed according to region			1	1				29%
No change								0%
On balance a negative change								0%
Too early to note impact		1				1		29%
No meaningful answer possible							1	29%

Answers to this question were based on scheme monitoring and survey data as well as interviews with implementing authorities/scheme managers.

Positive changes in quality were reported in the Greek MTE reports with 1.4% of assisted products being sold with quality labelling. Interview respondents in Austria also reported enhanced product quality as well as improved and better working conditions as a result of the investments. Historically individual farmers tended to use their own quality labels but the recent trend is towards the more organised use of labels and producer/marketing groups²⁵. Quality labels (such as the national wine quality 'AMA' label of Agrarmarkt Austria) have thus become more widely used in Austria, largely as a result of consumers demand (there are also numerous voluntary regional labels).

For Spain, results are mixed by region but there does appear to be some improvement in the quality of some products, for example milk. Interview respondents confirmed that the measure has already impacted positively on the quality of farm products, particularly in those sectors where transformation has already taken (or is taking) place or where there is close contact between farmers and rural agri-food industries.

Similarly in Germany previous evaluations in Sachsen suggest that an improvement in milk quality can be expected as a result of supported investments. However, for the current programming period of the 55% of surveyed beneficiaries in Brandenburg who gave quality improvement as an objective of their investment only 5% had obtained a quality label as a result of assisted actions.

²⁵ 45% of beneficiaries and 40% of total funds at the mid-term stage had been disbursed to holdings involved in the production of wine.

For Ireland, low scheme uptake and the relatively immature status of investments at this stage means that tangible impacts are yet to fully materialise. However, interview respondents indicated that the Dairy Hygiene Scheme does enable farmers with poor quality milk to improve quality and remain in production. Furthermore the scheme ensures continued compliance with the Dairy Hygiene Directive (92/46/EEC). Similarly in France (Nord Pas de Calais) investments into dairy facilities (predominantly buildings) have led to improvements in the sanitary quality of milk on small farms.

Interview evidence from Finland and Portugal suggests that investments have only contributed to increasing quality indirectly. In Finland investments have focused primarily on the enlargement and modernisation of production capacity and in Portugal quality improvements are not a specific objective of the measure.

Judgement

Increasing product quality is an objective of measures under this Chapter and is likely to be derived via modernisation of the beneficiary holding and better use of production factors (see intervention logic), although quality improvements can also be a direct aim.

Overall it appears that investments directed at improving product quality are having a positive impact, both directly and indirectly. However, the evidence at this stage is limited and more time is needed to fully assess the extent of the improvements.

In some cases (e.g. Ireland) farm investment measures have clearly led to cross-compliance with European legislation (i.e. the Dairy Hygiene Directive 92/46/EEC). This has, in the case of Ireland, enabled some enterprises to remain viable (which may not have been possible in the absence of the assistance).

CEQ I.5: To what extent has the diversification of on-farm activities originating from supported alternative activities helped maintain employment?

This question was answered in the MTE reports of 8 of the 13 Member States where it was considered to be applicable. Just under 40% of MTE reports showed a positive impact in terms of the maintenance of employment, with a further quarter of reports noting that the impact was mixed according to circumstances and region. The remaining 38% of reports noted that it was too early to provide an answer (Table 3.7).

Table 3.7: Short answer to CEQ I.5

	Be	De	Es	Fin	Fr	Gr	Pt	UK	%
On balance a positive			1	1		1			38%

change									
Mixed according to circumstances		1							13%
Mixed according to region					1				13%
No change									0%
On balance a negative change									0%
Too early to note impact	1						1	1	38%
No meaningful answer possible									0%

The most commonly cited source of information used to answer this question was scheme monitoring data. This was supplemented with information from national data sources, modelling results, surveys, focus groups, semi-structured interviews with stakeholders, and interviews with implementing authorities/scheme managers.

Positive impacts (to varying degrees) were reported by several Member States. In East Finland, 442 full time equivalent (FTE) jobs had been maintained and 81 had been created by the mid-term stage. In both cases the balance of jobs maintained/created was in favour of women (54% of the jobs maintained and 73% of the jobs created involved women). Overall, the rate of job maintenance in East Finland was 1.24 per supported holding for men and 1.49 per supported holding for women. In terms of job creation, the corresponding rates were 0.14 per supported holding and 0.36 per supported holding, respectively. In North Finland, 122 FTE jobs had been maintained and 31 FTE jobs had been created by the mid-term stage. The balance of jobs maintained/created in North Finland was again marginally in favour of women. Overall, the rate of job maintenance in this region was 0.52 per supported holding for men and 0.62 per supported holding for women. In terms of job creation, the corresponding rates were 0.14 per supported holding and 0.15 per supported holding, respectively.

For Greece, positive impacts were experienced in East Macedonia and Thrace (18 FTEs), West Macedonia (662 AWU), Central Macedonia (an increase in employment of 0.14%), West Greece (2.35%) and Central Greece (15.4%).

Interview respondents in Spain reported that diversification so far has been minimal and has mainly involved 'rural' rather than 'agricultural' diversification. This is particularly the case in Objective 1 areas where very few diversifying activities have been implemented by farmers. Overall, the impact on employment is thus thought to be positive, albeit marginal.

For other Member States (Belgium, Portugal, UK, Italy) initial evidence also appears promising, although it was generally too early in the life of the measures for a definite positive impact to have materialised. In the UK, early results are generally positive, but variable across the programmes: in South Yorkshire output progress was on track with 23 FTEs created and 134 jobs safeguarded (against mid-term targets of 120 and 360, respectively); in the Highlands and Islands programme 8.5 FTEs had been created with 395 jobs forecast to be safeguarded²⁶. However, in Northern Ireland, output data were not available since no projects had been implemented at the mid-term stage.

Similarly, the Portuguese mainland programme achieved an increase of 11,504 AWU among the supported holdings whilst in the regions the increase in employment varied between 2.3% and 32.7%.

A more variable impact was reported in the French and Germany MTE reports. In France, limited survey evidence from three regions suggests that employment maintenance stems largely from the support of small (but viable) dairy enterprises and not from diversification. Elsewhere, interview evidence from Corsica indicates that investments involving agri-tourism have helped to maintain employment, both for beneficiaries and associated non-beneficiaries (e.g. those providing horse-riding facilities). The situation in the French overseas districts is more complex due to high rates of redundancy, non-viable small farms, and illegal agricultural workers from neighbouring countries. For Germany, the impact was seen to depend largely on the type of farm involved and the type of change involved (for example, rationalisation, enlargement, new activities).

Finally, interview respondents in Austria reported that the overall trend between 2000 and 2003 was towards specialisation. This is largely a reflection of the project selection mechanism employed since specialised enterprises are prioritised for assistance (i.e. they are more likely to be sustainable/viable compared to non-specialised activities). However, specialised farms (e.g. those involved in wine or vegetable production) tend to have large seasonal labour requirements and this tends to be met through the employment of seasonal workers from other countries (such as Hungary or Poland). Nevertheless increasing specialisation and improved production/harvest techniques has led to the demand for more specialised skills (but it was not stated where the persons with these skills are recruited from).

²⁶ The evaluators for the Scottish 'Highland and Islands Special Transitional Programme' point out that the monitoring of projects commences one year after the final grant has been paid. As a result, the benefits of the actions are likely to have been underestimated at the MTE stage as output data had only recently started to become available.

Judgement

Maintaining employment is not an objective of measures under this Chapter, although it is an expected consequence of an increase in activity on-farm (see intervention logic).

The evidence available with which to address this question suggests that a limited, but generally positive impact on job maintenance and creation as a result of the diversification of on-farm activities resulting from supported alternative activities had been realised by the mid-term stage. However, results at the regional level are often quite mixed, but the overall trend is encouraging. It should be noted that for some regions (for example, Scottish Highlands and Islands, Portugal) outcome estimates are based on application data and as such are aspirational. Furthermore, in some other cases (for example, Highlands and Islands) there appears to be a delay in impact monitoring of up to one year. With this in mind it is likely that a more complete overview of the impact of the investments under this Chapter will only be possible at the *ex-post* stage.

As with CEQ 1.3 the interpretation of diversification appears to vary with some measures supporting, for example, the restructuring of existing activities (e.g. France), specialisation (e.g. Austria) and in some cases non-agricultural diversification (e.g. Spain), which again makes comparison between regions/countries problematic. In this respect there appears to be a disconnect between the beneficiaries targeted by the measures and the level of information demanded by the CEQ (i.e. CEQs under this Chapter relate mainly to the farm holding whereas some measures target the wider rural economy and not restricted to agricultural activities).

CEQ 1.6: To what extent have supported investments facilitated environmentally friendly farming?

The MTE reports in 8 of the 13 Member States where this question was considered to be applicable provided an answer. The majority (63%) indicated that the measures had had a positive impact in terms of contributing to environmentally friendly farming. In one case the impact varied according to region, as Table 3.8 demonstrates.

Table 3.8: Short answers to CEQ I.6

	De	Es	Fin	Fr	Gr	Ire	It	Pt	%
On balance a positive change	1	1	1		1	1			63%
Mixed according to circumstances									0%
Mixed according to region				1					13%
No change									0%
On balance a negative change									0%
Too early to note impact									0%
No meaningful answer possible							1	1	25%

Evidence from monitoring data and interviews with implementing authorities/scheme managers was used to address this question. This was supplemented in some situations with information from national data sources, surveys, and semi-structured interviews with stakeholders.

The Finnish MTE reports indicate that approximately 3% of all holdings (n=20,970) have made environment related investments. Of these, approximately half in East Finland and three-quarters in North Finland involved waste and excess manure management. Overall 95% of supported holdings improved the storage/land spreading of farm manure.

Interview results from the two Irish operational programmes also reveal a positive situation with approximately three-quarters of assisted holdings having improved the storage of farm manure and over 90% having improved landspreading of farm manure. The Irish MTE evaluators also reported synergy between the regional operational programmes and the national programme with roughly half of all beneficiaries under this Chapter also participating in the national agri-environment scheme REPS (Rural Environmental Protection Scheme).

Positive environmental impacts were also reported for Greece (59% of assisted holdings), Spain (24% of assisted holdings in Extremadura), Germany²⁷, Italy (environmental improvement made on approximately 120,000 m² of animal housing), France²⁸ and Portugal (21% of beneficiaries in the Alentejo region introduced environmental improvements relating to water).

²⁷ This contrasts with the previous programming period where only 1% of supported investments concerned the environment (FAL, 2001)

²⁸ Interview respondents in the French overseas districts also reported that the sugarcane sector is believed to mitigate soil erosion since some producers might turn to alternative activities (which have greater potential to cause soil erosion) in the absence of the support.

Finally, several Member States (including Finland, Ireland, France, Spain, Austria, Italy, Portugal) highlighted the role played by scheme eligibility rules and Good Farming Practice in ensuring that investments under this Chapter meet statutory environmental standards and thus help to deliver positive outcomes for the environment.

Judgement

An objective of measures under this Chapter is to preserve and improve the natural environment. This is likely to be achieved through the better use of production factors and may also occur through general modernisation of the beneficiary holding (see intervention logic).

In summary there is good evidence to suggest that supported investments have facilitated more environmentally friendly farming. The evidence shows that environmental benefits are being factored into investments and that positive environmental benefits have already been detected and should continue to build as uptake increases and schemes mature. However, it is likely that this objective is being partially met through Good Farming practice and other statutory environmental controls. Consequently therefore the separation of outcomes (i.e. those which result purely from the investments and those resulting from statutory controls) is complex.

Nevertheless there is good evidence to suggest that the investments have directly resulted in positive environmental outputs and even where measures do not directly address environmental concerns it is encouraging that environmental protection is often a condition of support.

CEQ I.7: To what extent have supported investments improved production conditions in terms of better working conditions and animal welfare?

Table 3.9 presents short answers to this evaluation question which was answered in 7 of the 13 Member State MTE reports in which the question is considered to be applicable. Around 40% of MTE reports noted that the measures had had a positive impact on working conditions and/or animal welfare. In one case the impact differed regionally and in just under a third of cases it was considered too early to note an impact.

Table 3.9: Short answer to CEQ I.7

	De	Es	Fin	Fr	Gr	Ire	It	%
On balance a positive change		1	1		1			43%
Mixed according to circumstances								0%
Mixed according to region					1			14%
No change								0%
On balance a negative change								0%
Too early to note impact	1					1		29%
No meaningful answer possible							1	14%

Evidence for this question was drawn from scheme monitoring data and was supplemented with evidence from interviews with implementing authorities/scheme managers.

Positive impacts on working conditions and animal welfare were reported in several member States:

- In **Spain** the evidence suggests a moderate and variable impact according to the regions, although the overall effect has been positive (particularly with regard to working conditions). Overall survey evidence shows that the majority of farmers, ranging from 52% in Extremadura to 100% in Castilla-La Mancha and Galicia, consider the investments to have improved animal welfare.
- In **Finland** animal welfare was considered to have improved with 90% of the animals on assisted holdings benefiting from improved conditions. However, most of the improvements are perceived to be indirect as none of the investments had enhanced animal welfare as their main aim (i.e. improvements occur mainly as a result of new animal housing/equipment acquired mainly for reasons other than animal welfare). Working conditions were already good and as such the investments made by the mid-term stage had little further direct impact.
- In Greece, 16% of animals on assisted holdings benefited from improved welfare as a result of assisted actions.
- Interview evidence from Austria indicates that improvements in grape pressing techniques have led to improvements in working conditions on assisted holdings. Furthermore the majority of the investments involved animal housing (which is assumed to have also indirectly enhanced animal welfare).
- In Italy (Campania) it was reported that positive impacts, albeit indirect ones, on both working conditions and animal welfare had been seen on assisted holdings.
- In Portugal and Belgium positive impacts were reported, but the extent to which they were caused by activities going beyond statutory hygiene and animal welfare regulations was unclear.

Elsewhere (e.g. Germany, Ireland, France) the potential for assisted investments to impact positively on working conditions and animal welfare is recognised and anticipated, but it was too early at the mid-term stage for these impacts to have manifested themselves. That said, in the previous programming period in Germany some 50% of supported investments were concerned directly or indirectly with animal welfare (FAL, 2001).

A more varied situation was reported for the French overseas districts. For example, interviews in Corsica revealed that working conditions are poor but this issue generally receives little attention. Consequently new farm buildings financed under the project often do not bring substantial improvement. Animal welfare is likely to have improved as a result of the investments, although the actions tend to focus on improved hygiene and sanitary quality (such as improved on-farm slaughtering facilities).

As with the previous CEQ several Member States (including Spain, Finland, Portugal, Belgium, Ireland) highlighted the role played by scheme eligibility rules and Good Farming Practice in ensuring that investments under this Chapter meet statutory rules concerning working conditions and animal welfare. Interview respondents in Austria, for example, cited the importance of the farm advice service in Burgenland which assesses working conditions/workplace safety as part of the investment process. Evidence from Ireland also indicates that many assisted investments have taken place in facilities that already met prevailing health and welfare standards (i.e. it is likely that investments in some situations are helping beneficiaries to exceed statutory obligations concerning working conditions and animal welfare).

Judgement

There is no explicit objective to improve working conditions on farms through measures under this Chapter, although there is explicit mention of the need to preserve and improve hygiene conditions, which might be considered a proxy for certain aspects of working conditions, and animal welfare. That said, working conditions are likely to improve through general modernisation and the better use of production factors (see intervention logic).

Overall most MTE reports recognised the potential for supported investments to enhance working conditions and animal welfare and some positive impacts had already been detected by the mid-term stage. However, the role played by statutory legislation in these areas needs to be borne in mind when attempting to attribute the actual causes of change. Furthermore working and animal welfare conditions were likely to have varied considerably between Member States prior to programme inception (for example in Finland). As such it might be expected that

gains in some countries might be relatively marginal as standards were already high. Nevertheless, the assisted investments have already led to improvements and these should continue to accrue as projects are completed.

The role of farm advisory services were cited as being of particular importance in ensuring that improvements to working conditions and animal welfare are maximised. Whilst qualification or quantification of this aspect is not sought by the CEQs it may be of interest to determine the extent to which such advice impacts on outputs, particularly in those cases where improvements exceed levels specified by statutory legislation.

It should be pointed out that these impacts stem from the investments made and not the fact that they were supported. However, the extent to which there is deadweight in that investments of a similar magnitude and with similar timing would have been made in the absence of support is not clear.

3.2.1.4. Chapter summary

The objectives of this measure are to reduce production costs; improve and re-deploy production; increase quality; preserve and improve the natural environment; hygiene conditions and animal welfare standards; and, promote the diversification of farm activities.

There is mid-term evaluation evidence from some regions/Member States to suggest increases in income and a positive impact in terms of the better use of production factors as a result of support under this Chapter, for example, improvements in productivity in Greece and Portugal.

Whilst evidence from Finland and Greece suggests that measures under this Chapter have resulted in a re-orientation of farming activities, this is by no means a universal finding.

A generally positive impact on job maintenance and creation has been realised as a result of the diversification of on-farm activities resulting from supported activities, although there is considerable regional variation. In Portugal, for example, increases of between 2.3% and 32.7% in terms of Annual Work Units were noted depending on the region.

The issue of deadweight was little addressed in the MTE reports, most likely because the nature of many of the specified indicators does not explicitly request a consideration of this. This means that we cannot comment on the extent to which deadweight is present. It is also important to bear in mind that investments

sometimes require a longer time period in which to demonstrate expected impacts and that therefore impact of the supported investments, and as a result the impact of the measure, may be underestimated at the mid-term point.

Overall the evidence suggests that investments directed at improving product quality are having a positive impact, both where this is a direct objective of the supported investment and also indirectly, for example, in the case of Ireland where support for dairy hygiene helps ensure continued compliance with the Dairy Hygiene Directive 92/46/EEC.

There is evidence from a range of regions/Member States (for example, Italy, Finland, Ireland, Greece, Spain, Germany, France and Portugal) to suggest that supported investments have facilitated more environmentally friendly farming. Positive environmental benefits are often supported investment aims (whether this is a main aim or otherwise) and positive outcomes have been reported. Even where measures do not directly address environmental concerns the need to comply with minimum environmental standards should have ensured that investments were at least environmentally neutral and as such these standards are successful in terms of protecting the environment.

The potential for supported investments to enhance working conditions and animal welfare is widely recognised and some positive impacts have been detected. However, where there has been a positive impact on animal welfare this has, in most cases, been indirect. The role of farm advisory services was cited as being of particular importance in ensuring that improvements to working conditions and animal welfare are maximised.

3.2.2. Chapter II: Setting up of young farmers

3.2.2.1. Measure objectives

Aid for the establishment of young farmers was previously available under Regulation 950/97 in the 1994 to 1999 programming period. Implementation was altered slightly under Regulation 1257/99 with an increase in the support ceiling from €15,000 to €25,000 and an increase in the proportion of support payable for aid granted under Chapter I: Investments on farm (Agra CEAS 2003a).

Regulation 1257/99 contains no objectives relating to this measure, although it is presumably intended to reduce the average age of the farming population through facilitating farm transfer. The Regulation states that setting-up aid to facilitate the establishment of young farmers shall be granted under the following conditions:

- the farmer is under 40 years of age;
- the farmer possesses adequate occupational skills and competence;
- the farmers is setting up on an agricultural holding for the first time.

As regards the holding:

- economic viability can be demonstrated; and,
- minimum standards regarding the environment, hygiene and animal welfare are complied with.

The farmer must also be established as the head of the holding.

The setting-up aid can either be a single premium up to €25,000 (see above) or an interest subsidy on loans taken up to cover costs arising from setting up.

3.2.2.2. Intervention logic

Need/problem	Ageing of the farming community and decrease in the share of young farmers
Measure	Financial support for the setting up of young farmers plus additional farm investment support for young farmers
Expected results	Costs of setting up partially compensated -> incentive to set up
Expected impacts at the level of the beneficiary holding	<p>Establishment of young farmers facilitated</p> <ul style="list-style-type: none"> • Facilitation of structural adjustment of young farmers' holdings after the initial establishment • Earlier setting up of young farmers
Expected impacts on the agricultural sector in general	<ul style="list-style-type: none"> • Increased number of young farmers setting up as heads of holdings • New skills, energy, adaptability and professional management are brought into the farming sector • Increased competitiveness and flexibility to respond to new opportunities
Expected impacts on the rural society	<ul style="list-style-type: none"> • New skills, energy, adaptability and professional management are brought into the rural community • Maintenance/creation of employment • Maintenance and reinforcement of viable social fabric in rural areas
Possible positive interactions with other Chapters	<ul style="list-style-type: none"> • It is likely that there is a positive relationship between this Chapter and Chapter IV: Early Retirement and Chapter III: Training, although in the latter case this will depend on the nature of the training available. Vanslebrouck, <i>et al</i> (2002) point out the relationship between (young) age and willingness to participate in agri-environment schemes suggesting possible synergy with Chapter VI: Agri-environment. There will also be a positive interaction with measures under other Chapters where these have differential payment rates resulting in a higher proportion of support for young farmers (for example Chapter I).
Possible conflicts with other Chapters	<ul style="list-style-type: none"> • None.

3.2.2.3. Common Evaluation questions

CEQ II.1: To what extent has the aid for setting up covered the costs arising from setting up?

This question was answered in 6 of the 12 Member State MTE reports where it was considered to be applicable. In a half of these cases it was considered that setting up aid covered the costs of setting up to a satisfactory extent. In a further third of cases it was not possible to provide a meaningful answer. Seventeen percent of MTE reports considered it too early to provide a judgement at this stage in programme implementation.

Table 3.10: Short answers to CEQ II.1

	Es	Fin	Fr	Ire	It	Pt	%
On balance a positive change	1	1	1				50%
Mixed according to circumstances							0%
Mixed according to region							0%
No change							0%
On balance a negative change							0%
Too early to note impact				1			17%
No meaningful answer possible					1	1	33%

Evidence used to address this question was drawn from a range of sources including scheme monitoring data, interviews with implementing authorities/scheme managers, national data sources, surveys, and semi-structured interviews.

Positive impacts were reported in several Member States. In Finland the ratio between setting-up aid and actual setting-up costs ranged between 50% in East Finland and 55% in North Finland. In Spain, a survey of beneficiaries (3% of all beneficiaries; 70% of Cantabria beneficiaries) revealed that on average the aid covered 57% of total costs (N.B. it is likely that this figure is lower when costs not covered by the measure are removed). However, large regional variations have been observed, with beneficiaries in Castilla-La Mancha reporting that the aid covered approximately one third of setting-up costs whilst in Murcia it was closer to 100%. Some Italian regions (e.g. Sicilia, Basilicata, and Puglia) reported positive impacts, however for other regions assistance had either been delayed or had not been implemented.

The situation in other Member States was less clear. In France, for example, positive impacts are anticipated but no quantitative information was available. In the 1994-1999 programming period, ASCA (2001) pointed out that the extent to which setting up aid covers setting up costs in France varied by sector (higher where the sector is more capital intensive, for example, horticulture), by size (small farms are favoured

by design) and location as land prices differ regionally. In Ireland late programme inception²⁹, low uptake, and delays caused by the outbreaks of Foot and Mouth Disease (FMD) and BSE meant that tangible outputs at the mid-term stage were limited.

Judgement

An implicit objective of this measure must be to at least partially compensate young farmers for the cost of setting up and by so doing provide an incentive to set up. This should result in the earlier setting up of farmers (see the intervention logic).

Whilst the evidence base appears robust, the number of regions providing information is extremely limited. However, where evidence is available (for example, Finland, Spain) setting-up aid appears to be covering a minimum of 50% of the costs arising from setting-up.

For several Member States delayed programme inception (in combination with other severe external problems) severely restricted the amount of information available at the mid-term stage. As such ongoing monitoring of schemes (as well as the *ex-post* evaluation) should help to validate conclusions drawn at the mid-term stage.

CEQ II.2: To what extent has the setting-up aid contributed to the earlier transfer of farms (to relatives versus non-relatives)?

This question was answered in 7 out of 12 Member State MTE reports. More than forty percent of the reports noted that there had been a positive impact in the earlier transfer of farms. In the same percentage of cases it was not possible to extract a meaningful answer. No change was reported in 14% of cases.

Table 3.11: Short answers to CEQ II.2

	Be	Es	Fin	Fr	Gr	Ire	It	%
On balance a positive change		1	1			1		43%
Mixed according to circumstances								0%
Mixed according to region								0%
No change					1			14%
On balance a negative change								0%
Too early to note impact								0%
No meaningful answer possible	1						1	43%

²⁹ The Installation Aid Scheme was only co-funded from May 2003.

The evidence used to address this question was drawn largely from scheme monitoring data and interviews with implementing authorities/scheme managers. Some additional information was obtained from national data sources and surveys.

Setting-up aid was reported to have had a positive impact on reducing the average age of transferees and/or transferors in assisted transfers in several Member States. The Finnish MTE report, for example, indicates that the average age of *transferees* in both East and North Finland was marginally younger at 29.3 years compared to a national average of 29.6³⁰. The average age of *transferors* in East and North Finland was 58.4 years and 58.1 years, respectively (compared to a national average of 57.5 years). For Spain the proportion of beneficiaries aged less than 25 years of age was 41.6%. The French MTE report also notes a positive impact in encouraging the earlier transfers of farms.

Elsewhere (Ireland, France, Belgium and Italy) it was not possible to quantify an impact at the mid-term stage for a variety of reasons (e.g. lack of baseline information, delayed implementation). Overall, however, the predominantly qualitative information in the MTE reports suggests a broadly positive situation.

Judgement

One of the central objectives of this measure should be to encourage the earlier transfer of farms which should in turn reduce the average age of those in the agricultural sector (see the intervention logic).

The limited and predominantly qualitative evidence that is available suggests that the interventions have contributed to the earlier transfer of farms, albeit marginally so.

It is likely that the schemes will obtain sufficient maturity by the *ex-post* stage to allow for a more meaningful analysis.

CEQ II.2.A: To what extent has the setting-up aid contributed to the earlier transfer of farms (to relatives versus non-relatives)...in particular, how significant was the synergy with the aid for early retirement in achieving such an earlier transfer?

This question was answered in 5 of the 12 Member State MTE reports where it was considered to be applicable. The majority of MTE reports (60%) noted that there had been synergy with measures under Chapter IV: Early retirement. In one case it was

³⁰ However, the evaluators point out that a purely National setting-up aid scheme has been operational in Finland since 1983. The simultaneous adoption of both the EU co-funded and National scheme is likely to make evaluation of this aid in Finland problematic.

considered too early to note an impact and in another case was not possible to extract a meaningful answer (Table 3.12).

Table 3.12: Short answer to CEQ II.2A

	Es	Fin	Fr	Ire	It	%
On balance a positive change	1	1	1			60%
Mixed according to circumstances						0%
Mixed according to region						0%
No change						0%
On balance a negative change						0%
Too early to note impact					1	20%
No meaningful answer possible					1	20%

The evidence for this question was obtained mainly from scheme monitoring data, interviews with implementing authorities/scheme managers, and surveys.

Limited evidence of the combined use of measures under this Chapter with those under Chapter IV: Early retirement was found in the MTE reports for Finland, Spain and Ireland. The Finnish report estimates that 70% of the beneficiaries of setting-up aid had replaced beneficiaries of early retirement aid. Simultaneous scheme uptake was also reported to have impacted positively by reducing the average age of the transferee. In East and North Finland the average age of assisted transferees was 27.1 years and 26.8 years, respectively. This compared favourably to the average age of all young farmers receiving setting-up aid (29.5 years in East Finland and 28.8 years in North Finland).

In Spain the age of farmers in situations where setting-up aid and early retirement aid were used simultaneously were 2.5 years younger compared to transfers which just involved setting-up aid (27.6 years versus 30.1 years).

A positive situation was also reported by Ireland, although it was too early to determine the true impact of the scheme. For example, 58.8% and 55.5% of beneficiaries of the Installation Aid Scheme in the South Eastern and Border, Midland and West region, respectively, are also transferees in the Early Retirement Scheme (ERS). However, at the national level in Ireland, the ratio between the average age of assisted transferees (replacing assisted transferors) and average age of all young farmers receiving setting up aid was 29:27 at the end of 2002. Whilst the report highlights a significant level of synergy between Early Retirement Scheme and the Installation Aid Scheme it was deemed too soon to assess the true impact of the scheme since it had only been co-funded since May 2003.

FAL (2001) report from the previous programming period in Germany that, depending on the region, the assistance had no impact on the decision to transfer the holding in between 35% and 70% of cases. In between 20% and 55% of cases, again depending on region, the support brought forward transfer by at least one year. There is no information in relation to this issue from the German MTE reports.

Judgement

Bringing forward the transfer of farms is likely to be facilitated by the use of support for early retirement alongside this measure (see intervention logic).

Overall there is some evidence of a positive synergy between setting-up aid and aid for early retirement in achieving the earlier transfer of farms. Evidence from three Member States (Spain, Ireland and Finland) indicates that transferees benefiting from both schemes tend to be younger (by approximately 2 years) which suggests that the schemes in combination are contributing to the earlier transfer of farms. However, evidence is restricted to a few Member States and consequently it is not possible to say whether these findings hold across all Objective 1 regions.

CEQ II.3: To what extent has the aid influenced the number of young farmers of either sex setting up?

This question was answered in the MTE reports of 8 of the 12 Member States in which it was applicable. In half of the reports the measures were considered to have had a reasonable influence on the number of young farmers setting up. In almost 40% of MTE reports the impact depended on the region, whilst in one case it was considered too early to note an impact.

Table 3.13: Short answers to CEQ II.3

	De	Es	Fin	Fr	Gr	Ire	It	Pt	%
On balance a positive change	1		1		1		1		50%
Mixed according to circumstances									0%
Mixed according to region			1		1			1	38%
No change									0%
On balance a negative change									0%
Too early to note impact							1		13%
No meaningful answer possible									0%

The evidence for this question was predominantly drawn from scheme monitoring data, interviews with implementing authorities/scheme managers, and surveys.

Positive impacts were reported by several Member States. In Finland, for example, the proportion of assisted male young farmers under the age of 30 years was 44.7% in East Finland and 43.4% in North Finland. The corresponding proportion of assisted female young farmers was 38.1% and 45.7%, respectively.

Much of the available information for this CEQ focuses on the impact that the scheme has had on female beneficiaries. Using this perspective the scheme appears to have been particularly successful at creating opportunities for women. For example, in Greece, the proportion of assisted females was 31% and in Italy most regions reported a positive impact on uptake by women (e.g. in Sicily 32% of young farmers installed were female).

Elsewhere, uptake by women varied between regions. In France (Nord Pas de Calais) the proportion of women setting up a farm is 10% compared to a national average of 20%. However, the evaluators highlight the fact that the mixed impact is likely to reflect regional demography and eligibility rules (rather than the level of financial aid available). In contrast, La Reunion reports that ratio of women to men has started to increase. In Spain, large differences were reported between some regions with Castilla y Leon, for example, reporting that just 8.6% of beneficiaries were female and Galicia 41.7%. The MTE report from Portugal also reported a very mixed situation with female beneficiaries accounting for 42.2% of the total in the mainland, 10.5% in the Azores and 34.5% in Madeira. In Ireland the proportion of female beneficiaries at the MTE stage at the national level was 4% (N.B. implementation in Ireland was delayed until May 2003).

Judgement

There is no consideration of gender relating to this measure in Regulation 1257/99 and therefore any differential impacts by gender will not be the result of provisions in the RDR.

Overall it appears that the aid has had a positive influence on the number of young farmers (of either sex) setting up. However, the evidence in the mid-term reports indicates that the situation at the regional level is variable and with the ratio of male to female beneficiaries being determined by factors other than the level of aid available (such as demography and eligibility). Notwithstanding this it is clear that the scheme has impacted positively in those regions for which data were available and it is likely that these benefits will continue to accrue as schemes mature.

CEQ II.4: To what extent has the setting up of young farmers contributed to safeguarding employment?

Table 3.14 presents short answers to this question which was answered in 7 of the 12 MTE reports from Member States where it was considered applicable. The vast majority (71%) of the MTE reports noted that measures under this Chapter had made a positive contribution to safeguarding employment. In the remaining cases it was not possible to extract a meaningful answer.

Table 3.14: Short answers to CEQ II.4

	De	Es	Fin	Fr	Gr	Ire	Pt	%
On balance a positive change	1	1	1		1		1	71%
Mixed according to circumstances								0%
Mixed according to region								0%
No change								0%
On balance a negative change								0%
Too early to note impact								0%
No meaningful answer possible					1		1	29%

The evidence used to address this question was obtained largely from scheme monitoring data, interviews with implementing authorities/scheme managers with some supplementary information from surveys.

Evidence of a positive impact on setting-up aid contributing to safeguarding employment was reported in several Member States including Finland, Spain, Portugal, Greece, and some German programmes. In Finland, for example, the number of full-time equivalent (FTE) jobs maintained or created was 461 and 366 in East and North Finland, respectively (of this 15% were women in East Finland and 18% in North Finland). In Spain, the national report concludes that setting-up aid is one of the main contributors to the maintenance and creation of employment in the entire programme. The report goes on to say that the majority of young farmers installed by the scheme create farm investment plans and it is anticipated that these will further contribute to employment stabilisation in the future. Positive impacts on employment were also reported in the MTE reports from Portugal (mainland, Madeira, and Azores), Greece (national), and Germany. FAL (2001) note that between 10% and 15% of supported holdings in Germany could not have been secured as main occupational farming without support in the 1994-1999 programming period.

For France the MTE report mentions that the main impact to date has focused on maintaining jobs rather than job creation. The role of the measure in job creation in the 1994-1999 programming period was also felt to be insignificant (ASCA, 2001). The same author notes that the impact in the wider rural community was also limited. The impact in the French overseas districts is reported to be minimal (predominantly due to limited implementation).

In Ireland the evaluators highlighted that the majority of installed farmers are young, relatively well educated and have entered enterprises with relatively good incomes (e.g. dairy) and as such the potential for employment maintenance and creation appears good.

Judgement

Although employment is not set out as an objective of this measure, installing young farmers clearly has an impact on employment as far as they are concerned, although if these farmers are simply replacing older farmers then there will be no net effect.

Even with limited evidence it does appear that the aid has already contributed positively to safeguarding employment and is likely to continue doing so as schemes mature. However, there was no evidence of main-occupational farming having been secured. That said, it is not clear that this result will hold across all Objective 1 regions.

3.2.2.4. Chapter summary

Although not stated explicitly in the RDR, the implicit objective of this measure, based on Article 8 of Regulation 1257/99, is to facilitate farm transfer thus reducing the average age of those in the sector.

The evidence provided by the evaluation indicates that support covers upwards of one third of setting up costs (Castilla-La-Mancha, Spain) rising to almost all of the costs (Murcia, Spain), although it is more typically around 50%. Qualitative evidence also suggests that the interventions have contributed positively to the earlier transfer of farms, albeit very marginally.

There is evaluation evidence from some regions/Member States of positive synergy from a few regions/Member States between setting-up aid and aid for early retirement in achieving the earlier transfer of farms. For example, evidence from Finland and Spain indicates that transferees benefiting from both schemes tend to

be marginally younger which might suggest that the measures in combination contribute to an earlier transfer of farms compared to the operation of the measure in isolation.

Whilst it is clear that young farmers set up with support under this measure, the extent to which the existence of the support influences their decisions is not known and as a result it is not possible to attribute causality to the scheme itself. In terms of gender, whilst a varying proportion of young farmers are female, the majority are male in all regions/Member States.

Even at the mid-term stage evidence suggests that the measure has made positive contributions to the safeguarding of employment, although, as is indicated above, the extent to which the measure is the cause of young farmers setting up is generally not known. However, in Spain in particular and southern Europe in general, this measure is reported to be one of the main contributors to the maintenance and creation of employment across the programmes.

3.2.3. Chapter III: Training

3.2.3.1. Measure objectives

Training is covered under Article 9 of Regulation 1257/99 where it states that “*support for vocational training shall contribute to the improvement of the occupational skill and competence of farmers and other persons involved in agricultural activities and forestry activities, and their conversion*”.

Training is in particular designed to:

- prepare farmers for qualitative reorientation of production, the application of production practices compatible with the maintenance and enhancement of the landscape, the protection of the environment, hygiene standards and animal welfare and acquisition of the skills needed to enable them to manage an economically viable farm; and,
- prepare forest holders and other persons involved in forestry activities for the application of forest management practices to improve the economic, ecological or social functions of forests.

Gasson and Hill (1996) point out that higher levels of training are associated with greater on-farm innovation and technology transfer. The RDR offers farmers the opportunity to diversify away from strict agricultural production and, in order to facilitate scheme take up, it is important that potential participants have the skills necessary to undertake these actions. The training element of the RDR can therefore be seen as a means through which to facilitate measures under other Chapters.

3.2.3.2. Intervention logic

Need/problem	<ul style="list-style-type: none"> • The evolution and specialisation of agriculture requires an appropriate level of general, technical and economic training for people involved in agricultural and forestry activities. This includes new approaches to management, production and marketing. In addition, farmers need to be educated and informed about agricultural methods compatible with the environment.
Measure	<ul style="list-style-type: none"> • Financial support for attendance and for the organisation and provision of courses of instruction and training
Expected results	<ul style="list-style-type: none"> • Improved occupational skills and competence of training course participants
Expected	<ul style="list-style-type: none"> • Improved economic viability of the farm thanks to

impacts at the level of the beneficiary holding	<p>management course</p> <ul style="list-style-type: none"> • Improved employment conditions for training course participants • Increased income for beneficiary farmer • Improved on-farm hygiene and working conditions
Expected impacts on the agricultural sector in general	<ul style="list-style-type: none"> • Synergy with other measures of the rural development programme • Facilitated adaptation of agriculture and forestry (conversion/reorientation/improvement)
Expected impacts on the rural society	<ul style="list-style-type: none"> • Maintenance and enhancement of landscapes and the environment, beneficial agricultural/forestry production methods • Improved hygiene and animal welfare standards • Improved economic, ecological or social functions of forests • Improved rural income • Maintenance/creation of employment • Maintenance and reinforcement of viable social fabric in rural areas
Possible positive interactions with other Chapters	<ul style="list-style-type: none"> • There is a clear positive relationship between measures under this Chapter and those under Chapter II: Young Farmers. Depending on the nature of the training being offered there is also likely to be an positive link with Chapter I: Farm Investment. It is, again, depending on the nature of the training, possible that there is a positive link with Chapter VI: Agri-environment, Chapter VII: Investments in Processing and Marketing, Chapter VIII: Afforestation of Agricultural Land and Chapter IX: Promoting the adaptation and development of rural areas.
Possible conflicts with other Chapters	<ul style="list-style-type: none"> • None.

3.2.3.3. Common Evaluation Questions

CEQ III.1: To what extent are the assisted training courses in accordance with needs and coherent with other measures of the programme?

Short answers to this evaluation question are presented in Table 3.15. The question was answered in 5 of the 13 MTE reports from Member States where this question was considered relevant. Sixty percent of these reports found that the assisted training courses are in accordance with needs and are coherent with other measures in the

programme. In one case the impact was mixed according to region and in another it was not possible to extract a meaningful answer.

Table 3.15: Short answer to CEQ III.1

	De	Es	Fin	Fr	Gr	Pt	%
On balance a positive change	1	1	1				60%
Mixed according to circumstances							0%
Mixed according to region					1		20%
No change							0%
On balance a negative change							0%
Too early to note impact							0%
No meaningful answer possible						1	20%

The main sources of evidence used to address this question included scheme monitoring data, surveys, focus groups, and interviews with implementing authorities/scheme managers.

Evidence from the MTE reports in Finland indicates a close match between identified needs and the implementation of assisted training courses. Almost 20,000 people have participated in training courses during the current programming period. The share of assisted training accommodating gaps, weaknesses or potential opportunities identified during programming/ex-ante evaluation was 79% and 88% in East and North Finland, respectively. The nature of these courses also appears to demonstrate good coherence with other measures within the programme with 18% of the courses focusing on quality issues, 10% on environment, animal welfare, and hygiene issues, and 7% on forestry management (see Table 3.16).

Table 3.16: Breakdown of assisted participants in training courses in the Finnish operational programmes (2000-2006)

Course theme	No. beneficiaries: East Finland	No. beneficiaries: North Finland	Total	%
Quality issues	1,508	1,997	3,505	18%
Environment, animal welfare, hygiene	1,387	586	1,973	10%
Business skills	6,635	488	7,123	36%
Forestry management	310	997	1,307	7%
Other topics	1,397	4,220	5,617	29%
Total	11,237	8,288	19,525	

Source: NUTEK (2003a), NUTEK (2003b).

The Finnish reports also show that the share of assisted training accommodating issues identified as gaps/weaknesses or potential/opportunities due to i) the type/mix of participants; ii) the topic/contents of the courses; and iii) related to co-financed actions of other Chapters of the programme is estimated to be <30%, 50-70% and 10-15%, respectively.

Evidence from the German MTE reports also indicates that assisted training courses in these regions have on the whole fulfilled needs, whilst also displaying coherence with other elements of the programme. For example, there is a focus on quality improvement in Brandenburg and management skills in Thüringen. However, the evaluators suggest that some of the training priorities in Mecklenburg-Vorpommern (for example, tractor driving licence, practical skills) are questionable. Above all, the evaluators stress the importance of a better implementation of the assisted training courses, which are currently running behind schedule in several regions. Similarly, evidence from Galicia in Spain (which accounts for some 60% of the total expenditure under this measure) indicates that implemented courses match closely with needs identified in the formulation of the RDP³¹. The Portuguese reports indicate that the components of the training measure correspond reasonably well with training needs.

The situation in France was again reported to be more mixed. In those regions where courses had been implemented at the mid-term stage (for example, Nord Pas de Calais and Guadeloupe) the scope of the training was very limited with few participants (less than 200). However, the courses appear to display a good degree of coherence with the rest of the programme by focusing on quality, landscape, environment and animal welfare. Some issue regarding eligibility were reported in some regions (Nord Pas de Calais) and in Corsica there is uncertainty as to which source of funding (EAGGF or ESF) had been used.

Judgement

Training offered should be in accordance with needs based on the design of the measure and should in particular be relevant to the opportunities created through the Rural Development Regulation. That said, the extent to which training is required to confer these skills will require *ex ante* consideration at the Member State/regional level (see Appendix 3).

Although limited to a few Member States evidence clearly suggests that assisted training courses have been tailored to meet previously identified needs and they do exhibit good coherence with most of the other measures in the programme

³¹ Courses have been implemented in other regions (for example, Castilla La Mancha, Cantabria, and Asturias) but evidence for this CEQ was only available from Galicia.

(although evidence from Finland indicates that the share of training offered which relates to other Chapters is relatively small). The assumption is that the situation is likely to be similar across most Member States (i.e. the lack of information at the mid-term stage is likely to reflect the lack of monitoring/evaluation rather than the absence of demand for training or the lack of coherence with other measures of the programme). It is anticipated that a more complete picture will emerge as the programme matures and training regimes become more fully and more widely implemented.

CEQ III.2: To what extent have the acquired skills/competence helped improve the situation of the trainees and of the agricultural/forestry sector?

Table 3.17 presents short answers to this evaluation question which was answered in the MTE reports of 5 of the 13 Member States in which the question was considered to be applicable. In only one report was it concluded that assisted training courses had helped to improve the situation of the trainees. In a further case the impact was mixed according to region and in the remaining 60% of cases it was not possible to extract a meaningful answer.

Table 3.17: Short answers to III.2

	De	Fin	Fr	It	UK	%
On balance a positive change		1				20%
Mixed according to circumstances						0%
Mixed according to region	1					20%
No change						0%
On balance a negative change						0%
Too early to note impact						0%
No meaningful answer possible			1	1	1	60%

Evidence for this question was drawn from scheme monitoring data (supplemented in some MTE reports with national data, survey data, focus groups, and semi-structured interviews with stakeholders), and interviews with implementing authorities/scheme managers.

Only Finland provided substantive evidence of a positive impact. It was estimated overall (East and North Finland combined) that 80% of assisted trainees experienced job improvement as a result of assisted training courses. Of this, the vast majority (99%) were farm/forest holders and 1% were employees. In terms of the nature of the improvement, 20% received better remuneration as a result of the training and 20% experienced improvements in non-pecuniary job quality.

The Finnish reports also note a positive impact on the conversion, re-orientation, and improvement of holdings. Overall it was estimated that 25-30% of holdings with assisted trainees initiate changes (a summary of these changes is provided in Table 3.18).

Table 3.18: Breakdown of changes by trainees following assisted training courses in the Finnish operational programmes (2000-2006)

Nature of change	East Finland	North Finland
New/additional activities	12%	51%
Improved quality/hygiene/added value concerning existing activities	13%	7%
Management related	59%	6%
Environmental benign methods/practices	12%	7%
Farming	97%	88%
Forestry	3%	12%

Source: NUTEK (2003a), NUTEK (2003b).

In the UK (South Yorkshire) 70% of the 1,431 training beneficiaries (6.4% of the target number) received a qualification. Of this, 9.1% of beneficiaries were women. However, progress towards meeting the target for qualifications at the mid-term stage was poor.

The MTE reports from Germany also reported that positive impacts had been observed. However, these impacts varied between regions and the low level of implementation at the mid-term stage had perhaps restricted the full potential of the measure.

Judgement

Whilst it is not an explicit objective of measures under this Chapter to help improve the situation of trainees, this is an expected consequence (see intervention logic).

While evidence is limited the situation appears positive with roughly three-quarters of training beneficiaries receiving qualifications and/or experiencing job improvements. It is our view that the initial focus on training is likely to have been on implementation and delivery (which was compounded by delays in implementation) and consequently evaluation evidence in the MTE reports is somewhat limited. Nevertheless it seems reasonable, in our opinion, that a representative sample of beneficiaries would provide the information necessary to answer this CEQ without incurring unreasonable costs and it is therefore anticipated that a more complete picture should emerge by the *ex-post* stage.

3.2.3.4. Further Evaluation Questions

FEQ III.3a: To what extent is the training measure used for promoting: the application of production practices compatible with the maintenance and enhancement of the landscape

Interview respondents in Austria, Finland and France reported that the maintenance and enhancement of landscape had not featured significantly in the training measures by the MTE stage. In Finland, for example, roughly 95% of holdings do benefit from compulsory landscape-related training, albeit resulting from participation in agri-environment schemes (which are funded under EAGGF-Guarantee and not EAGGF-Guidance).

Evidence from interview respondents in France also reported that very little EAGGF money has been used for training in Objective 1 programs, mainly because ESF funding is available to fulfil this need. Nord Pas de Calais is the exception, however the measure is not operational due to technical difficulties relating to eligibility criteria. Elsewhere (e.g. Corsica) it appears that contracts, rather than actual training, are used to promote landscape conservation and training measures relating to landscapes appear to have been excluded in the French overseas districts

In the UK (South Yorkshire) interviews respondents reported that the schemes have so far assisted over 800 individuals involved in agriculture/forestry (of which over 300 were working towards a qualification). In contrast, in Northern Ireland only a small percentage of all beneficiaries received training relating to maintenance and enhancement of the landscape.

Judgement

The (limited) evidence for this question suggests that these issues are not being addressed as a priority under this Chapter. However, there was little direct evidence to suggest that these issues have been addressed by other Chapters, except in the case of Finland where 95% of holdings had benefited from training resulting from participation in agri-environment measures under Chapter VI). This is not an unexpected finding considering that participation in agri-environmental measures demands a good degree of knowledge pertaining to the maintenance and enhancement of the landscape.

FEQ III.3b: To what extent is the training measure used for promoting: the protection of the environment

Interview respondents in Austria, Finland and France indicated that training measures under this Chapter tend not to deal with protection of the environment. In Finland, for example, only a small proportion (10%) of the training budget had been spent on addressing these issues. In contrast interview respondents in Northern Ireland reported that around 20% of training beneficiaries had received training relating to this issue (of 38,636 total trainee days 7,800 related to courses which specifically addressed environmental issues).

Judgement

As with the previous question, it is evident that the training measure is only used for promoting the protection of the environment in a very limited way. In most cases agri-environment measures have been employed to address this objective. However, it is possible that the lack of available data may be concealing the true picture and a more thorough analysis of course attendance and course content might well yield more activity in this area than is suggested by the evidence provided above.

FEQ III.3c: To what extent is the training measure used for promoting: Hygiene standards and animal welfare

In countries where specific training has taken place (e.g. Portugal, Finland, Northern Ireland) the number of assisted trainees is low (ranging from 7% in Finland to 0.3% in Northern Ireland). Interview respondents in Austria indicated that the relatively low number of livestock holdings means that training has tended to focus on management skills rather than on hygiene and animal welfare (although it is anticipated that positive impacts on hygiene standards and animal welfare will accrue, albeit indirectly, from this training).

Judgement

The evidence suggest that training addressing hygiene standards and animal welfare is taking place, albeit at a very low level. This is a surprising finding considering that such issues often attract considerable attention from both consumers and legislators. As with earlier questions it is possible that other RDP measures are being used to address these objectives. However, there no evidence was offered to suggest that this is the case.

Again it is possible that the lack of available data may be concealing the true picture and a more thorough analysis of course attendance and course content

might well yield more activity in this area than is suggested by the evidence provided above. It is also possible that demand for this type of training may have increased since the mid-term evaluations were conducted (e.g. as a result of the introduction of cross-compliance).

FEQ III.3d: To what extent is the training measure used for promoting: Management skills

Interview evidence from Austria indicates that the focus of training under this chapter has been on management skills. Elsewhere, there is also evidence that clearly indicates that training in management skills has been extensively promoted by the programmes. For example, management skills training absorbs approximately 60% of the Finnish training budget and involves 55% of training beneficiaries in Northern Ireland. In Portugal almost 1,000 trainees have received training in this area. Interview respondents in France again indicated that the ESF rather than EAGGF is used for training in Objective 1 programmes.

Judgement

Whilst the evidence base is limited it is apparent that training in management skills has comprised a significant proportion of training delivered under this Chapter to date, although for some some regions/Member States (e.g. Northern Ireland, Austria, Finland) the relative absence of quantitative evidence at the MTE stage tends to reflect a lack of monitoring/evaluation (rather than the absence of training).

Overall, the assumption is that this focus on management skills derives from the actual assessment of training needs and is thus a response to the general need to broaden the skills base of people involved in agriculture and forestry. However, more detailed analysis (either from on-going monitoring results or ex-post evaluation) might reveal a more heterogeneous picture than is suggested by the above findings (i.e. there may in reality be marked differences between say Northern and Southern Europe and/or Member State due to differing needs and priorities).

3.2.3.5. Chapter summary

Training within the RDR is designed essentially to facilitate access to the other available measures. Monitoring data from the CAP-IDIM system records the areas in which training is offered where it is funded through EAGGF Guarantee, but does not monitor training carried out within Objective 1 regions. The absence of this monitoring information obviously reduces the evidence available with which to address the use of this measure. However, there is clear evidence from some regions/Member States (for example, Finland, Germany and Spain) to suggest that

assisted training courses have been tailored to meet previously identified needs and they do exhibit coherence with the other measures in the programme.

Evidence from some regions/Member States (for example, Finland and the UK) suggests that acquired skills/competence have helped to improve the situation of the trainees and of the agricultural/forestry sector with roughly three-quarters of training beneficiaries receiving qualifications and/or experiencing job improvements.

3.2.4. Chapter VII: Improving processing procedures and marketing of agricultural products

3.2.4.1. Measure objectives

Support for investments in the processing and marketing of agricultural products has been available in one form or another 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, 2004). Gellynck and Viaene (2002) note the importance that the processor is market-oriented in order to take advantage of support under these measures.

Regulation 1257/99 states that *"support for investment shall 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"*. Support must contribute to one of the objectives set out below:

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

Enterprises for which support is given must be able to demonstrate economic viability and must comply with minimum standards regarding the environment, hygiene and animal welfare. Further, the investment must contribute to improving the situation of the basic agricultural production sector in question and the producers of these basic

products must have an adequate share of the resulting economic benefits. Finally, evidence must be shown to demonstrate that normal market outlets can be found for the products concerned.

The total amount of support given must not exceed 40% of the total eligible investment, although this rises to 50% in Objective 1 regions.

3.2.4.2. Intervention logic

Need/problem	<ul style="list-style-type: none"> • Need for improvement and rationalisation of the processing and marketing conditions of agricultural products
Measure	<ul style="list-style-type: none"> • Financial support for investment in the processing and marketing of agricultural products
Expected results	<ul style="list-style-type: none"> • Improved or rationalised marketing channels or processing procedures • Improved use of production factors • Development of new outlets for agricultural products • Improved presentation and preparation of products
Expected impacts at the level of the beneficiary enterprise	<ul style="list-style-type: none"> • Reduced costs • Increased income on beneficiary enterprise • Increased competitiveness • Production takes place in line with expected market trends, adaptation to market evolution • Increased added value of the agricultural products in question • Better use or elimination of by-products or waste, more efficient use of natural resources • Improved quality • Improved health conditions
Expected impacts on the agricultural sector in general	<ul style="list-style-type: none"> • Improved situation of the basic agricultural production sector in question • Assured or improved demand for and price of basic agricultural products • Co-operation developed between producers of basic agricultural products and processing/marketing stages
Expected impacts on the rural society	<ul style="list-style-type: none"> • Improved environment, hygiene and animal welfare standards (because of integration of these issues into programme) • Improved working conditions for persons involved in processing and marketing • Improved rural income • Maintenance/creation of employment • Maintenance and reinforcement of viable social fabric in rural

	areas (assuming supported investments are located in such areas)
Possible positive interactions with other Chapters	<ul style="list-style-type: none"> It is possible that measures under this Chapter could provide a positive interaction with measures under Chapter I: Farm Investment. There could also be links with measures under Chapter IX: Promoting the Adaptation and Development of Rural Areas in that employment opportunities outside agriculture might be created.
Possible conflicts with other Chapters	<ul style="list-style-type: none"> None.

3.2.4.3. Common Evaluation Questions

CEQ VII.1: To what extent have the supported investments helped to increase the competitiveness of agricultural products through improved and rationalised processing and marketing of agricultural products?

This question was answered in the MTE reports from 7 of the 12 Member States where it was considered relevant. The short answers are presented in Table 3.19. In over 40% of cases the measures were considered to have helped to increase the competitiveness of agricultural products through improved and rationalised procedures. In two cases it was considered too early to note an impact and in other two reports was not possible to extract a meaningful answer.

Table 3.19: Short answers to CEQ VII.1

	Be	Es	Fr	Gr	It	Pt	UK	%
On balance a positive change		1	1	1				43%
Mixed according to circumstances								0%
Mixed according to region								0%
No change								0%
On balance a negative change								0%
Too early to note impact	1						1	29%
No meaningful answer possible					1	1		29%

Evidence for this question was drawn predominantly from scheme monitoring, supplemented with information from national sources and surveys, and interviews with implementing authorities/scheme managers.

Several Member States reported positive impacts. In Spain, for example, beneficiary surveys in Extremadura, Galicia, and Murcia (47%, 18%, and 48% of all beneficiaries,

respectively) indicate that the main impact at the mid-term stage was on production costs (which had decreased), predominantly as a result of new technology which had increased capacity utilisation. The programme had also helped to enhance expansion into new markets and the development of new products. However, the enhancement of more rational processing and marketing procedures (for example, via the adoption of ISO quality assurance standards) was quite variable with higher rates of adoption in Cantabria (57%) and Castilla-La Mancha (36%) and lower rates in Extremadura (17%) and Canarias (6%).

Interview evidence from Spain also indicates that the measure is widely believed to have increased competitiveness. However, the agri-food industries association (FIAB) reported that increasing competitiveness further would require a change in the current pattern of investment as well as investment in new technology. The Co-operatives Confederation (CCAIE) also indicated that the measure is crucial in increasing the competitiveness of agricultural co-operatives and their integration into modern marketing channels. However, it was generally felt that most investments should still focus on processing improvements (rather than on marketing issues).

Initial progress in the UK also appears promising. The South Yorkshire MTE report reported that 323 SMEs had initiated new practices/processes while in Scotland (Highlands and Islands) beneficiary firms had experienced a 34% increase in processing capacity. Interview evidence from the UK (Cornwall) also provides good evidence of more rational processing and marketing procedures as a result of supported investments in a range of different enterprises.

For Portugal it was reported that the trend in the adoption of more rationalised processing and marketing procedures was positive (although 83% of enterprises had no ISO certification) and that 68% of approved projects aspired to modernise and rationalise production. In France too supported investments have impacted positively on the processing and marketing of agricultural products, particularly as a result of modernisation activities in overseas districts.

Interview respondents in Austria reported that the bulk of funds have been spent on the establishment of producer groups for the joint processing and marketing of wine which have contributed positively to improving the competitiveness of the wine sector.

In Italy some positive impacts were reported (e.g. Basilicata and Puglia) although in general implementation had been delayed. Similarly in Belgium only 8% of the

envisaged expenditure under EAGGF had been committed at the mid-term stage and only nine enterprises has been assisted³².

Judgement

The main aim of measures under this Chapter is to increase competitiveness and added value through improvements and rationalisation of processing and marketing. The intervention logic expects the impact of measures to increase competitiveness in this manner.

Overall there is some very positive evidence to suggest that supported investments have helped to enhance the competitiveness of agricultural products (through improvements to and rationalisation of processing and marketing). In most cases the bulk of the improvements stem from technological investments which have improved and rationalised processing, although there is some evidence that supported producer groups have also enhanced marketing. It is likely that many investments were insufficiently mature at the MTE stage for post-investment monitoring/evaluation to have taken place. As such it is anticipated that these initially promising results will develop as the programme matures.

CEQ VII.2: To what extent have the supported investments helped to increase the added value and competitiveness of agricultural products by improving their quality?

Short answers to this question are presented in Table 3.20. The question was answered in the MTE reports in 6 of the 12 Member States in which it was considered to be applicable. In half of these reports the supported investments were considered to have helped to increase the added value and competitiveness of agricultural products by improving quality. In one case the impact depended on circumstances, in one it was considered too early to note an impact and it was not possible to extract a meaningful answer in the final report.

³² Lack of development in the agri-food sector in Belgium was mentioned as a specific issue affecting progress under this Chapter.

Table 3.20: Short answers to CEQ VII.2

	Be	Es	Fr	Gr	It	Pt	%
On balance a positive change		1	1	1			50%
Mixed according to circumstances						1	17%
Mixed according to region							0%
No change							0%
On balance a negative change							0%
Too early to note impact	1						17%
No meaningful answer possible					1		17%

Evidence used to address this question was drawn predominantly from scheme monitoring data (supplemented with information from national sources, surveys, semi-structured interviews with stakeholders), and interviews with implementing authorities/scheme managers.

Positive impacts on quality were reported by several Member States including France, Spain, and Greece. The MTE reports for all Spanish regions reported a positive impact, but quantitative data were restricted to the uptake of quality labelling (Extremadura 27%; 50% Castilla-La Mancha), measures pertaining to quality control (82% Extremadura), and measures to improve traceability (64% Extremadura; 31% Castilla-La Mancha). Interview respondents from Spain confirmed that the measures have had positive impacts on the quality of agricultural products and added that in most cases these improvements tend to result from enhanced compliance with retailers quality requirements, rather than the introduction of ISO systems or PDOs (Protected Designation of Origin).

In the UK (Cornwall) interview respondents reported positive impacts on the quality of products, predominantly as a result of improved production processes. In several cases the quality improvements have enabled the introduction of 'premium' products. These findings contrast those from the previous programming period where 48% of projects sampled in Scotland and Wales had improving quality as an objective, albeit often in order to meet required standards rather than in order to go beyond these standards (DTZ Pieda Consulting, 2002). The same authors report that 52% of sampled projects in Scotland and Wales added value as a result of assisted actions between 1994 and 1999.

Interview respondents from Austria reported an increasing trend towards the use of national wine quality labels and the development of producer and marketing organisations (i.e. co-ordinated 'group' activity that has increasingly replaced individual-level activity). For Greece it was reported that that 65% of assisted

marketed products are sold with a quality label and that there was an increase of 42% in value added in assisted processing and marketing lines.

In France evidence from the Nord Pas de Calais region indicates that investments have predominately focused on visual and packaging quality in a limited number of enterprises, five of which were implementing some form of quality project. Interview evidence from the French overseas districts indicates that quality improvements have been made in several areas. In La Reunion, for example, the programme supports products with higher added value (such as special types of sugar), and in Martinique higher quality rum production (using 'l'Appellation d'Origine Contrôlée' quality labelling) has been supported. In Corsica, the Objective 1 programme is reported to have had a very positive impact on tangerine production (particularly in terms of restructuring, modernisation, and quality) and it is anticipated that this success can be rolled-out into other commodities (such as pork, ewe cheese, and chestnuts). In Nord Pas de Calais measures are implemented in close co-operation with the regional council which has its own local quality label.

In Belgium and Italy, despite some positive evidence from some regional MTE reports (for example, a 4% increase in value added at the regional level in Belgium), it was generally too early to determine the true extent of the impact.

Judgement

Improving product quality is an objective of measures under this Chapter and such improvements are likely to result in increases in product value-added.

In some situations there is good evidence to suggest that producers are increasingly using regional/national labelling schemes (as well as other quality devices) and technology to differentiate and promote their products, and that these have already helped to increase the added value and competitiveness of agricultural products. Thus the (albeit limited) evidence hints that investments have performed well and should continue to produce positive outcomes as investments mature.

CEQ VII.3: To what extent have the supported investments improved the situation of the basic agricultural production sector?

The short answers to this question are presented in Table 3.21. The question was answered in the MTE reports of just 3 of the 12 Member States in which the question was considered to be applicable. In one report the supported investments appeared to have improved the situation of the basic agricultural production sector. In another it was considered too early to note an impact and it was not possible to extract a meaningful answer in the final case.

Table 3.21: Short answers to CEQ VII.3

	Es	Fr	Pt	%
On balance a positive change	1			33%
Mixed according to circumstances				0%
Mixed according to region				0%
No change				0%
On balance a negative change				0%
Too early to note impact			1	33%
No meaningful answer possible		1		33%

Scheme monitoring data and interviews with implementing authorities/scheme managers provided the evidence used to address this question. Supplementary data from national sources, surveys, and semi-structured interviews with stakeholders was also taken into account.

Interview evidence from Austria (Burgenland) indicates that since 2000 support has increasingly focused on the promotion of processing and marketing activities by groups rather than individuals (for which a 5% top-up in the level of aid is offered). This has led to greater involvement of producers of basic agricultural products in the processing and marketing stages. Additionally support for the most viable holdings (and areas) has helped to enhance the reputation of Burgenland wine which has in turn benefited the Burgenland wine sector as a whole. Overall wine exports have increased considerably, however it is not clear to what extent these changes can be attributed to rural development measures.

Interview respondents from France again highlighted the difficulty in identifying a causal relationship between investments under this Chapter and the basic production sector, mainly because beneficiaries often utilise several different sources of support simultaneously (both EAGGF and non-EAGGF). However, the two mainland regions had displayed a positive trend in the development of higher quality products.

Interview respondents in Greece and MTE evidence from Portugal also indicates that the establishment of formal long-term and multi-annual contracts (or equivalent instruments) between producers and processors has led to positive impacts in the basic agricultural production sector. Additional interview evidence from Portugal also indicates that investments under this Chapter have enhanced integration with the basic agricultural production. In some cases this effect is being optimised through the involvement of producer organisations and associations (as well as the

requirement to establish contracts for the totality of the raw materials used). Higher levels of support has also been available where the beneficiary provides technical assistance to the producers, which in turn helps to leverage quality improvements.

Interview respondents from Spain reported that investments are helping rural agri-food industries and co-operatives make improvements that are necessary to respond to demands from consumers and retailers. The use of medium- and long-term contracts between farmers and producers is again felt to have had a particularly beneficial impact. However, the investments do not appear to have had an impact on basic agricultural prices (which tend to be strongly influenced by factors external to the programme).

In the UK (Cornwall) assistance has led to the purchasing of greater quantities of raw materials (this has been particularly beneficial where processing involves premium quality products). DTZ Pieda Consulting (2002) note that some 78% of supported companies in Scotland and Wales increased the quantity of basic product used as a result of assisted actions in the 1994-1999 programming period.

Judgement

It is an important element of Regulation 1257/99 that assisted investments must contribute to improving the situation of the basic agricultural production sector. However, a number of issues are raised in relation to the specified indicator in Appendix 3 concerning the nature of the link between assisted actions and the basic production sector. Whilst it is likely that a relationship exists in terms of quantity demanded it is less clear that a relationship in terms of price should be apparent. The relative market power between the processing and production sectors is a key factor here. If producers are price takers then little impact on price should be expected. Also, it is possible that there will be a lag between supported investments and any impact on the production sector.

Evidence from interviews appears to highlight the importance of formal long-term and multi-annual contracts (or equivalent instruments) between producers and processors in delivering benefits to the basic agricultural production sector as well as leveraging quality and technological improvements. The existence of 'top-ups' in the level of assistance was also reported to have delivered additional improvements that might not otherwise have been realised.

In summary, there is some evidence that supported investments have improved the situation of the basic agricultural production sector, predominantly through the use of formal contracts between the basic agricultural production sector and processors. However, several Member States reported difficulties in establishing causal links

between the interventions and the changes that have been observed. On-going monitoring and evaluation may thus help to untangle those factors involved in the changes observed and reveal the extent of the ability of the interventions to induce change.

CEQ VII.4: To what extent have the supported investments improved health and welfare?

This question was answered in the MTE reports in only 3 of the 12 Member States where it was considered to be applicable. The results in Table 3.22 show that in two cases a positive impact on health and welfare was noted. The French report indicated that there had been no impact at the mid-term stage.

Table 3.22: Short answers to CEQ VII.4

	Es	Fr	Gr	%
On balance a positive change	1		1	67%
Mixed according to circumstances				0%
Mixed according to region				0%
No change		1		33%
On balance a negative change				0%
Too early to note impact				0%
No meaningful answer possible				0%

Evidence for this question was drawn predominantly from scheme monitoring data with supplementary information taken from national sources, surveys, and semi-structured interviews with stakeholders. Evidence from interviews with implementing authorities/scheme managers was also considered.

Positive impacts on health and welfare resulting from supported investments were reported by several Member States. In Spain, for example, regional evaluations conclude that the investments have had a positive impact, particularly on the nutritive and hygiene aspects of products (whereas the impact on working conditions and animal welfare was less marked). Beneficiary surveys, for example, revealed significant impacts on product hygiene in Castilla-La Mancha and Extremadura (26% and 82% of assisted investments, respectively), and on working conditions in Castilla-La Mancha and Canarias (42% and 84%, respectively). The importance of statutory minimum standards in achieving improvements was highlighted in several situations.

In the UK (Cornwall) respondents also reported that the investments have led to improvements in the nutritive and hygiene quality of products for human consumption. Additionally most investments are perceived to have positive knock-on impacts for animal welfare (e.g. reduced distances over which animals are transported to abattoirs).

Interview respondents in Austria indicated that improved working conditions were a common outcome of processing and marketing projects on wine holdings and fruit and vegetable producers (N.B. most beneficiaries of under this measure are wine producers). However, animal welfare is not a priority issue in Burgenland due to the relatively low number of livestock holdings (although indirect benefits are expected to accrue as a result of the programme).

Interview evidence from France revealed that most of the improvements in hygiene and animal welfare witnessed in Corsican meat sector, for example, are thought to be linked mainly with investments under Chapter 1: Farm investment (primarily as a result of improved slaughtering facilities) rather than investments under Chapter VII. Overall impact of assisted actions on health and welfare was reported to be neutral, largely because the objective of the investments, particularly in the overseas regions, was to simply meet minimum standards rather than go beyond them. However, regional slaughterhouse programmes have been implemented in two out of three regions (Corsica and Guyana) and it is anticipated that these will contribute positively, particularly in hygiene related matters.

Interview respondents in Spain and Belgium reported that support had led to positive impacts on working conditions (with a more limited impact in the case of animal welfare). The Greek MTE also mentions that approximately one-third of assisted investments incorporated actions relating to health and safety (and the implication is that some positive impact will accrue as a result).

Judgement

A positive impact on health and welfare is called for in the objectives of measures under this Chapter and is foreseen in the intervention logic as a result of this programming.

In general, the supported investments appear to have led to positive impacts, particularly on the nutritive and hygiene aspects of products and on workplace conditions. In contrast while limited positive impacts on animal welfare have been observed it is apparent that these are frequently indirect and more likely to be associated with investments under Chapter I: Farm investment. Overall the evidence suggests that the impact on health and welfare was neutral at the mid-term stage,

predominantly because investments have only assisted beneficiaries in meeting statutory minimum standards (rather than exceeding them). This may help to explain why investments to date appear to have impacted most heavily in the processing sector rather than in the basic agricultural production sector. Nevertheless the investments are clearly helping to bring about positive changes and further evaluation should reveal the extent to which benefits extend to other parts of the production chain.

CEQ VII.5: To what extent have the supported investments protected the environment?

This question was answered in the MTE reports for 4 of the 12 Member States where it was considered to be applicable. In the majority of cases a positive impact on the environment was recorded (75%). It was not possible to extract a meaningful answer in one case (Table 3.23).

Table 3.23: Short answers to CEQ VII.5

	Es	Fr	Gr	It	%
On balance a positive change	1	1	1		75%
Mixed according to circumstances					0%
Mixed according to region					0%
No change					0%
On balance a negative change					0%
Too early to note impact					0%
No meaningful answer possible				1	25%

This question was addressed predominantly using scheme monitoring data which was supplemented with information from national sources, surveys, and semi-structured interviews with stakeholders. Interview evidence from scheme managers and implementing authorities was also taken into account.

In France, 'green' investments have been made in two out of three regions. In Corsica, for example, survey data reveals that half of all beneficiaries made use of funds for environmental improvements. Disbursement of funds for environmental purposes had commenced in Nord Pas de Calais by the mid-term stage, but we were running well behind target (just 10% of the level anticipated). Interview evidence from France also indicates that investments have led to positive environmental outcomes, primarily as a result of improved waste management. Sugar production, for example, generates significant amounts of waste and the programme has been observed to have very positive impacts due to investments in

waste management. Sugarcane waste is also being utilised as a renewable energy source (approximately 25% of electricity in La Reunion is generated from this source). Support for the sugarcane sector also means that farmers are continuing to grow the crop and have not turned to alternative activities that may have more detrimental impacts on the environment (e.g. some crops may enhance the risk of soil erosion). Quality schemes have also had an indirect effect on the environment by introducing improvements in pesticide use (e.g. the use of pesticides in the production of tangerines is now being increasingly regulated).

Interview respondents from the UK (Cornwall) reported that the increasing demand for organic products has contributed to an increase in the processing/marketing of products produced by farmers respecting environmental obligations. Additionally it was reported that the vast majority of assisted operations relating to processing or marketing exceed minimum environmental standards (e.g. by taking into account the environmental effects of products after they leave the processing/marketing site). These findings represent a significant change since the previous programming period where it was noted by DTZ Pieda Consulting (2002) that environmental impacts were generally overlooked by scheme applicants (although only one case of detrimental impact was recorded).

Positive impacts were also recorded in Spain, Italy and Greece. In Spain (Asturias), 15% of supported investments had environmental improvement as their main objective. Elsewhere (Castilla-La Mancha, Extremadura, Canarias, Murcia and Galicia) a survey of beneficiaries concluded that positive environmental impacts had been realised as a result of the investments. Positive impacts were also reported for some Italian regions (e.g. Basilicata and Puglia). In Greece just under a third of assisted operations resulted in environmental improvements.

Judgement

Whilst protecting the environment is a specific objective of measures under this Chapter, there is also a requirement to comply with minimum standards relating to the environment. Where investments do not have environmental objectives the intervention logic expects at least a neutral outcome. Where investments do have environmental objectives, a positive outcome is anticipated.

There is limited evidence to suggest that environmental protection is a formally recognised in the project approval process and this has already led to positive environmental outcomes. However, the degree to which minimum standards (i.e. those which are external to the programme) are responsible for these improvements was unclear. Furthermore, it was not clear to which extent the improvements

observed result from direct or collateral³³ effects. Nevertheless there was no evidence of negative environmental effects and thus the programme appears to be well placed to leverage environmental benefits as part of the investment process.

3.2.4.4. Further Evaluation Questions

The Steering Group requested that an additional new evaluation question be investigated as part of the third stage of this evaluation. This question is discussed below where the analysis is derived from interviews with scheme administrators and other key actors.

FEQ VII.6 Does company size play a role in the effectiveness of the measure?

Most beneficiaries of the Austrian Objective 1 programme in Burgenland are wine farmers whose holdings tend to be relatively small (compared to dairy/meat processing companies). Overall there are large differences in the size of holdings in Burgenland and consequently it is unlikely that there is a strong relationship between effectiveness of the measures and holding size (although this has not been officially investigated)³⁴. Both the national evaluators and the programme managers feel that assistance in the next programming period (2007-2013) should not discriminate by favouring smaller holdings/companies. In contrast they feel that local and regional structural characteristics are more important compared to size and funding decisions should be made on this basis. The most important indicators when determining if support should be provided are sustainability, viability and competitiveness (and thus applicants should be assessed on a case-by-case basis).

The issue of competitiveness in Burgenland businesses holdings is particularly important due to the proximity to Eastern Europe (i.e. locations in Eastern Europe might become increasingly attractive, particularly for larger businesses). Interview respondents therefore felt that if an eligibility threshold regarding size was introduced in the next programming period it should be set such that larger companies are not excluded. However, it was also acknowledged that there are many innovative and sustainable local projects which seek support but which involve small volumes of investments and these should also not be excluded.

³³ Defined by the European Commission as "...programme effects that respond to the objectives of Regulation 1257/1999 without being explicit objectives of the particular rural development programme or side-effects of investments with another aim".

³⁴ The average size of supported holdings is bigger in the Northern part of Burgenland compared to the Southern part (primarily due to better production conditions in the North and the fact that holdings in this region are closer to large markets (i.e. Vienna)).

Respondents in France indicated that size is not an issue in several sectors (e.g. wine, sugar). Sugar processing enterprises in the overseas districts, for example, are highly concentrated and although large tend to be relatively small compared to global and regional competitors. Similarly enterprise size in the livestock sector (both in Corsica and the overseas districts) tend to be small 'nano-enterprises' which have high production costs (the largest pork processing enterprise has less than 30 staff). In Guadeloupe new slaughterhouse facilities are needed for several small islands and as such the size of the businesses involved will be relatively small compared to the larger island and mainland regions. Nevertheless the projects still deserve public support. In summary there are examples of positive impact in all sectors and for both large and small enterprises.

In Greece it was reported that impacts are related to company size with medium-sized companies (i.e. up to 50 employees) apparently achieving the best results. The perception is that such companies tend to have more rational processing and marketing procedures and have the largest share of products sold with quality labels.

Similarly in Spain it is generally recognised that company size can determine the level of impact. Small and medium companies, especially those located in rural areas, and co-operatives tend to depend more heavily on the assistance to execute their investments. In contrast, larger farms tend to have less reliance on the assistance and can often carry out their plans in the absence of funding. As it currently stands the measure is effective in delivering positive impacts, such as those relating to animal welfare and the environment, regardless of the size of company involved.

Again, in the UK (Cornwall) respondents indicated that there are economies of scale associated with investments. If, for example, investments were restricted to micro and SMEs the benefits would tend to return directly to producers. However, larger companies appear to have greater potential to maximise the effectiveness of investments (possibly because they are able to take more risks). It was assumed that increased size does lead to more rational processing and marketing procedures and changes in the processing/marketing costs per unit of basic product, although this could not be quantified. The impact on the use of quality labels was less clear as was the impact on the share of gross sales of basic agricultural products that are sold to outlets safeguarded or created thanks to the assistance. Finally, the investments are perceived to impact positively on workplace safety, animal welfare and the environment.

Judgement

The evidence provided tends to suggest that all investments, regardless of the size of the business involved, are capable of yielding positive outcomes. In many cases this appears to stem from the selection process, which ensures that only viable and sustainable enterprises are assisted, but also from statutory legislation which ensures that assisted enterprises meet statutory requirements. However, there was evidence from some regions/Member States (e.g. Greece, Spain) that the effectiveness of the measure does increase with company size. However, the issue of deadweight should be borne in mind as this might also be closely related to company size (although there was no evidence that this was the case in MTE reports).

3.2.4.5. Chapter summary

The objectives of this measure are to guide production in line with foreseeable market trends or 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 or waste; apply new technologies; favour innovative investments; improve and monitor quality and health conditions; and, protect the environment.

There is evidence from a wide range of regions/Member States to suggest that supported investments have helped to enhance the competitiveness of agricultural products. In many cases the bulk of the improvements stem from technological investments which have improved and rationalised processing procedures (for example, in the UK), although there is some evidence that support to producer groups has also enhanced marketing ability (for example, Austria).

There is also evidence to indicate that supported investments have helped to increase the added value and competitiveness of agricultural products through quality improvements. In some cases, for example in Spain and Portugal, producers are increasingly using regional/national labelling schemes (as well as other quality devices) and technology to differentiate and promote their products as a result of the support.

Interview evidence (from in particular Spain and Greece) highlights the importance of formal long-term and multi-annual contracts (or equivalent instruments) between producers and processors in delivering benefits to the basic agricultural production sector as well as leveraging quality and technological improvements. The existence of 'top-ups' in the level of assistance was reported in Austria to have delivered additional improvements that might not otherwise have been realised.

Positive impacts on health and welfare, particularly on the nutritive and hygiene aspects of products and on workplace conditions, have been observed as a direct result of measures in some regions/Member States (whereas positive impacts on animal welfare tend to derive from collateral effects). That said, whether the improvements noted here go beyond minimum standards is often unclear.

A positive impact on the environment was noted mainly as a result of the requirement to meet minimum environmental standards and there was no suggestion of any negative environmental impact.

The evidence in relation to company size is mixed with some regions/Member States reporting greater effectiveness for medium sized companies, for example companies with up to 50 employees in Greece, and others noting that larger companies were more likely to carry out investments unaided than smaller ones, for example, Spain.

Finally, it is also important to bear in mind that investments sometimes require a longer time period than currently available at the mid-term point in which to demonstrate expected impacts. The impacts noted at this time may therefore underestimate the impact in the longer-term which will be more apparent in the *ex-post* evaluation.

3.2.5. Chapter VIII: Forestry

3.2.5.1. Measure objectives

EU support for improving forestry structures has existed since 1964 (Court of Auditors, 2004). In 1992 support for the afforestation of (marginal) agricultural land was introduced as an accompanying measure³⁵ to the MacSharry reform of the CAP (European Commission, 2004). The initial rationale was therefore clearly one of providing support to farmers on marginal land. However, in 1998 an EU Forestry Strategy³⁶ was set out containing two guiding principles:

- a) forest management should be sustainable; and,
- b) forests have a multifunctional (ecological, economic and social) role

From the implementation of the RDR in 2000 the original rationale for forestry policy had therefore evolved to include environmental aims and the provision of public goods. Regulation 1257/99 states that “*support for forestry shall contribute to the maintenance and development of the economic, ecological and social functions of forests in rural areas*”. Support is designed to promote one or more of the following objectives:

- sustainable forest management and development of forestry;
- maintenance and improvement of forest resources;
- extension of woodland areas.

Six distinct measures are available in relation to support for forestry:

- afforestation of land not eligible under Article 31 (i.e. non-agricultural land) provided that such planting is adapted to local conditions and is compatible with the environment;
- investment in forests aimed at significantly improving their economic, ecological or social value;
- investment to improve and rationalise the harvesting, processing and marketing of forestry products; investment related to the use of wood as a raw material shall be limited to all working operations prior to industrial processing;
- promotion of new outlets for the use and marketing of forestry products;

³⁵ Council Regulation (EEC) 2080/92.

³⁶ Council resolution of 15 December 1998.

- the establishment of associations of forest holders that are set up in order to help their members to improve the sustainable and efficient management of their forests;
- restoring forestry production potential damaged by natural disasters and fire and introducing appropriate prevention instruments.

Support for the afforestation of agricultural land is also available, in which case an annual maintenance payment per hectare is made for up to five years, as is a per hectare premium to cover loss of income for a period of 20 years³⁷.

3.2.5.2. Intervention logic

Afforestation of agricultural land

Need/problem	<ul style="list-style-type: none"> • Increased afforestation results in positive impacts on the environment and human health (soil and water protection, limiting climate change etc.) and may mitigate the problem of overproduction in certain agricultural sectors
Measure	<ul style="list-style-type: none"> • Financial support for afforestation
Expected results	<ul style="list-style-type: none"> • Increased afforestation
Expected impacts at the level of the beneficiary holding	<ul style="list-style-type: none"> • Compensation for costs of afforestation and loss of income resulting from afforestation (land can no longer be used for agricultural production)
Expected impacts on the agricultural sector in general	<ul style="list-style-type: none"> • Reduced overproduction in certain agricultural sectors
Expected impacts on the rural society	<ul style="list-style-type: none"> • Increased supply of certain forestry products • Protection/enhancement of the environment and human health: soil and water protection; reduced carbon emissions due to the role of forests as a carbon sink • Maintenance/creation of employment • Contribution to the maintenance of a viable rural community
Possible positive interactions with other Chapters	<ul style="list-style-type: none"> • There are possible positive interactions between measures under this Chapter and Chapter VI: Agri-environment.
Possible conflicts with other	<ul style="list-style-type: none"> • There may be potential conflict with measures under Chapter V: Less Favoured Areas, as support for afforestation may

³⁷ This latter premium is not available for public authorities.

Chapters	conflict with the aim of maintaining agricultural production in LFAs. It is conceivable that afforestation of agricultural land could result in negative landscape impacts in certain circumstances thus resulting in a possible conflict between this Chapter and Chapter VI: Agri-environment (there is also a potential for double funding, see above) and Chapter IX: Promoting the Adaptation and Development of Rural Areas.
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Other forestry

Need/problem	<ul style="list-style-type: none"> • Need to maintain and develop the economic, ecological and social functions of forests in rural areas
Measure	<ul style="list-style-type: none"> • Financial support for certain forestry measures
Expected results	<ul style="list-style-type: none"> • Improved and rationalised harvesting, processing and marketing of forestry products • Enhancement of outlets for forestry products • Restoring forestry production potential damaged by natural disasters and fire
Expected impacts at the level of the beneficiary holding	<ul style="list-style-type: none"> • Maintenance and improvement of forest resources • Increased quality thanks to forest improvement measures • Sustainable and efficient forest management • More rational production of forest products (or services) • More activities and employment on holdings
Expected impacts on the agricultural sector in general	<ul style="list-style-type: none"> • Increased use of wood as a raw material • Introduction of appropriate instruments for the prevention of natural disasters and fire • Enhanced protective functions of forests (e.g. water bodies, agricultural infrastructure, erosion, avalanches, floods etc.)
Expected impacts on the rural society	<ul style="list-style-type: none"> • Improved economic, ecological and social functions of forests in rural areas Maintenance and improvement of the ecological stability of forests in certain areas, protection/improvement of habitat diversity, contribution to human health (e.g. soil and water protection; reduced carbon emissions due to the role of forests as a carbon sink) • Enhanced protective functions of forests (e.g. water bodies, erosion, avalanches, floods etc.) • Safeguarding the recreational value of rural areas/Increased attractiveness of area for local population and rural tourists • Maintenance/creation of employment; more activities in rural community, due to primary or secondary production on holdings or due to initial processing and marketing stages • Maintaining or increasing income in rural areas

	<ul style="list-style-type: none"> Contribution to the maintenance of a viable rural community
Possible positive interactions with other Chapters	<ul style="list-style-type: none"> The amenity value of woodland could provide a positive link with Chapter IX: Promoting the Adaptation and Development of Rural Areas.
Possible conflicts with other Chapters	<ul style="list-style-type: none"> None

3.2.5.3. Common Evaluation Questions

CEQ VIII.1.A: To what extent are forest resources being maintained and enhanced through the programme...particularly by influencing land-use and the structure and quality of growing stock?

This question was answered in the MTE reports of 8 of the 13 Member States where it was considered to be applicable. Table 3.24 shows that in around 40% of MTE reports measures under this Chapter were considered to have had a positive impact on influencing land-use and the structure and quality of growing stock. In one case the impact was mixed according to region and in a further three cases it was not possible to extract a meaningful answer.

Table 3.24: Short answers to CEQ VIII.1.A

	De	Es	Fr	Gr	Ire	It	Pt	UK	%
On balance a positive change	1			1		1			38%
Mixed according to circumstances									0%
Mixed according to region			1						13%
No change									0%
On balance a negative change									0%
Too early to note impact								1	13%
No meaningful answer possible		1			1		1		38%

The evidence used to address this question was taken mainly from scheme monitoring data (supplemented widely with information from national sources, surveys, and semi-structured interviews with stakeholders). Additional evidence from interviews with implementing authorities/scheme managers was also taken into account.

Positive impacts on the maintenance and enhancement of forest resources were reported by several Member States including Greece, Italy and Germany. In

Greece, modest areas of forest have benefited (ranging from 412 hectares in Attica and 350 hectares in Peloponnese to 67 hectares in Epirus and just 1 hectare in the North Aegean region), and in Italy several hundred hectares of assisted plantings have taken place in Sicily, Molise, Basilicata and Puglia. Positive changes were also reported in Germany, primarily relating to the afforestation of non-agricultural land and military land were mentioned in Sachsen.

In the Nord Pas de Calais region of France, 73 plantation projects had been programmed covering a total of 1,600 hectares. In this region the volume of standing timber had increased and some projects addressing quality had also been implemented. In Corsica, the scale of implementation was modest and most projects had concentrated on improving existing stands and access. In Guyana the majority of the EAGGF budget (90%) had already been programmed with the funds mainly targeting the sustainable harvesting of existing tropical forests.

In the UK there are some indications that positive impacts are already starting to accrue. In South Yorkshire, for example, 600 hectares has been subject to forestry resources (of which 28 hectares was newly afforested land and 167 hectares had been brought back into active management) and 26 forestry related enterprises had been assisted. In West Wales 2,113 hectares are now being managed in a sustainable manner. In Northern Ireland 1,742 hectares (or 6-14m³/hectare/year) had been planted and restocking projects are likely to produce similar annual increments. The proportion of broadleaved species had also increased from 61% in 2000 to 75% in 2002. In general it was too soon to assess quality.

Elsewhere, positive impacts were reported in some Spanish regions (Castilla-La Mancha, Galicia and Asturias), and the MTE report in Portugal reported that a limited amount of new planting/improvements were supported (for example, AGRO 77,076 hectares of new plantings, 31 hectares supported in Madeira; and, 18 hectares supported in the Azores).

In Ireland the Woodland Improvement measure (aimed at shaping and pruning) has been used across 1,769 hectares of broadleaved forest and 120 hectares of coniferous forest³⁸. In the BMW region only 57 hectares had been planted, but 1,168 hectares had been subject to improvement and 8,266 hectares reconstituted (total area under measures was 9,491 hectares which was ahead of the mid-term target). Corresponding data for the South East region was not available³⁹.

³⁸ However, budget cuts curtailed expenditure during 2003.

³⁹ The harvesting sub-measure in the Irish South East Region Operational Programme (SEROP) was facing N+2 difficulties at the MTE stage.

Judgement

One of the objectives of measures under this Chapter is the extension of woodland areas. This is to be achieved in Objective 1 areas through the afforestation of non-agricultural land.⁴⁰ Whilst this will result in increased quantity of forest production. Assessing the area of assisted plantings is straightforward, although as noted in comments on the indicators in Appendix 3, there may be a lag between provision of assistance and actual planting and this may lead to a degree of underestimation of impact.

It is not possible to generalise an answer across all Objective 1 territory based on the evidence here. Many regions have reported positive impacts and, due to the nature of the resource involved, these impacts are certainly going to accrue with time.

CEQ VIII.1.B: To what extent are forest resources being maintained and enhanced through the programme...particularly by influencing the total carbon storage in forest stands?

Limited evidence was provided by the MTE reports in France and Germany. In France, plantations are restricted mainly to the Nord Pas de Calais region where tree growth is likely to be slow and thus the programme contribution to carbon storage is assumed to be negligible. The impact was not quantified in any of the German MTE reports, although the overall impact was reported as being positive.

Judgement

The issue of carbon storage is not an explicit aim of forestry policy under the RDR, although carbon storage could be considered to be an ecological function of forests and as such this is covered implicitly. An impact on carbon storage from both afforestation and other forestry measures is foreseen in the intervention logic. The indicators with which to address this question are concerned with the period to 2012 and the post-2012 period. As is noted in Appendix 3, this is a little speculative, not least because future assisted plantings and other activities cannot be known at this point in time. Overall there was insufficient evidence to determine the influence of the measure on the total carbon storage in forest stands at the mid-term stage.

⁴⁰ Afforestation of agricultural land is supported throughout the EU through the EAGGF Guarantee fund.

CEQ VIII.2.A: To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development...by maintenance and encouragement of the productive functions on forests holdings?

Table 3.25 shows that around 40% of the MTE reports in 8 of the 13 Member States where this question is applicable found that the measures under this Chapter made a positive contribution to the maintenance and encouragement of the productive functions on forests holdings. In one case impact was mixed according to circumstances and in the remaining four cases a meaningful answer could not be drawn out.

Table 3.25: Short answers to CEQ VIII.2.A

	De	Es	Fin	Fr	Gr	Ire	It	Pt	%
On balance a positive change	1			1	1				38%
Mixed according to circumstances			1						13%
Mixed according to region									0%
No change									0%
On balance a negative change									0%
Too early to note impact									0%
No meaningful answer possible		1				1	1	1	50%

Scheme monitoring data provided the main information source for this question with some supplementary data being obtained from national sources.

Positive impacts overall were reported by Greece, Germany, France, and Finland. The most complete response was found in the Finnish reports (where the overall impact was reported to be mixed). By the mid-term point 91 projects aimed at enhancing the outlets for forest products had been supported in East Finland and 40 in North Finland. Of these, 43 of the projects in East Finland related to woodchip production (172,780 m³ per year) and 48 related to wood for energy purposes (58,449 m³ per year). Of the 40 projects in North Finland, 19 related to woodchip production (75,092 m³ per year) and 21 related to wood for energy purposes (38,620 m³ per year).

Elsewhere (Spain, Portugal, Italy and Ireland) the situation was less clear and overall no meaningful answer was possible at the MTE stage. In Spain, for example, the Castilla-La Mancha MTE report noted a weak positive impact, but elsewhere the productive functions on forest holdings was generally considered to be negligible, at

least at the mid-term stage⁴¹. The Border, Midland and West report from Ireland notes some evidence of increasing scale among those harvesting companies which have been supported. John Clegg & Co *et al* (2002) report that the scattered nature of assisted actions in England (UK) means that the likelihood of significant economic contributions to the local economy is small.

Judgement

Maintenance and improvement of forest resources is an objective of measures under this Chapter. The encouragement of productive functions is foreseen through a range of available measures and is an expected impact according to the intervention logic. Due to the nature of the resource involved impacts from interventions are only likely to accrue in the mid- to long-term. On going monitoring of these investments should therefore yield more evidence of their impacts with respect to this question. Overall the limited evidence suggests that the measure has had a positive (albeit marginal) impact on the maintenance and encouragement of the productive functions on forests holdings in some regions/Member States.

CEQ VIII.2.B: To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development...by maintenance and development of employment and other socio-economic functions and conditions?

Table 3.26 shows that in around 40% of cases, in the MTE reports from 7 of the 13 Member States where this question is relevant, a positive impact on the maintenance and development of employment and other socio-economic functions and conditions resulted from the measures under this Chapter. In a further two cases the impact was mixed according to either circumstances or region. The remaining two MTE reports yielded no meaningful answer.

Table 3.26: Short answers to CEQ VIII.2.B

	De	Es	Fin	Fr	Gr	Ire	It	%
On balance a positive change		1	1		1			43%
Mixed according to circumstances	1							14%
Mixed according to region				1				14%
No change								0%
On balance a negative change								0%
Too early to note impact								0%
No meaningful answer possible						1	1	29%

⁴¹ This question was not tackled by regions which represented a combined 43% of the total expenditure in this

The main source of evidence for this question was obtained from scheme monitoring data.

Evidence of positive impacts was reported by several Member States including Finland, Greece and Spain. In Finland, for example, the weight of evidence related to the maintenance and creation of employment. Overall the forestry programme had maintained 372 FTE jobs (255 in East Finland and 117 in North Finland) and created 343 FTE jobs (222 in East Finland and 121 in North Finland) and over 100 small-scale wood processing projects had been implemented. A small positive impact on employment in the short/medium term outside holdings was also noted.

In Spain, the Castilla-La Mancha MTE report suggests a generally positive impact as a result of assisted actions. Whilst the evaluators recognise that the main impact will manifest itself over a long period of time (30-40 years), early and significant impacts for the economies of rural communities have already occurred. For example, rural communities already appeared to be benefiting from job creation (particularly related to forest management activities) as well as from related economic activities (such as the mushroom and resin industries). Furthermore, it is recognised that these changes have helped to make rural employment less seasonal in nature. The Greek reports also provide evidence suggesting positive impacts on employment from assisted actions, both at the national and regional levels.

Elsewhere, in France for example, positive impacts were noted regarding public access to forests. In the Nord Pas de Calais region, for example, 18 projects have involved the opening of state-managed forests to the public. Elsewhere evidence of impacts is very limited. However in Ireland employment generation was reported to be negligible and efforts to improve attractiveness (e.g. via the Neighbour Wood Scheme) had not been implemented.

John Clegg & Co *et al* (2002) point out in the UK context that harvest operations are a more important generator of jobs than either planting or establishment and, as a result, a greater employment impact is expected in due course. Softwoods are associated with higher levels of employment than hardwoods and this is likely to mitigate employment impacts somewhat as most plantings are actually broadleaved species.

Eiser and Roberts (2002) also note that forestry in Scotland has been criticised in the past for the high cost of creating employment in rural areas. They comment that the employment impact differs according to whether new plantings are coniferous or

measure.

indigenous broadleaved species with the former generating a greater employment impact in terms of harvesting operations and the former in terms of planting and maintenance. These findings relate to the pre-1995 period and it may not be reasonable to project this impact forward as increasingly new plantings are taking place on less marginal agricultural land and therefore there is a greater loss in terms of agricultural employment reducing the net employment effect. The authors caution against extrapolating their findings outside Scotland. Finally, John Clegg & Co *et al* (2002) note that income expectations in the UK are small in the short-term, but increase in the medium and long-term. It is therefore unlikely that significant income benefits will be evident in the 2000-2003 period.

Judgement

The main aim of Regulation 1257/99 with regard to forestry is to contribute to the maintenance and development of the economic, ecological and social functions of forests in rural areas. Contribution to employment falls under this central aim and is foreseen in the intervention logic both for afforestation and other forestry measures. As the comments on the indicators in Appendix 3 note, there is a potential issue concerning the quality of on-farm employment. Additional hours of work may be carried out by the existing workforce as (paid or unpaid) overtime and yet might suggest the maintenance of employment. This means that the estimations of employment maintained may be inflated to some extent.

This question also seeks to address the attractiveness of forested areas and the maintenance of rural incomes. It should be noted that there is an element of subjectivity in relation to attractiveness. Assessing changes in income as a result of assisted actions is considered to be relatively straightforward as long as causality to assisted actions can be established.

The final evaluation of Regulation (EEC) No 2080/92 (Institute for Forestry Development, 2001) concluded that forestry policy has benefited all Member States in terms of the maintenance and creation of employment and income.

In summary, there is evidence from some regions/Member States to suggest that the measures do contribute positively to the maintenance and development of employment (as well as other socio-economic functions and conditions). However, it is not possible to provide a statement relating to the general impact across all Objective 1 regions. Due to the nature of the resource it is likely that impacts will vary considerable, both temporally and geographically. As such it is likely that a longer-term view, perhaps incorporating evidence from the previous programming period, will be required to form a more complete answer for this CEQ.

CEQ VIII.2.C: To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development...by maintenance and appropriate enhancement of protective functions of forest management?

Table 3.27 shows that a third of the MTE reports, in 6 of the 13 Member States where this question is applicable, found that the measures under this Chapter made a positive contribution to the maintenance and the enhancement of protective functions of forest management. In one case the impact was mixed according to region. In the remaining three cases it was not possible to extract a meaningful answer.

Table 3.27: Short answers to CEQ VIII.2.C

	Es	Fr	Gr	Ire	It	Pt	%
On balance a positive change	1		1				33%
Mixed according to circumstances							0%
Mixed according to region		1					17%
No change							0%
On balance a negative change							0%
Too early to note impact							0%
No meaningful answer possible				1	1	1	50%

The main source of evidence for this question was obtained from scheme monitoring data with some additional information from national sources and discussions with scheme administrators.

Evidence of a positive impact on the maintenance and enhancement of protective functions of forest management was very limited. In Portugal, for example, 31.5 hectares of forest had been planted/managed for protective purposes (Madeira), and in Italy 600 km of woodland was providing protective functions (Molise).

Judgement

The protective functions of forestry are not explicitly mentioned in the objectives of this Chapter, although they are foreseen as expected impacts in the intervention logic. Comments on the indicators in Appendix 3 note that assessing the extent of protection offered through area planted with this objective assumes that a similar level of risk exists and that protection will have a homogenous impact in terms of mitigating this risk.

Overall, the contribution of the programmes to the maintenance and appropriate enhancement of protective functions of forest management was not clear at the mid-term stage. However, the lack of evidence at the mid-term stage probably reflects a lack of monitoring and/or evaluation rather than the absence of any impact.

CEQ VIII.3.A: To what extent have the assisted actions contributed to the ecological functions of forests...by maintenance, conservation and appropriate enhancement of biological diversity?

This question was answered in 6 of the 13 Member States where it was considered to be applicable. A third of cases showed a positive impact in terms of maintenance, conservation and appropriate enhancement of biological diversity (Table 3.28). In one case impact was mixed according to region and It was not possible to derive a meaningful answer in the other three cases.

Table 3.28: Short answers to CEQ VIII.3.A

	De	Es	Fr	Gr	Ire	Pt	%
On balance a positive change	1			1			33%
Mixed according to circumstances							0%
Mixed according to region			1				17%
No change							0%
On balance a negative change							0%
Too early to note impact							0%
No meaningful answer possible		1			1	1	50%

The main source of evidence for this question was again obtained from scheme monitoring data with some additional information from national sources and discussions with scheme administrators.

The German MTE reports indicated that positive impacts relating to the conversion of single-species forests to more mixed stands had been observed. In Ireland as well, the Woodland Improvement sub-measure has enhanced the ecological function of forests and native species are promoted (although progress at the mid-term stage was limited). In Portugal, approximately 600 hectares of critical sites have been maintained or improved and over 200 hectares of indigenous species have been planted/restored (of which 195 hectares were in Madeira).

John Clegg & Co, *et al* (2002) state that since 1992, more than 90% of new plantings in England (UK) have been of broadleaved (presumed indigenous) species. The

same authors also point out that while it is too soon to make any definitive statements about the impact on biodiversity (in terms of species numbers and abundance), a positive impact is expected in the future.

Court of Auditors (2000) is critical of the extent to which environmental needs had been prioritised within forest policy and this is likely to impact on environmental impact. Whilst this criticism refers to the pre-RDR period, it remains valid since funds are committed for twenty years and this weakness in targeting will continue to have repercussions throughout the 2000 to 2006 programming period and beyond. Court of Auditors (2004) state that the implementation of forestry policy under the RDR is hampered by this historical aspect.

Overall the evidence from the mid-term reports was limited, was predominantly qualitative in nature, and did not correlate well with the CEQ, criteria and indicators.

Judgement

Although biological diversity is not explicitly mentioned as an objective of forestry policy under the RDR, it falls under the maintenance and development of ecological function and is foreseen in the intervention logic. Area planted with indigenous tree species is used as an indicator to assess the protection of species diversity and area planted is used to assess the protection of habitat diversity. However, these measures do not necessarily guarantee that species or habitats will be protected beyond the short-term as the presence of breeding populations will also play a role (see comments on the indicators in Appendix 3). That said, it is considered that these indicators are reasonable proxies and provide reasonable evidence in relation to this question.

CEQ VIII.3.B: To what extent have the assisted actions contributed to the ecological functions of forests...by maintenance of their health and vitality?

The MTE reports in 7 of the 13 Member States where this question was considered to be applicable provided an answer. Around 40% of MTE reports showed a positive impact in terms of maintenance of health and vitality of the forests (Table 3.29). In one case, the impact depended on the region and in two cases it was not possible to extract a meaningful answer.

Table 3.29: Short answers to CEQ VIII.3.B

	De	Es	Fr	Gr	Ire	It	Pt	%
On balance a positive change	1			1	1			43%
Mixed according to circumstances								0%
Mixed according to region							1	14%
No change								0%
On balance a negative change								0%
Too early to note impact			1					14%
No meaningful answer possible		1				1		29%

The key source of information for this question was scheme monitoring data.

Positive impacts were reported by several Member States including Greece, Ireland, and Germany. In Greece over 2,000 hectares of forest was maintained (1,606 hectares (ha) in Epirus, 419 ha in West Greece, 25 ha in the Ionian Islands and 70% of total forest area in Central Greece), with a further 24,000 ha protected (3,600 ha in East Macedonia and Thrace, 20,000 ha in Peloponnese and 461 ha in Attica).

In Ireland all forestry activities are subject to Sustainable Forestry Management techniques and supervised by the national Forest Service. More specifically, 17,500 ha of wind damaged forest was reconstituted under the Woodland Improvement sub-measure. In Germany, air pollution has been tackled with the help of forestry activities and hazard resistance has been enhanced via the use of different species and thinning (especially of younger forests in Sachsen).

According to the MTE report in Portugal the situation was more variable with 100% of the damaged forest area protected in the Algarve and 30% (350,000ha) protected in the Alentejo region. For all other regions the area protected was negligible. In Italy measures have either not been applied or have been delayed and the only region to mention a positive impact was Molise where 1,000 ha had been restored. And in Spain 15% of the area previously damaged by fire in the Asturias region is scheduled to be replanted and all new plantations had been successful in preventing fires.

Judgement

This question assesses a means through which the ecological function of forests can be maintained or improved.

The extent to which assisted actions contributed to the ecological functions of forests by maintenance of their health and vitality was not entirely clear at the mid-term stage. Some positive impacts were reported, particularly in Greece. Overall, the

impacts arising from the activities supported under this Chapter were modest at the mid-term stage. However, due to the nature of the resource involved it is likely that positive impacts will accrue with time and as the area of forestry involved increases.

3.2.5.4. Further Evaluation Questions

FEQ VIII.4: Could the afforestation of agricultural land measure be re-targeted more explicitly towards environmental objectives for instance to combat climate change, enhance biodiversity, reducing the risk or impact of natural disasters (e.g. flooding), or production of renewable energy? If yes, how can a reasonable balance between sometimes conflicting objectives (markets – restructuring – environment) be ensured?

Interview respondents in Austria indicated that the objectives of afforestation measures are tending to become more concerned with environmental issues. The majority of supported projects are aimed at forest improvement measures that are designed to have positive environmental impacts. One key development in Burgenland is the establishment of agreements that allow trees on adjacent properties to be managed on a communal basis. In some cases this has helped to mitigate the threat from pests (e.g. bark beetle). Additionally all new plantations are now required to plant a mix of species which includes indigenous trees. However, there are some concerns about the environmental impact that forest access roads have on plantations. Whilst some argue that such infrastructure assists the management of plantations others consider them to have a fundamentally detrimental impact.

Evidence from the French MTE reports highlight the fact that some regions appear to have responded well to the opportunity to incorporate sustainable forestry measures into the programmes (particularly in La Reunion where 48% of forest cover is threatened). Interview respondents (Nord Pas de Calais) also reported that afforestation, both for productive and recreation purposes, has been funded into which sustainability principles have been incorporated. Evidence from elsewhere (Corsica) also revealed that spending under the forestry measure is behind schedule with forest owners tending to have limited interest in forestry measures (although the situation is expected to improve with the when the new forestry plan for Corsica is implemented.

In terms of targeting, the current programming period is somewhat hampered by commitments entered into under the previous period (Court of Auditors, 2004). In the 2000-2002 period, the majority of the funds disbursed actually related to commitments made in the previous period. This means that the scope for improving

environmental impact (including through more appropriate targeting) is extremely limited⁴². Targeting in the 1994-1999 period was criticised for not being based on a comprehensive analysis at the EU level in terms of where and how EU funds could best be spent in order to maximise environmental impact (Court of Auditors, 2000), although in its reply, the Commission disputed this claiming that various environmental action programmes (notably the fifth Environmental Action Programme) had filled this role. Additionally, the report claims that a lack of guidance provided to Member States by the Commission allowed environmental aims to be under-emphasised in some cases. Over use of fast growing and non-indigenous species are also considered to be a problem by the European Environment Agency and in Ireland (reports cited in Court of Auditors, 2000).

LUC and Atlantic Consultants (2003) report that the relatively small average size of assisted plantings in Wales (UK) suggests environmental impact is widely dispersed throughout the landscape, but is modest. This is considered to be appropriate in the lowlands, but might detract from the appearance of the uplands. With exception of New Native Woodland in National Parks Challenge Fund and the Native Woodland Expansion Challenge Fund, there was no spatial targeting of new planting to meet environmental objectives. This is being addressed in the 2003-2006 period.

Judgement

There is limited evidence to suggest that afforestation measures in some regions/Member States have become more concerned with environmental issues and are being implemented with positive environmental impacts in mind (for example, . Some regions/Member States, for example, appear to have responded well to the opportunity to incorporate sustainable forestry measures into RDP measures. Clearly, therefore, there is evidence that this measure has already been re-targeted more explicitly towards environmental objectives and the assumption is that similar opportunities lie elsewhere. However, the lack of evidence overall does not allow these findings to be applied to all Objective 1 regions.

3.2.5.5. Chapter summary

The objectives of these measures are to provide sustainable forest management and development of forestry; the maintenance and improvement of forest resources; and the extension of woodland area.

Many regions/Member States reported positive impacts in relation to the maintenance and enhancement of forest resources, although due to the long-term nature of the resource involved, these impacts were marginal at the mid-term stage.

⁴² The Commission reply notes that more attention will be paid to this issue in the post-2006 programming period.

There is evidence in some regions/Member States (for example, Finland, Greece and Spain) to suggest that the assisted actions contribute positively to the maintenance and development of employment (as well as other socio-economic functions and conditions), with, for example, some 372 full-time jobs maintained in Finland and a further 343 created. While some regions/Member States provided evidence of positive outcomes in terms of maintenance and encouragement of productive functions on forest holdings (Finland, for example), the evidence overall was too variable to allow a definitive assessment of impact.

Evidence from a number of regions/Member States suggests that assisted actions have contributed to the ecological functions of forests by maintenance of their health and vitality, including Greece, for example, where some 2,000 hectares of forest is maintained and a further 24,000 hectares protected. Assisted actions have resulted in the maintenance, conservation and appropriate enhancement of biological diversity in a number of cases, including Portugal where approximately 600 hectares of critical sites were being maintained or improved and over 200 hectares of indigenous species were planted or restored.

3.2.6. Chapter IX: Promoting the adaptation and development of rural areas

3.2.6.1. Measure objectives

Measures under this Chapter were previously financed under the Objective 5b programmes of the Structural Funds and were incorporated under the Rural Development Regulation in 1999 (Ward and Lowe, 2004). The origin of these measures is further removed from the agricultural sector than measures under other Chapters and as a result they can be described as the only true rural (rather than agricultural) development measures contained within the RDR⁴³.

Article 33 allows the integration of measures with both farming and non-farming activities (Feinerman and Komen, 2003) through a menu of 13 possible measures to promote the adaptation and development of rural areas. These are as follows:

- land improvement,
- re-parcelling,
- setting-up of farm relief and farm management services,
- marketing of quality agricultural products,
- basic services for the rural economy and population,
- renovation and development of villages and protection and conservation of the rural heritage,
- diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes,
- agricultural water resources management,
- development and improvement of infrastructure connected with the development of agriculture,
- encouragement for tourist and craft activities,
- protection of the environment in connection with agriculture, forestry and landscape conservation as well as with the improvement of animal welfare,
- restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments,
- financial engineering.

Member States were free to adopt measures under these indents (or not) as they saw fit.

⁴³ Although as agriculture covers about half of the total territory of the EU (Brouwer and Lowe, 2000), measures targeted in this sector will of course have an influence in the wider rural community.

3.2.6.2. Intervention logic

Various measures aiming to increase the competitiveness of the agricultural sector through support for restructuring (certain measures under Chapter IX)

Need/problem	<ul style="list-style-type: none"> • Need for investment outside the holdings themselves in order to contribute to restructuring and increase the competitiveness of the agricultural sector
Measure	<ul style="list-style-type: none"> • Financial support for: • Land improvement • Reparcelling • Setting up of farm relief and farm management services • Marketing of quality agricultural products • Agricultural water resources management • Development and improvement of infrastructure related to agriculture • Restoring agricultural production potential damaged by natural disasters and appropriate prevention instruments
Expected results	<ul style="list-style-type: none"> • Improved infrastructure and agricultural practices (such as better use of water resources, more professional management and better field structures)
Expected impacts at the level of the beneficiary holding	<ul style="list-style-type: none"> • Maintenance or improvement of farm incomes through reduction in costs, fair standard of living for farmers and their families • Maintained/increased employment through increased activity on the farm • Improved product quality • Improved viability of the beneficiary holding
Expected impacts on the agricultural sector in general	<ul style="list-style-type: none"> • Contribution to agricultural restructuring • Increased competitiveness • Agricultural production potential has been protected regarding natural hazards
Expected impacts on the rural society	<ul style="list-style-type: none"> • Maintenance/improvement of the structural and productive characteristics of the rural economy • Improved living conditions and welfare of rural communities through e.g. improvement in road infrastructure • Improved rural incomes • Maintenance/creation of employment • Reversal of the trend towards economic and social decline and depopulation of the countryside • Maintenance and reinforcement of viable social fabric in rural

	<p>areas</p> <ul style="list-style-type: none"> • Protect or improve the rural environment through more professional management and better irrigation
Possible positive interactions with other Chapters	<ul style="list-style-type: none"> • There are possible positive relationships with measures under Chapter I: Farm Investment relating to diversification away from agriculture and measures relating to water management and land improvement. Support for the marketing of quality products under this Chapter could provide a positive link with Chapter VII: Investments in Processing and Marketing.
Possible conflicts with other Chapters	<ul style="list-style-type: none"> • There may be potential conflict with measures under Chapter VI: Agri-environment relating to reparcelling which might be associated with an increase in intensification and might have implications for landscape quality.

Environmental protection in connection with agriculture, forestry and landscape management and improving animal welfare (measure under Chapter IX)

Need/problem	<ul style="list-style-type: none"> • Need for better protection/improvement of the rural environment and animal welfare, increasing demand for environmental protection and animal welfare
Measure	<ul style="list-style-type: none"> • Financial support for environmental protection and animal welfare measures
Expected results	<ul style="list-style-type: none"> • Improved rural environment and animal welfare, maintenance of cultural landscapes
Expected impacts at the level of the beneficiary holding	<ul style="list-style-type: none"> • Income support • Improved working conditions (e.g. lower exposure to toxic plant protection products)
Expected impacts on the agricultural sector in general	<ul style="list-style-type: none"> • Water/soil protection, preservation of the natural basis of agricultural production • Improved image of agriculture • Increased knowledge/awareness about rural environmental problems and solutions
Expected impacts on the rural society	<ul style="list-style-type: none"> • Increased environmental protection through improvements in services leading to better sewerage treatment, better use of natural/non-renewable resources and reduction in pollution/harmful emissions • Protection and improvement of habitat, biodiversity, soil, water and atmosphere • Positive impacts on human health (e.g. improved drinking water)

	<ul style="list-style-type: none"> • Maintenance or enhancement of the countryside • Contribution to the sustainable development of rural areas • Response to society's increasing demand for environmental services • Safeguarding the recreational value of rural areas/promotion of rural tourism • Contribution to achieving the Community's policy objectives regarding agriculture and the environment • Enhanced animal welfare
Possible positive interactions with other Chapters	<ul style="list-style-type: none"> • Positive links are possible with respect to measures under Chapter VI: Agri-environment. There could also be a positive relationship between measures under this element of this Chapter and Chapter V: Less Favoured Areas in so far as these can have environmental and/or animal welfare enhancements. Finally, there may be positive links between this element of this Chapter and Chapter VIII: Other Forestry.
Possible conflicts with other Chapters	<ul style="list-style-type: none"> • None.

Various measures for the promotion of the adaptation and development of rural areas (certain measures under Chapter IX)

Need/problem	<ul style="list-style-type: none"> • Need for rural development to be based increasingly on non-agricultural activities and services
Measure	<ul style="list-style-type: none"> • Financial support for: • Basic services for the rural economy and population • Renovation and development of villages, protection and conservation of the rural heritage • Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income • Encouragement for tourism and craft activities • Financial engineering
Expected results	<ul style="list-style-type: none"> • Facilitation for the development of non-agricultural activities and services
Expected impacts at the level of the beneficiary holding	<ul style="list-style-type: none"> • Improved incomes through increased off-farm activities and longer tourist seasons • Maintained/increased employment through increased activity on the farm • Seasonal variation of activities is more effectively balanced

	<ul style="list-style-type: none"> • Converting and improving farm activities
Expected impacts on the agricultural sector in general	<ul style="list-style-type: none"> • Promotion of diversified activities • Increasing the attractiveness of the region for all actors in the agricultural sector
Expected impacts on the rural society	<ul style="list-style-type: none"> • Maintained/improved living conditions and welfare through better basic services, improved amenities (including cultural and social facilities), development of attractiveness of the area and reduction in inequalities through improved access • Structural and productive characteristics maintained/improved through financial engineering • Dynamism of rural actors promoted and potential for endogenous development mobilised in rural areas • Encouragement of rural diversification • Improved rural income • Diversification of activities contributes to employment of non-farming population • Maintenance and reinforcement of viable social fabric in rural areas, reverse the trend in many parts of Europe towards economic and social decline and depopulation of the countryside
Possible positive interactions with other Chapters	<ul style="list-style-type: none"> • There could be a positive relationship between measures under this element of this Chapter and measures promoting diversification towards non-agricultural enterprises under Chapter I: Farm Investment.
Possible conflicts with other Chapters	<ul style="list-style-type: none"> • None.

3.2.6.3. Common Evaluation Questions

CEQ IX.1: To what extent has the income of the rural population been maintained or improved?

This question was answered in the MTE reports from 6 out of the 13 Member States with Objective 1 regions. One Member State report found that on balance measures under Article 33 did have a positive impact on maintaining or improving rural income. Three Member State reports found that it was too early to note an impact, while another two Member State MTE reports could not give a meaningful answer as a result of insufficient evidence (see Table 3.30)

Table 3.30: Short answers to CEQ IX.1

	At	Be	Fin	Fr	De	Ire	It	Pt	Es	Sw	UK	%
On balance a positive change					1							17%
Mixed according to circumstances												0%
Mixed according to regions												0%
No change												0%
On balance a negative change												0%
Too early to note impact		1	1						1			50%
No meaningful answer possible							1				1	33%

Interview respondents in Greece noted that at the national level non-farm incomes appear to have improved as a result of the assistance (particularly in areas where Integrated Rural Development Programmes (IRDP) are implemented). For the regional operational programmes trends in rural incomes are generally negative or at best constant (primarily as a result of the sharp decline in producer prices), but there are some cases where assisted actions have led to positive impacts on rural incomes (both directly and indirectly and by acting as a buffer against declines in producer prices), although main impacts have been on non-farm incomes.

Interview respondents in Portugal highlighted that Article 33 measures have only comprised a small part of the mainland programme (only 18.5% of public expenditure and 10.4% of total investment) and there is little data pertaining to their implementation. In the Norte region, for example, it is assumed that measures such as rural roads, irrigation infrastructure and electrification projects will have helped to maintain rural incomes. The same is true for the Lisboa e Vale do Tejo (LVT) region, where 70% of public expenditure under Article 33 (until the end of 2004) was directed at irrigation projects and 16% at rural roads and electrification. However, it is anticipated that this type of investment should promote the development of agriculture and other activities which in turn should lead to an increase in incomes (it should also assist in the development of other economical activities, such as tourism and eco-tourism). For Madeira, although no quantification was possible, interviewees consider that farm income has remained fairly stable under the programme (96% of the expenditure in Madeira has been on public irrigation infrastructures and rural and agricultural roads). In this instance the investments have assisted incomes mainly by reducing the time needed to access plots and to transport inputs and produce (as well as helping to reduce water loss). Overall there is little hard evidence of the impact of supported projects on income, although they appear to have at least helped to maintain incomes (rather than result in decreases).

For Spain positive impacts on income are anticipated at the *ex-ante* stage (particularly as a result of projects involving irrigation). The magnitude of this expected income improvement is likely to differ regionally depending on exactly which elements of Article 33 have been implemented. In Extremadura and Murcia, for example, a lower impact is expected than in other regions.

In Germany there is strong evidence that measures under Article 33 have had a positive impact on the income of rural populations in some regions, particularly through the promotion of tourism (although there is insufficient evidence to draw this conclusion across all Objective 1 regions).

Interview evidence from France also points to the significance of tourism-related projects in maintaining and enhancing incomes. In Guadeloupe, for example, the development of tourism has impacted positively on the incomes of very small-scale farmers and other rural residents (who would have not been able to invest in rural tourism in the absence of EAGGF assistance). In Corsica, agro-tourism has been developed since 2002 and monitoring indicates that on average a 15-30% increase in income can be realised. Agro-tourism is also expected to contribute well to incomes post-retirement (which may also ease the transfer of activities to young farmers). Overall, measures under this Chapter have mainly been used to support enterprises that have also received funding under Chapter I: Farm investments and as such it is difficult to pinpoint precisely the contribution made by each to observed outcomes. In general it was felt that the objectives for this Chapter are too broad and therefore it is unlikely that projects will have a significant impact in the short-term. However, some positive impacts have emerged, such as increased productivity, which has helped offset increased labour and input costs, and the development of rural tourism.

In Finland gross farm income increased in the Objective 1 regions by 6-7% between 1999 and 2002 and it was noted that Article 33 measures have played a part in this increase. However, the total sales revenue deriving from Article 33 projects (€998,000 in East Finland and €336,000 in North Finland) are not thought to be particularly significant for the regions involved. The share of the rural non-farming population having an income from transactions/employment generated by assistance was estimated to be 50% in both regions.

Interview evidence from Austria highlights the unusual situation in Burgenland with around three-quarters of farms being operated as part-time concerns and non-agricultural income sources dominating farm incomes (particularly in those situations

where people commute to work in Vienna⁴⁴). As such the impact of the programme on assisted holdings is in most cases likely to be subordinate to the impact generated by non-agricultural sources.

In the UK (Cornwall) interview respondents highlighted the fact that incomes have remained consistently below the South West and Great Britain averages. However, the gap has narrowed and between 1996 and 2003 wages in Cornwall overall have increased at a faster rate than in Great Britain. While scheme-specific monitoring information was not available it is perceived that the assistance has contributed positively to incomes and has helped create new jobs while safeguarding existing ones. Article 33 measures have been particularly successful in attracting more workers and introducing more flexible working patterns.

For South Yorkshire interview respondents reported that there are two main strands to the Article 33 measures, one of which provides support to agricultural businesses and the second aimed at community development (through the implementation of market town initiatives and village plans). However, these projects are still at an early stage in terms of achieving quantifiable results but good progress is being made towards output targets, for example:

- 125 jobs have been created (target was 120)
- 262 jobs have been safeguarded (73% of the 2001 target)
- New sales of £1.4 million achieved towards the 2001 target of £8.0 million
- £4.8 million sales safeguarded (40% of the 2001 target)
- targets for net impacts have been virtually achieved with 85 net jobs and £2.5m net GDP created and 179 net jobs with £5.8m GDP safeguarded

Judgement

There are no set objectives for measures under this Chapter, although improvements in the income position for both the farming and non-farming sectors are expected to arise from a range of the measures available (see intervention logic).

Gross income is defined as an indicator to use to assess impact on income and this may not be appropriate given that it does not take account of additional capital expenditure. It is therefore possible that whilst gross income rises, net income actually decreases (see Appendix 3).

There is some reasonable evidence to suggest that Article 33 measures in general have at least helped to maintain incomes in the rural population. Several Member

⁴⁴ Usually it is the husband who commutes since there are tax advantages if the wife is head of the farm holding.

States also highlighted the potential for measures relating to tourism and irrigation to deliver positive income-related outcomes.

CEQ IX.2: To what extent have the living conditions and welfare of the rural population been maintained as a result of social and cultural activities, better amenities or by the alleviation of remoteness?

Five Member State MTE reports answered this question out of the 13 with Objective 1 regions. Two showed that on balance the Article 33 measures had a positive impact on the living conditions and welfare of rural populations, while one Member State report found mixed outcomes according to regional differences. The other two Member State reports where an attempt was made to answer this question found that they could not provide any meaningful answers (see Table 3.31).

Table 3.31: Short answers to CEQ IX.2

	At	Be	Fin	Fr	De	Ire	It	Pt	Es	Sw	UK	%
On balance a positive change			1		1							40%
Mixed according to circumstances												0%
Mixed according to regions									1			20%
No change												0%
On balance a negative change												0%
Too early to note impact												0%
No meaningful answer possible							1	1				40%

Spanish interview respondents reported positive impacts, both from irrigation measures and from the PRODER programme (which includes the remainder of Article 33 sub-measures). However, it was widely felt that national policies have greater capacity to improve living conditions in rural areas. Elsewhere, in regions such as Castilla y León, Castilla-La Mancha and Extremadura, where the lack of infrastructure seriously impedes the potential positive effects of the rural development programmes, most respondents felt that living conditions in most rural areas would likely to be worse in the absence of the measures.

Interview evidence from Portugal indicates that the Norte programme had resulted in 307 projects targeting rural and agricultural roads (accounting for 128 km) which had benefited 12,000 holdings by allowing for improved and faster access to areas of production. Natural and cultural heritage has been an important feature of the Programme in this region, where a total of 1,304 projects were implemented (e.g. windmill restoration, fountains, and leisure areas). Overall it was felt that the measure could have an even greater positive impact if additional funding were available. Similar impacts have been seen in the Lisboa e Vale do Tejo region. In Madeira,

social and cultural activities were mainly financed through LEADER, telecommunications were mostly financed by ERDF and access to amenity land/nature sites was financed through Chapter VIII (forestry) measures. However, Article 33 was very important in improving accessibility to rural areas. The electrification measure (which accounts only for 0.5% of Article 33 expenditure) was also important in improving living conditions for rural populations.

Interview respondents in the UK (Cornwall) provided some examples of how supported initiatives have contributed to the improvements in living conditions and welfare. For example, the implementation of a Rural Stress Information Network and a Family Crisis Network has helped to alleviate some of the problems associated with remoteness. Improvements in telecommunication facilities/services have also been improved with 99.5% of Cornwall now having broadband Internet access (this includes over 130 farms). Improvements to social and cultural facilities have also been made via the Rural Stress Information Network, Farm Crisis Network and Freshstart⁴⁵ (which has been of particular benefit to young people and young families). The level of access to amenity land/nature or conserved rural heritage sites (mainly for tourists) has also been increased (examples include the China Clay Woodland project and the Trelissick Landing Stage).

Interview respondents in Northern Ireland also reported that a wide range of projects addressing issues relating to living conditions and the welfare of the rural population have been supported by the programme. The nature of the investment in social and cultural facilities made under Article 33 includes:

- 93 'cultural' projects approved between 2000-2003 (total grant committed at the end of 2003 was £4.1 million)
- 'social' initiatives encompassing a wide range of projects including social, community regeneration, community networks and social activities (such as the development of play areas)
- the Rural Community Network (RCN) had supported 34 halls projects by the end of 2003
- 101 groups received community halls development assistance

Projects which supported the development of cultural and social facilities in Northern Ireland are reported to have benefited both the immediate rural community as well as those in the wider area. The following beneficiary breakdown applies to the 93 cultural projects supported to date:

⁴⁵ Freshstart is a pilot industry-led initiative aimed at bringing fresh, dynamic and innovative people into land-based industries – see <http://www.cornwallagriculturalcouncil.org.uk/freshstart/overview.asp> for more details.

- 40% were farmers
- 43% were members of farm families
- 50% were women
- 37% were disabled
- 48% were young people under 25
- 33% were long term unemployed
- 60% were people from the wider rural community

While it was not possible to determine if the level of access to amenity land/nature or conserved rural heritage sites had increased in Northern Ireland, it is intended that the areas benefit visitors to the area (i.e. tourists) as well as providing incentives for people to remain or settle in the area.

Evidence from Finland indicates that the share of young people and young families in rural populations with access to cultural activities that depend on assisted facilities is 30% in both Objective 1 regions. The evaluators also argue that the share of rural population enjoying access to amenity land/nature or conserved rural heritage/sites thanks to assisted actions is 100% in both regions (although this does not imply use by all). Furthermore 14% and 10% of holdings (East Finland and North Finland, respectively) providing tourism facilities reported improvements as a result of support.

In Germany village renewal and assistance for off-farm activities (particularly tourism) has helped rural populations to become more closely connected to their village/town. The measures have also improved access to computers which in turn has contributed to alleviation of remoteness in rural communities.

In Belgium the impact of the programme on living conditions and the welfare of rural population was reported to be negligible. Since Wallonian rural areas are situated close to urban centres (i.e. Brussels, Namur, Mons, Liège, Charleroi, Aachen) remoteness is not a significant issue in the region and in general the quality of life and welfare in the rural Wallonia is relatively good.

Finally, in the French overseas districts the rural population suffers from 'ultra-peripherality', a handicap that cannot be alleviated. Corsica faces similar problems and the regional council has created an 'isolated rural sector' zone in which activities are concentrated. Information on the impact of Article 33 measures was not provided.

In Austria the two sub-measures used to address these objectives have only been allocated 14% of funds under Article 33 (5.53% of total Burgenland operational programme). Consequently only limited impacts have been observed.

Judgement

There are no set objectives for measures under this Chapter, although the maintenance of living conditions and welfare of the rural population is an expected outcome in the intervention logic from a range of available measures.

Overall living conditions are only reported to have improved marginally (although anecdotal evidence from Spain suggests that living conditions and the welfare of the rural population might be worse if measures had been absent). However, evidence from Belgium highlights the fact that some issues, such as remoteness, do not affect all Objective 1 regions to the same degree and consequently comparison between Member States is complex. The situation is further complicated due to the interplay of the different funding sources which tends to make the separation of cause and effect complex. Overall positive impacts have been observed and in many cases these can partially be attributed to Article 33 measures (although the full extent of the contribution is likely to be extremely difficult to measure).

CEQ IX.3: To what extent has employment in rural areas been maintained?

This question was answered in 7 of the 13 Member State reports with Objective 1 regions with 3 answering positively on balance. One had mixed results depending on the region and another reported that it was too early to note any impacts. Finally, two Member State reports could not provide meaningful answers due to a lack of data. The remaining Member State evaluations did not attempt this question (see Table 3.32).

Table 3.32: Short answers to CEQ IX.3

	At	Fin	Fr	De	Ire	Gr	It	Pt	Es	Sw	UK	%
On balance a positive change		1		1					1			43%
Mixed according to circumstances												0%
Mixed according to regions					1							14%
No change												0%
On balance a negative change												0%
Too early to note impact						1						14%
No meaningful answer possible							1	1				29%

There was evidence from several Member States of a positive impact on employment. In Finland, for example, in East and North Finland respectively 1,129 and 448 FTEs were *created* on-farm as a result of assisted actions and an additional

7,351 and 2,423 were *maintained*. Of these the number of jobs created during periods of low agricultural activity is estimated at 1,019 in East Finland and 390 in North Finland, and in financial terms each job created was estimated to cost €50,000 and each job maintained €20,000. The impact of the assisted actions on employment on off-farm enterprises was more modest with 20 (9) jobs created (maintained) in East Finland and 8 (4) in North Finland (N.B. the costs of creating and maintaining these jobs was the same as those on-farm).

In Austria interview respondents also reported that the main impact of the measures has been on the maintenance of employment rather employment creation (which has been negligible). The programme has also resulted in the shift of jobs from less sustainable to more sustainable jobs/sectors, particularly as a result of diversification projects (e.g. tourism, direct marketing of agricultural products, and training for nature park guides).

For Germany modelling results suggest that in excess of 1,400 full-time equivalent (FTE) jobs have been maintained/created. Many temporary jobs, estimated at more than 5,700 person year equivalents, are also believed to depend on assisted actions, primarily as a result of construction jobs associated with village renewal.

For Spain, approximately 1,500 FTEs were created on-farm in 4 of the 11 Objective 1 regions. The impact on non-farming employment was only assessed in one Objective 1 region but was described as being both positive and significant. Gómez-Limón, *et al* (2002) note that irrigation in Spain has a social impact in terms of contribution to rural development and employment, something which is often overlooked in the classical microeconomic view of water pricing. However, interview respondents added that while irrigation and PRODER measures (Programa de Desarrollo y Diversificación Económica de las Zonas Rurales) have generated positive impacts they have been limited by scarce funds.

Elsewhere more variable impacts were reported. For example, in Ireland 173 FTEs were created and 249 FTEs were maintained. The impact varied between regions with the majority of full-time jobs created in the South-eastern region and the majority of part-time and seasonal jobs created in the Borders, Midlands and Western Region. The evaluators stressed that while the variability in impact reflected underlying socio-economic conditions, the impact of Article 33 measures on the more remote rural areas, which are more dependent on agriculture, is likely to have been relatively significant. For Portugal and Italy delayed implementation prevented a thorough review of the measures at the mid-term stage (although around 122 FTEs had been maintained or created in Portugal as a result of investment in the

processing and marketing of local products). In Italy (e.g. Campania) the measures are perceived to have had a marginal albeit positive effect on employment.

Interview respondents in Greece also reported positive impacts, particularly for off-farm employment. In Crete, for example, employment increased by around 608 FTEs while in Western Greece a reverse of the declining trend in employment is anticipated. Particularly strong impacts were reported in areas associated with IRDPs (Integrated Rural Development Plans). Support for agro-tourism has again resulted in positive impacts and is estimated to have extended the tourist season by 30%.

In the UK (Cornwall) Article 33 measures have helped generate employment in both the farming and non-farming population. In Northern Ireland, for example, positive employment effects were largely seen in the non-farming population, mainly as a result of the focus of the programme on developing local partnerships and community groups. Consequently any farmer/farm family jobs created is likely to be as a result of assisted activities off-farm. The support is also perceived to have helped to reduce the seasonal variation of activities.

Interview evidence from the French overseas districts suggests that agricultural employment is declining. In La Reunion, for example, there were a 12% reduction in farm labour units in the first three years of the programme (from 12,100 in 2000 to 10,800 in 2003). Smaller farms in particular are disappearing as farmers retire. However, the decline has slowed since 2000 and this may be as a result of the RDP overall (rather than Article 33 measures on their own). Article 33 measures, for example, have enabled unemployed people to become eligible for support (e.g. via rural tourism facilities) and previously unemployed people now account for a substantial proportion of the total beneficiaries. In Corsica and Guadeloupe, agro-tourism measure are helping to stimulate the development of other tourism activities (e.g. outdoor sports such as horse riding) and have helped local stakeholders identify innovative activities.

Judgement

There are no set objectives for measures under this Chapter, although the maintenance of employment is an expected outcome from some measures in the intervention logic.

In general the evidence obtained points to a positive relationship between Article 33 measures and employment maintenance (and to a lesser extent employment creation). In most cases the bulk of employment maintained/created has been on-farm rather than off-farm. Investments in agro-tourism under this Chapter appear to have had particularly positive effects on employment and employment seasonality, especially where projects provide facilities for all-year-round activities (such as conferences) and where projects have helped to shift people into more sustainable jobs/sectors.

CEQ IX.4: To what extent have the structural characteristics of the rural economy been maintained or improved?

The MTE reports in 8 out of the 13 Member States with Objective 1 regions provided an answer to this question. Two reports considered that on balance the measures had a positive impact on the structural characteristics of the rural economy. In three Member State reports it was found that it was too early to note an impact, while it was not possible to extract a meaningful answer from another three Member State reports (see Table 3.33).

Table 3.33: Short answers to CEQ IX.4

	At	Fin	Fr	De	Ire	Gr	It	Pt	Es	Sw	NL	UK	%
On balance a positive change				1		1							25%
Mixed according to circumstances													0%
Mixed according to regions													0%
No change													0%
On balance a negative change													0%
Too early to note impact		1					1		1				37%
No meaningful answer possible					1			1				1	37%

Evidence from several Member States suggests that on balance measures have had positive impacts on the structure of the rural economy. For example, in Germany, this was primarily achieved via reparcelling, assistance (to promote pluriactivity), marketing of quality products and village renewal. However, a negative impact on rural tourism (in terms of capacity usage) had been observed, although it is noted that this is probably a short-term effect and usage is expected to increase once investments mature.

Interview respondents in Finland reported that limited support had been allocated to achieving agricultural improvements. Reparcelling was implemented to some extent but only towards the end of the first half of the programming period in some areas of Ostrobothnia and Northern Savo. Quality assurance was not addressed by Article 33 (this was done via Chapter III: Training and is more typical in ALMA areas compared to Objective 1 areas). Overall the focus on quality improvement in Finland so far has tended to relate more to 'total quality management' (TQM) rather than physical quality improvements in individual products. In Finland several 'co-operation networks' have also been created, which by the mid-term stage had had been accessed by 815 holdings in East Finland (101% of the target) and 73 holdings in North Finland (24% of the target).

In Greece 1,103 hectares (across three Objective 1 regions) benefited from improved irrigation; 251 km of irrigation network were provided; dam capacity was increased by 185,500 cubic meters; some 6,803 hectares of farmland were reparable; 517 farms were connected to the national electricity grid; and, 38 hectares of land were improved (evidence from one region only). Additionally, 13 support units for rural development were established.

Detailed evidence from interview respondents from Portugal relating to the AGRO programme indicates that supported projects have involved many beneficiaries and have resulted in a wide range of positive outcomes, for example: 14 irrigation projects are reported to have benefited 3,308 ha and 2,465 farmers, and restoration of agricultural production potential has benefited a 7,584 holdings since 2001. In the Norte region structural features of the rural economy were improved via reparcelling (benefiting 14,423 farmers and 56, 512 ha), irrigation (benefiting 11,714 farmers and 11,201 ha), and electrification (benefiting 130 km of power lines and 859 farms). In Lisboa e Vale do Tejo region support predominately focused on investment in irrigation projects (benefiting 9,223 farmers and 43,887 ha). Reparcelling has also benefited 3,213 farmers and 9,786 ha, and 120 electrification projects involving 267 holdings. Article 33 measures also supported the establishment of agricultural and forestry services/management companies and agri-forestry services. In Madeira, irrigation was the main form of land improvement under Article 33. Interview respondents in Spain again reported positive results from supported projects involving irrigation (although these impacts have been tempered by the scarcity of funds areas).

Interview evidence from the French overseas districts indicates that applied research plays an important role and as such the programme is used to finance extension agents who work in the more active commodity lines such as sugarcane and banana (N.B. livestock services are mostly financed through the POSEIDOM

programme). However activity in this area is limited by a lack of funds. Elsewhere, in La Reunion for example, it was reported that activities involving irrigation, mechanisation, early retirement and land transfer have been particularly successful at improving the structural characteristics of the rural economy. However, in Corsica the measure has not achieved much, primarily due to the difficulties involved in identifying the owners of abandoned land.

Judgement

There are no set objectives for measures under this Chapter, although the maintenance or improvement of the structural characteristics of the rural economy are expected outcomes from some measures in the intervention logic.

Overall there is good (albeit limited) evidence which indicates that projects supported by Article 33 measures have involved a wide and diverse range of people and have been successful in helping to maintain or improve the structural characteristics of the rural economy. Frequently cited examples of supported actions leading to positive outcomes include reparacling, improved irrigation, and the restoration of agricultural production potential. However, there is some evidence that the success of the measures may have been tempered by the lack of funds available. There was also some evidence that some of the objectives under this measure, such as those pertaining to the production and marketing of quality agricultural products, are being addressed by other RDP Chapters.

CEQ IX.5: To what extent has the rural environment been protected or improved?

This CEQ was answered by the MTE reports in 8 of the 13 Member States with Objective 1 regions. In two cases positive impacts on the rural environment were found and in one case a mix of impacts according to circumstances (i.e. farm type) was noted. In a further case it was too early to note impacts and in four MTE reports it was stated that there was insufficient evidence to provide a meaningful answer (see Table 3.34).

Table 3.34: Short answer to CEQ IX.5

	At	Fin	Fr	De	Ire	Gr	It	Pt	Es	Sw	UK	%
On Balance a Positive Response						1			1			25%
Mixed According to Circumstances				1								13%
Mixed According to Regions												0%
No Change												0%
On Balance a Negative Response												0%
Too Early to Note Impact		1										13%
No Meaningful Answer Possible					1		1	1			1	50%

In Greece improved irrigation in three Objective 1 regions (covering in excess of 1,000 hectares) has helped to reduce water losses. The establishment of 13 rural development support units has also helped to improved information exchange relating to environmental issues. Overall evidence of positive environmental impacts resulting from the regional programme is limited.

In Spain a range of information sources (including case studies, interviews with key stakeholders, monitoring information and discussions with scheme administrators) indicates that Article 33 support has helped to increase environmental awareness, particularly among beneficiaries. Levels of awareness have been further bolstered by increased enforcement of environmental regulations. Interview respondents in Spain reported that the previously negative perception towards irrigation measures held by environmental associations and the Ministerio del Medio Ambiente (MMA) has been mitigated due to the introduction of the environmental impact evaluations. Irrigation system modernisation has also taken place, although there are some concerns regarding efficiency of use and consumption as farmers continue to use the same amount of water (i.e. to produce more).

Interview evidence from Portugal indicates that environmental impacts in the Norte and Lisboa e Vale do Tejo regions were mainly indirect, with improved agricultural techniques and water use resulting mainly from re-plotting, irrigation and drainage projects. Article 33 measures have been particularly important for pollution prevention as a result of projects that have supported effluent treatment in many small olive oil mills. In Madeira, improved irrigation infrastructure has reduced both water loss and soil erosion. However, investments in waste/sewage treatment and renewable energy sources were conducted entirely using the ERDF Structural Fund while non-agricultural activities were mainly financed via Chapter VIII: Processing and marketing.

As a result of the dominance of the agri-environment measures in the overall RDP interview respondents from Austria reported that only a few Article 33 measures focus on environmental protection. However, the biomass sub-measure has received the highest level of support under Article 33 (approximately 30% of funds, with 12% of supported projects). The sub-measure dealing with land consolidation is also reported to have had positive ecological effects (particularly where previously separate habitat patches have been re-joined). Additionally several small (and relatively inexpensive) nature conservation projects have created positive outputs (e.g. a tourism package offering on-farm accommodation, guided tours, local produce, and so on).

Interview respondents in Finland indicated that no significant support had been allocated to agricultural improvements and land improvement had only been implemented to a minor extent. Reparcelling was implemented to some extent only at the end of the first half of the programming period in some areas of Ostrobothnia and Northern Savo. The promotion and use of renewable energy has been supported in over 300 projects, although it was deemed too soon to draw conclusions as to their impact.

In Germany a series of water related measures have benefited several areas including flood protection, sewage collection and drinking water provision. However, the extent to which Article 33 measures have been responsible for these changes is difficult to establish, primarily due to factors external to the programme and the impacts from other interventions.

French interview respondents reported that the environmental impacts resulting from support under Chapter IX are critical since agri-environment measures have not been widely implemented in overseas districts. In Guadeloupe rural tourism facilities are constructed in accordance with rules relating to the environment (e.g. wooden buildings which help to preserve landscapes). In Corsica, the higher subsidy rates of EAGGF have allowed quality restoration of old buildings to take place (again with positive impacts for landscape conservation). In La Reunion environmental issues have been incorporated into water supply projects with the objective of maximising the use of a limited resource. In Nord Pas de Calais, the programme funds land restructuring and drainage in a small region which has helped to protect wetlands.

In the UK (Cornwall) improved soil protection is being achieved via projects such as China Clay Woodlands⁴⁶ and the Rivers Trust⁴⁷. Elsewhere, in Northern Ireland for example, some renewable energy projects have been supported, the Building Sustainable Prosperity programme supported eight projects (with environmental themes) between 2000 and 2003⁴⁸, and by the end of 2003 several projects aimed at increasing knowledge and awareness of rural environmental problems had been instigated (e.g. the South Lough Neagh Regeneration Association project supported

⁴⁶ China clay is the biggest UK mineral export after oil. The mining process incurs a 9:1 waste to product ratio that results in significant surface tipping. The China Clay Woodland Project will create and manage 800 hectares of native broadleaf woodland.

⁴⁷ One important feature of this project is the development of 130 'Best Farming Practice' guidance notes, which are distributed to landowners and river managers in conjunction with whole farm plans. This guidance provides practical information on a whole host of environmental management concerns, and stresses the link between economic benefit and improved environmental husbandry.

⁴⁸ Similar projects aiming to improve biodiversity, the landscape and natural resources are supported by the Northern Ireland Department for Agriculture and Rural Development (DARD) under the PEACE II (Programme for Peace and Reconciliation) Natural Resource Rural Tourism. However this is funded by the ERDF.

a countryside/farm awareness officer and the Ulster Wildlife Trust project supported a wildlife guardian network).

Judgement

There are no set objectives for measures under this Chapter, although the protection or improvement of the rural environment is an expected outcome from some measures in the intervention logic.

In general there is some evidence to suggest that the measures have contributed positively towards rural environmental protection, although effects tend to be modest. Moreover there appears to be some difficulty in attributing outcomes to specific interventions due to confounding factors. In Southern European countries the efforts appear to have focused primarily on more fundamental issues such as water resources management and environmental awareness whereas Northern European countries have focused on rural advice, conservation and the support of local community projects (e.g. Northern Ireland). Again, this highlights the variable priorities and objectives that different member states have and which makes comparison between countries and regions complex.

In some instances there is evidence to suggest that environmental objectives under this Chapter are also being tackled under other RDP Chapters as well through alternative funding sources (e.g. both Portugal and Northern Ireland have used the ERDF to address environmental issues). This suggests that there is good potential for member states to leverage funding from a variety of sources in order to achieve their aims. However, this does highlight the difficulty in untangling the true cause of impacts and apportioning them accurately to the different funding sources involved.

3.2.6.4. Chapter summary

A range of measures are available under this Chapter targeted at both the agricultural and the non-agricultural sectors. These include measures promoting competitiveness in the agricultural sector, protecting the environment and the adaptation and development of rural areas.

There is a body of evidence to suggest that Article 33 measures have at least helped to maintain incomes in the rural population. Tourism-related projects were identified by some regions/Member States as being effective in delivering positive income-related outcomes. In Finland, for example, the share of tourism-related turnover in total turnover of supported enterprises was 19% in the east and 3% in the north; and in Corsica (France), supported investments in agro-tourism resulted in income increases of between 15% and 30%. Positive effects on employment maintenance

(and to a lesser extent employment creation) were also widely reported and were substantial in some cases, for example, Finland, Spain, Ireland and Greece. However, these positive employment effects tend to involve the farming population rather than the non-farming population.

Positive environmental outcomes were reported in a number of regions/Member States, although these tended to be quite modest. In southern regions/Member States the interventions have been focused primarily on more fundamental issues such as water resources management and environmental awareness, whereas regions/Member States in the north have tended to focus on rural advice, conservation and the support of local community projects.

Whilst there have been some positive impacts on living conditions as a result of supported actions, particularly in Portugal, these generally remain small-scale at this point in the programme.

Projects supported by Article 33 measures have involved a wide range of beneficiaries which has contributed positively to the maintenance/improvement of the structural characteristics of the rural economy.

3.3. Cross cutting evaluation questions

The extent to which the various RDPs have been implemented as a programme is mixed. In many cases RDPs are essentially a collection of (largely) pre-existing measures, although this does not preclude them from, at times, operating like a programme. In most cases it is clear that at least some measures within an individual RDP act in the same direction.

According to Dwyer, *et al* (2002) RDPs tend to act in one of two main ways: those that deliver preservation (for example Austria, southern Germany and Scotland where the focus is predominantly on Less Favoured Areas and Agri-environmental measures) and those that deliver change (for example, Spain where the focus is more on structural adaptation). Most RDPs, however, fall between these two extremes where an environmental focus (of varying strength) is combined with the active promotion of development and diversification.

This Chapter focuses on the impact of the programmes as a whole and, in order to do this, draws heavily on the impacts at the individual Chapter level.

CEQ Transv.1: To what extent has the programme helped stabilising the rural population?

This question was answered in 6 of the 13 Member States where this question was considered to be applicable. Short answers are presented in Table 3.35 where it can be seen that in one case the impact was mixed according to circumstances. In a further two-thirds of cases it was not possible to extract a meaningful answer and in the remaining case it was too early to note an impact.

Table 3.35: Short answer to CEQ Transv.1

	Be	De	Es	Fin	Fr	Gr	%
On balance a positive change							0%
Mixed according to circumstances		1					17%
Mixed according to region							0%
No change							0%
On balance a negative change							0%
Too early to note impact						1	17%
No meaningful answer possible	1		1	1	1		67%

The main sources of evidence used to address this question were obtained from scheme monitoring data, with supplementary information from national and secondary sources, and interviews with implementing authorities/scheme managers.

In Finland rural depopulation remained fairly static between 1999 and 2002. In East Finland the rate of depopulation decreased slightly (from -2.2% between 1996 and 1999 to -2.0% between 1999 and 2002), whereas in North Finland it increased slightly (from -3.3% between 1996 and 1999 to -3.4% between 1999 and 2002⁴⁹). However, it is difficult to establish the contribution made by EAGGF Guidance towards these changes. The gender profile of the population benefiting from assistance also changed only marginally between 1999 and 2002. In East Finland, the ratio of females to males declined slightly to around 1.03:1 (0.96-0.97:1 for sparsely populated areas). In North Finland the ratio was approximately 0.97-0.98:1 (for sparsely populated regions the ratio was declining and was less than 0.95:1).

Interview respondents in Austria indicated that the trend of rural depopulation has continued, primarily as a result of improved transport infrastructure which facilitates a general movement towards urban areas (Vienna exerts a particularly strong influence over the Burgenland region, both in terms of commuting and living). It is assumed that the age profile of beneficiaries is skewed towards younger people due to the focus of assistance on sustainable and viable holdings and projects. Gender profiles tend to be dominated by women, especially for part-time holdings (which account for approximately three-quarters of all holdings). However, this situation is not thought to be directly connected with the RDP for two reasons: firstly there are tax advantages if women 'head' farms; and secondly it is not unusual for women to remain on the farm whilst men work commute to better paid jobs in urban areas. Overall respondents highlighted the difficulties in establishing causal links between interventions and outcomes due to the relative immaturity of the investments.

Interview respondents in Spain agreed that while impact of the programme on rural population is likely to be slight overall, the situation in the absence of the interventions would have undoubtedly been worse. Overall Spanish commentators argued that the programme does not counteract those factors which are external to agriculture which also cause rural depopulation. This is particularly apparent in regions which have depopulated to the extent where the 'critical mass' needed to stimulate economic regeneration is absent (for example in Castilla y León and some areas of Galicia, Asturias, Castilla-La Mancha and Extremadura).

⁴⁹ The overall change in Finland was 0.8% between 1996 and 1999 and 0.7% between 1999 and 2002.

Interview evidence from the UK (Cornwall) suggests that the agricultural population situation has eased slightly in recent years but is still declining. Notwithstanding this the number of dairy farms has declined from 1,050 to 650 between 2000 and 2005. Evidence from interviews in Portugal also suggests that the programme has eased the trend of rural depopulation, principally by maintaining the economical viability of many holdings.

For the French overseas districts interview respondents indicated that the continued decline of farm numbers is inevitable (In Guadeloupe the top 5% of holdings in terms of size occupy 50% of all agricultural land). However young farmer measures are active and these are helping to diversify activities (particularly for women). In Guadeloupe it was concluded that the impact on younger farmers has been limited (in fact the proportion of those aged below 30 years has actually declined from 7% to 4%). Elsewhere (e.g. Corsica) there is some evidence to suggest that rural depopulation may be slowing. However agriculture in the overseas islands largely takes place in peri-urban areas where there is great competition between agriculture and other land uses.

Evidence from Italy (Campania) suggests again that young farmer measures may be helping to tackle rural depopulation, although this was not quantified. At the end of 2004 approximately 42% of beneficiaries involved women (n=1,870). Interview respondents in Greece reported that approximately one-quarter of all assisted persons were women (this increased to 31% for the Young Farmers scheme and 37% for Integrated Rural Development Programmes).

Judgement

It is usually not possible to consider the impact of RDP measures on the rural age profile in a quantitative manner due to a lack of baseline information. It should also be borne in mind that measures under the RDR will not be the only reasons why people are employed on beneficiary holdings (see comments on the indicator in Appendix 3). The impact of the programmes on rural depopulation will depend on the extent to which the agricultural sector is synonymous with the wider rural community and there will be a range of confounding factors. It is likely to be some years before any impact arising from the support provided under EAGGF Guidance is apparent and even then removing confounding factors will not be easy.

In general the evidence at the mid-term stage suggests that the programmes have only had a marginal impact on the stability of the rural population. While there is some evidence to suggest that the rate of depopulation has eased slightly, and that the age and gender profile of beneficiaries has improved, the overall trend in rural

population is still one of decline. However, the programmes have helped to stabilise the rural population (albeit marginally) and it is likely that the situation would be worse if the interventions had not taken place (although it is evident that some regions simply lack the critical mass needed to reverse rural depopulation).

CEQ Transv.2: To what extent has the programme been conducive to securing employment both on and off holdings?

Table 3.36 presents short answers to this question. The question was answered in the MTE reports from 6 of the 13 Member States where it was considered to be applicable. Whilst in one case it was not possible to derive a meaningful answer, 83% of MTE reports concluded that the programmes had had a positive impact in terms of securing employment.

Table 3.36: Short answers to CEQ Transv.2

	De	Es	Fin	Fr	Gr	It	%
On balance a positive change	1	1	1	1	1		83%
Mixed according to circumstances							0%
Mixed according to region							0%
No change							0%
On balance a negative change							0%
Too early to note impact							0%
No meaningful answer possible						1	17%

The key sources of information used to address this question were obtained from scheme monitoring data and interviews with implementing authorities/scheme managers.

Interview evidence from Greece indicates that the programme has helped to secure rural employment. Nationally some 13,600 jobs had been created by the mid-term stage. At the regional level, 18 jobs were created in East Macedonia and Thrace and 662 AWU were created in West Macedonia. The number of jobs in Central Macedonia, West Greece and Central Greece increased by 0.14%, 2.35% and 15.4%, respectively, and overall these regions accounted for 1,475 new off-farm jobs. Farm family labour (AWU) increases of 9.4% and 11.8% were also reported in West Macedonia and Central Macedonia. In Crete interview respondents also reported that some assisted projects, such as those involving dams and irrigation, have been particularly important for sustaining employment on farms (estimates suggest over 60% of current farm jobs are associated with these activities).

Positive impacts on employment were recorded in several of the French overseas districts. In Martinique more than 80% of the EAGGF Guidance funded projects were seen to have a positive impact on employment. In La Reunion, supported multifunctional and sustainable forest management led to positive outcomes for employment impact, both directly through forest maintenance and productive activities, and indirectly via rural tourism. However, interview respondents reported that the overall number of agricultural jobs declined from 12,100 in 2000 to 10,800 in 2003 (a decline of 12%). Positive impacts were also reported in Guadeloupe (although the support given to younger farmers was lower than planned) and Guyana. For the mainland regions Nord Pas de Calais is predominantly an urban area and as such little impact is anticipated (other than helping to maintain employment on existing farms). In Corsica approximately 280 jobs were maintained and 70 created as a result of the support, although employment problems are exacerbated by poor retirement benefits which prevent businesses being transferred to younger generations.

In Finland the impact has focused on farm holders (90% in both East and North Finland), with between 1% and 3% of the employment created/maintained involving non-family labour, 60% relating to full-time employment. Between one-third (North Finland) and two-fifths (East Finland) of the jobs created/maintained involved women. Approximately 90% of the employment generated concerned gainful activities other than the production of basic agricultural/forestry products and 20% resulted indirectly as a result of supplier effects.

Interview respondents in Spain reported a modest aggregated impact, with the largest gains resulting from investments involving agri-food industries and larger and/or more competitive farms. Agri-infrastructure projects (e.g. irrigation, dams) were highlighted for their potential to provide significant amounts of employment, although they had lead to some problems with seasonal employment. For Portugal provisional data suggests that the programme should impact positively on employment. As with respondents in Greece and Spain the importance of agri-infrastructure investment was again highlighted often have very positive impacts on employment.

In the UK (Cornwall) interview evidence indicates that some positive impacts are anticipated, especially as a result of investments in workspace. In Northern Ireland, ICT (Information and Communications Technology) training programmes under

PEACE II⁵⁰ had involved 700 female participants by the end of 2003, 128 supported projects under the DARD RDP included women as beneficiaries, and the Rural Community Network training programmes had included 160 female beneficiaries.

In Austria interview respondents the impact of Article 33 measures aimed at employment generation have only had a marginal impact to date but do appear to have assisted with the transfer of jobs into more sustainable activities.

Judgement

There is likely to be a degree of conflict in that aspects of measures under some Chapters, for example, Chapter I: Investment on farm and Chapter VII: Investments in processing and marketing, are likely to lead to rationalisation and the better use of factors of production, including labour, whereas other measures might be more concerned with employment, for example, Chapter II: Young Farmers and Chapter III: Training.

However, at this relatively early stage, the programmes appear to have contributed positively in terms of securing employment both on and off holdings (in the former case, see for example CEQ I.5 where employment benefits were noted in relation to diversification measures under Chapter I: Investments on farms and CEQ II.4 where there is evidence of employment maintenance as a result of measures under Chapter II: Young farmers; see also CEQ IX.3 where employment benefits arising from measures under Chapter IX: Article 33 are discussed).

Overall the evidence indicates that the programmes have been conducive to securing employment and for some Member States (e.g. Greece) significant numbers of jobs have also been created. Although off-farm employment has been generated in some instances the main impact to date appears to be on-farm. However, additional off-farm employment might be expected in the future as investments mature and new enterprises expand. It is interesting to note the potential for agri-infrastructure investments, particularly in Southern European countries, to maintain and create employment (e.g. dams and irrigation projects). In the case of Greece it was estimated that as much as 60% of all agricultural jobs depend to some extent on activities surrounding these forms of infrastructure. Clearly this is an important impact but the question remains to what extent employment in this area can be sustained (i.e. is employment mainly derived from construction activity or on-going maintenance work)?

⁵⁰ The EU Programme for Peace and Reconciliation (Peace II) incorporates all of Northern Ireland and the Border Regions of Ireland (Cavan, Donegal, Leitrim, Louth, Monaghan and Sligo). Its main aim is to promote reconciliation and help to build a more peaceful and stable society.

In conclusion these investments have already contributed positively to securing employment and additional positive impacts are likely to occur in the longer-term as uptake increases and investments mature.

CEQ Transv.3: To what extent has the programme been conducive to maintaining or improving the income level of the rural community?

This question was answered in the MTE reports from 5 of the 13 Member States where it was considered to be applicable and short answers are presented in Table 3.37. In 40% of cases a positive impact was noted in terms of maintaining or improving income in the rural community as a result of the programme. In a further 40% of cases it was too early to note an impact and in one case no meaningful answer could be extracted.

Table 3.37: Short answer to CEQ Transv.3

	De	Es	Fin	Fr	Gr	%
On balance a positive change		1			1	40%
Mixed according to circumstances						0%
Mixed according to region						0%
No change						0%
On balance a negative change						0%
Too early to note impact	1			1		40%
No meaningful answer possible			1			20%

The main sources of information used to address this question were obtained from scheme monitoring data and interviews with implementing authorities/scheme managers.

Evidence from interviews in Greece indicates that incomes (both on- and off-farm) have increased and it was estimated that approximately 10-30% of additional income can be attributed directly to the support, with agro-infrastructure and agro-tourism investments tending to have the greatest impact. At the regional level family farm income (in AWU terms) increased between 11.8% in Central Macedonia and 98.6% in Central Greece.

Interview respondents in Austria indicated that there has been a positive income effect on the agricultural population, but the impact on the wider rural population is likely to have been marginal. Due to the dominance of the wine in Burgenland, a sector which is highly concentrated, it is the prime beneficiary of the support.

Furthermore since most production functions take place on the holding few indirect income effects occur in the non-agricultural population. In general other important factors also influence incomes (such as the price development for agricultural products) and thus it is difficult to determine the contribution made by the RDP.

Interview respondents in France highlighted a study by chamber of agriculture in La Reunion that showed that the incomes of sugarcane farmers fell by 20% between 1996 and 2003. However, it was highlighted that the French overseas districts are developing regions and as such they have basic investment needs that might not address income issues in the short-term. The French respondents also highlighted the difficulties involved in measuring the impact of interventions on the incomes of beneficiaries.

Respondents in the UK also reported that the programme has had a positive impact on incomes. For Northern Ireland the variable nature of income in rural areas during the first half of the current programming period, due largely to the outbreak of foot and mouth disease, has complicated the assessment of the programme. However, it is anticipated that family farm income should benefit as the programme matures. Evidence from the Northern Ireland forestry service indicates that the incomes for some landowners was maintained, mainly as a result of the Farm Woodland Premium Scheme (FWPS) which compensates for agricultural income foregone through establishing woodland. Such schemes can also benefit incomes for the non-farming population since they generate demand for forestry consultants, contractors, and suppliers.

For Finland 99% of the income of the farming population related to 'family farm income' (with only 1% relating to the income of non-family workforce on holdings). Income from the pluriactivity of part-time farmers (or to gainful activities on holdings other than the production of basic agricultural/forestry products) accounted for approximately 30% of income in both East and North Finland. Indirect supplier effects accounted for approximately 20% (again in both areas). In terms of the income of the directly/indirectly assisted non-farming population, 19% related to rural tourism in East Finland and 3% in North Finland (N.B. none related to crafts/products), and 70% was derived indirectly as a result of supplier and multiplier effects. However, the evaluators highlight the difficulty in attributing these impacts directly to the RDP programme due to confounding factors.

Finally, the Spanish horizontal programme (particularly measures under Chapters I and II) was reported to have played an important role in ensuring that a minimum acceptable income per job is achieved.

Judgement

Logically, where measures provide revenue there will be a positive impact on gross income. However, the impact on net income will depend on the impact of the measures on cost and/or output. With respect to measures involving investment, it is highly likely that a short-term negative impact on net income will be apparent, although the expectation would be that this impact will turn positive in due course. Evidence under CEQ I.1 in Chapter I: Investments on farm suggests that the type of investment made is a crucial determinant in any impact on income.

In general there is some reasonable evidence to suggest that the programme has been conducive to maintaining or improving the income level of the rural community. Several Member States reported an increase in incomes during the first half of the programming period of which a significant proportions (perhaps as much as 30%) being directly attributable to the programme. Although most interventions appear to have the potential to increase incomes the largest impacts to date appear to have been associated with agro-infrastructure and agro-tourism investments. However, the impact on the wider rural population is likely to have been more marginal. However, several Member States highlighted the difficulty in attributing impacts directly to the RDP programme due to confounding factors, particularly the price development of agricultural products. There is also some evidence in relation to measures under CEQ I.1 in Chapter I: Investment on farms which suggests a positive impact in the longer-term, although in some regions there are some negative short-term effects while investments are made.

CEQ Transv.4: To what extent has the programme improved the market situation for basic agricultural/forestry products?

This question was answered in the MTE reports from 4 of the 13 Member States where it was considered to be applicable. Short answers are presented in Table 3.38. In one MTE report it was considered that the programme had a positive impact on the market situation for basic agricultural and forestry products. In another case the impact was variable and dependent on circumstances. A negative change as result of the scheme was reported by France. Finally, it was not possible to extract a meaningful answer in the remaining case.

Table 3.38: Short answers to CEQ Transv.4

	Es	Fin	Fr	Gr	%
On balance a positive change				1	25%
Mixed according to circumstances		1			25%

Mixed according to region					0%
No change					0%
On balance a negative change			1		25%
Too early to note impact					0%
No meaningful answer possible	1				25%

This question was addressed using scheme monitoring data, supplemented by national and survey data, and evidence from interviews with implementing authorities/scheme managers.

In Finland survey evidence indicated that the programme had only had a marginal impact on productivity, cost reduction, the market position of basic agricultural and forestry products, sales and the prices of basic agricultural products. However, the ratio of fixed costs to turnover in dairy enterprises (the biggest form of agricultural activity in the Objective 1 areas) declined between 1998 and 2001 (from over 60% in East Finland and 50% in North Finland in 1998 to 50% and 46%, respectively by 2001). Similarly in Greece the programme has contributed to the reduction in unit costs (estimated to be over 20%) and over 60% percent of assisted products are now sold under a quality label.

Interview respondents from Austria indicated that the wine sector in Burgenland had benefited most from the programme. The market situation for forestry products has also improved due to support of biomass plants (which utilises low quality wood that was previously unmarketable).

Interview evidence from Spain and Portugal indicates that the programme should help to improve quality and competitiveness as the programme matures (mainly as a result of investments under Chapter I: Farm investment, Chapter VII: Processing and marketing, and Chapter IX: Adaptation and development of rural areas). However, it is recognised that greater participation by farmers in marketing and added value is needed if benefits are to be optimised.

In the UK (Cornwall) interview respondents indicated that productivity has improved in key production chains, particularly in food processing and forestry. Market positioning has also improved as a result of a range of activities, such as 'Meet the Buyer' events which provide opportunities suppliers and buyers to meet and discuss business opportunities.

The MTE reports for the French overseas districts highlighted the problem of over-reliance on a few major commodity chains (e.g. sugarcane, banana and rice) which has not helped to improve the overall market situation. While productivity

appears to have improved in some sectors in others it has remained static, for example in the forestry sector where the lack of competition is a key issue⁵¹. For the mainland regions market positioning had improved for some beneficiaries, mainly as a result of improved quality.

Judgement

The extent to which the programme has improved the market situation for basic agricultural/forestry products was generally unclear at the mid-term stage, although there is some evidence in relation to CEQ I.2 resulting from measures under Chapter I: Investment on farms to suggest that a positive impact in terms of use of production factors is anticipated. The extent to which positive impacts are anticipated does depend on the investment objectives which are not always geared towards economic improvements.

Overall from the evidence that is available for this question it appears that the programme at the mid-term stage had only had a marginal impact on the market situation for basic agricultural/forestry products. In many cases positive changes are anticipated to materialise as the programme matures (predominantly as a result of investments under Chapter I: Farm investment, Chapter VII: Processing and marketing, and Chapter IX: Adaptation and development of rural areas).

CEQ Transv.5: To what extent has the programme been conducive to the protection and improvement of the environment?

This question was answered in the MTE reports from 5 of the 13 Member States where it was considered to be applicable. Short answers are presented in Table 3.39. In 60% of MTE reports it was found that the programme has been conducive to the protection and improvement of the environment. In one case the impact depended on circumstances and in another MTE report it was considered too early to form a judgement.

Table 3.39: Short answers to CEQ Transv.5

	De	Es	Fin	Fr	Gr	%
On balance a positive change	1	1			1	60%
Mixed according to circumstances				1		20%
Mixed according to region						0%
No change						0%
On balance a negative						0%

⁵¹ The state forestry agency was reported to be the main beneficiary of assistance in the French overseas districts.

change						
Too early to note impact			1			20%
No meaningful answer possible						0%

Evidence for this question was drawn predominantly from scheme monitoring data (supplemented in some regions by secondary data), and interviews with implementing authorities/scheme managers.

While positive changes were reported by most member States quantification of the impacts was generally limited. In Greece 55% of measures and 76% of expenditure incorporated environmental objectives, although this varied considerably between regions (e.g. 22% of the budget for Crete and 15% of the budget for Western Greece being allocated to actions linked to the environment). In Austria interview respondents reported that 38% of RDP funds disbursed in Burgenland between 2000 and 2003 led to positive environmental outcomes.

Evidence from interviews in Spain indicates that the programme has contributed positively to the protection of the environment. The involvement of the Ministerio del Medio Ambiente, environmental associations and farming associations has helped to optimise environmental effects (especially in the promotion of Good Farming Practices). However, it is clear that positive environmental impacts in Objective 1 regions tend to derive from horizontal RDP measures (i.e. agri-environment and afforestation), although positive indirect impacts can also be attributed to investments made under Chapters I: Investments in agricultural holdings, Chapter II: Young farmers and Chapter VII: Processing and marketing (primarily due to the fact that environmental protection is often a condition of support).

In the French overseas districts, positive impacts for forestry, rural water, and solar energy were reported in Guyana, although progress made in agriculture and land management was limited. Interview evidence from La Reunion indicates that sustained sugarcane production has helped to mitigate soil erosion. However livestock production, which tends to be geographically concentrated, is reported to be causing some localised pollution of soil and water (although these are expected to reduce as the activity becomes more structured). In Martinique, the development of eco-tourism is helping to promote sustainable development. However, in the Guadeloupe limited environmental awareness is reported and concern is voiced over the reliability of environmental impact indicators. For mainland France the implementation of activities targeting environmental improvement appear to have been limited. Overall the programme ensures that environmental issues are taken into consideration during the investment process and this helps to reinforce the generally positive outcomes.

Interview respondents in Finland indicated that due to the decline in agricultural production in the Objective 1 areas approximately 10% of land is vulnerable to abandonment (production has tended to shift away from Eastern and Northern Finland to Ostrobothnia and Southern Finland). Even with the RDP in place it appears that the relatively small scale of projects under the programme may not be sufficient to slow this trend. Overall the impact of the programme on the environment had not been fully assessed by the mid-term stage, although information presented in Box 3.1 suggests that good progress is being made.

In the UK (South Yorkshire), interview respondents again indicated that horizontal measures (i.e. agri-environment, organic, and afforestation measure) are the primary contributors to positive environmental outcomes in Objective 1 regions. Afforestation in the UK, for example, is subject to sustainable forest management techniques and standards and as such this ensures that the environmental aspects of all projects are maintained or improved. Similarly interview evidence from Portugal indicates that all supported investments must comply with minimum environmental requirements, often requiring approval from the Ministry for the Environment and, in some cases, the execution of environmental impact assessments.

Box 3.1: Summary of data for Transv.5 in the Finnish MTE reports

- Projects using wood as an energy source make up 37% of forestry scheme costs and 68% of forestry projects in East Finland (EF) and 39% of forestry scheme costs and 70% of forestry projects in North Finland (NF);
- Projects involving the improvement of waste management make up 0.28% of the programme costs and 0.25% of the projects under Chapter IX: Adaptation and development of rural areas in EF, and 0.16 % of the programme costs and 0.58% of the projects under the same Chapter in NF;
- Environmental training makes up 15% of training scheme costs and 28% of training projects in EF and 17% of training scheme costs and 70% of training projects in NF;
- 404 holdings made assisted environmental investments (3.1% of all holdings) in EF and 245 holdings (3.1% of all holdings) made environmental investments in NF;
- The share of supported actions focusing on production and development aspects generating positive environmental spin-offs made up 31% and 53% of programme costs in EF and NF, respectively;
- No negative environmental effects were reported in either area;
- The number of projects with beneficial (or prevented negative) landscape effects was 13 in EF and 10 in NF;
- Of which 35% in EF and 40% in NF contributed to landscape coherence; 40% in EF and 30% in NF contributed to cultural identity;
- Beneficiary survey evidence revealed that the Objective 1 programme had only

a limited impact in terms of maintaining or improving the rural scenery or rural cultural scenery.

Judgement

In conclusion, the evidence available at the mid-term stage indicates that the programme had been conducive to the protection and improvement of the environment. In particular there is good evidence to suggest that a significant proportion of measures and expenditure included under the programme were linked to environmental enhancement.

Examples include some investments under Chapter I: Investment on farms (see CEQ I.6) where there is evidence that environmental considerations have been taken into account, although the situation is clouded to a certain extent by the impact of statutory environmental legislation. Measures under Chapter VIII: Forestry also resulted in some (limited at the mid-term stage) environmental benefits, see CEQ VIII.4, as did measures under Chapter IX: Article 33 (see CEQ IX.5). It is anticipated that these benefits will continue to accrue as the programmes move forward.

Overall it is evident that horizontal RDP measures (such as agri-environment, Less Favoured Areas and afforestation) tend to deliver the bulk of positive environmental outcomes in Objective 1 regions. While this inevitably leads to difficulties in establishing causal links between outcomes and interventions it does appear to suggest that Objective 1 programmes do not impeding non-Objective 1 measures. In both situations the incorporation of statutory legislation and techniques such as EIA (Environmental Impact Assessments) into support processes is helping to maximise the potential for positive outcomes.

3.3.1. Cross cutting summary

Evidence at the mid-term stage suggests the programme has only had a marginal impact on the stability of the rural population. Whilst there is some evidence to suggest that the rate of depopulation has eased, and that the age and gender profile of beneficiaries has improved, the overall trend in rural population is still one of decline. However, there is evidence that the programme has contributed positively in some regions/Member States it is possible that conditions would be worse in the absence of the measures (although it is evident that some regions simply lack the critical mass needed to reverse rural depopulation).

There is also a range of evidence to suggest that the measures have contributed positively to the securing of employment, both on and off holdings. It is interesting to note the potential for agri-infrastructure investments, particularly in the south, to maintain and create employment (for example via dam and irrigation projects).

Clearly this is an important impact but the question remains to what extent employment in this area can be sustained.

There is evidence from some regions/Member States to suggest that the programmes have been conducive to maintaining or improving the income level of the rural community. Several regions/Member States reported an increase in incomes during the first half of the programming period, a significant proportions of which was directly attributable to the programme. Although most interventions appear to have the potential to increase incomes the largest impacts to date have been associated with agro-infrastructure and agro-tourism investments. However, the impact on the wider rural population is likely to have been more marginal. The difficulties involved in attributing impacts directly to the RDP programme due to confounding factors, particularly the price development of agricultural products, was highlighted by several regions/Member States. There is also some evidence in relation to measures under Chapter I: Investment on farms which suggests a positive impact in the longer-term, although in some regions there are some negative short-term effects while investments are made.

The extent to which the programme has improved the market situation for basic agricultural/forestry products was unclear at the mid-term stage. There is some evidence (in relation to CEQ I.2 resulting from measures under Chapter I: Investment on farms), to suggest that a positive impact (in terms of use of production factors) is anticipated. However, the extent to which positive impacts are anticipated does depend on the investment objectives which are not always geared towards economic improvements).

The programmes have been conducive to the protection and improvement of the environment. However, it is evident that horizontal RDP measures (such as agri-environment, Less Favoured Areas and afforestation) tend to deliver the bulk of positive environmental outcomes in Objective 1 regions.

3.4. Assessment of the evaluation system

3.4.1. Use of Commission Evaluation Guidelines

Generally, although not exclusively, the rural development elements of the Objective 1 Operational Programmes (OPs) and Single Programming Documents (SPDs) were evaluated as part of the OP/SPD evaluations which used evaluation guidelines set out by DG Regio⁵² (although in some cases, the Netherlands for example, a national evaluation framework was devised). Given the relative weight of funding under the OPs/SPDs, and the small proportion of the total devoted to rural development measures, generally little attention has been paid to these, as might be expected if the evaluations were following proportionality guides. For various reasons there was little use of the Common Evaluation Questions set out by DG Agri. However, in some cases the indicators used under the DG Regio guidelines can be used to deduce answers to some CEQs, although this is not widespread.

DG Agri guidelines (at least in terms of the use of CEQs) were used in Finland and to some extent in Italy, Spain, the UK and Germany. In Greece the National Agricultural and Rural Development Operational programme (NARD) (monofunded), covering investments in agricultural holdings, young farmers, processing and marketing and the adaptation of rural areas, was partially evaluated using the DG Agri guidelines and partly the DG Regio guidelines. However, the Regional Operational Programmes (ROPs) for the 13 Regions of Greece, covering investments in agricultural holdings, the adaptation of rural areas and forestry were evaluated using only the DG Regio guidelines.

In Ireland the rural development measures within the Objective 1 OP were included in the evaluation of the RDP outside Objective 1, i.e. one evaluation covered all rural development measures, although monitoring information for these measures does not generally provide the information required to address the CEQs.

As has been clear from the start of this project the very limited usage of the DG Agri evaluation guidelines poses a problem for this meta-evaluation. An added problem is simply the fact that rural development measures generally accounted for a relatively small proportion of overall funding within the Objective 1 Operational Programmes and therefore there is little consideration of them in the mid-term evaluation reports. This is compounded by the approach taken under the DG Regio guidelines which tends to focus more on financial outcomes rather than outputs⁵³.

⁵² These guidelines did, however, foresee the use of the DG Agri CEQs for rural development measures.

⁵³ The DG Regio approach can be characterised as a process-based evaluation relying heavily on programme monitoring systems, i.e. is money being spent, is there participation in the schemes. The DG Agri approach, on the

The approach taken in Ireland appears eminently sensible in that it can also facilitate a comparison of impact inside and outside Objective 1 areas. Another strength of this approach is that the evaluation would probably be carried out by experts in rural development evaluation rather than experts in Structural Fund evaluation which would constitute an advantage in terms of knowledge base.

3.4.2. Use of Common Evaluation Questions, criteria and indicators

The use of the Common Evaluation Questions (CEQs), their criteria and indicators is discussed by RDR Chapter below. Appendix 2 contains further information and Tables presenting the use of individual indicators. Only where questions, criteria and indicators were applicable were they considered, i.e. where measures under the Chapter were taken up and implemented in time to allow consideration at the mid-term evaluation point.

Given the fact that the use of DG Agri evaluation guidelines was sparse (see Section 3.4.1) it follows that the CEQs were not widely used. However, the extent to which they were used exceeded *ex ante* expectation.

- **Chapter I: Investments on farm.** The questions were answered in at least a quarter of MTE reports and CEQ I.1 concerning impact on income was answered in 46% of cases. CEQs I.4, I.3 and I.7 concerning improvements to quality, reorientation of activities and improvements in working conditions were answered in 26%, 27% and 29% of MTE reports respectively. The use of specified indicators was low in some cases, although balanced by the use of alternative indicators (for example, Indicator I.2-1.1 requiring output per hectare and Indicator I.2-1.2 requiring output per hour of labour, both 4%, alternative indicators used in 16% and 26% of MTE reports respectively). In other cases, low use was not balanced by the use of alternatives (for example, Indicator I.3-1.1 concerning net change in 'surplus product' activity which was used in just 2% of MTE reports and alternatives were used in only 8% of cases).
- **Chapter II: Young farmers.** Although CEQ II.3 (to what extent has the aid influenced the number of young farmers of either sex setting up?) was answered in 55% of MTE reports, probably because the indicator requires simple output data, generally, consideration of CEQs under this Chapter was not widespread. The CEQ addressed least refers to the dual use of this measure and Chapter IV: Early retirement. This may in part be related to the requirement to construct

other hand, is more objective-based, i.e. what was the intended impact of a measure and was this achieved. This approach needs to look beyond monitoring programmes.

data-demanding ratios under this CEQ. Alternative indicators were not widely used.

- **Chapter III: Training.** CEQ III.1 was used in 26% of MTE reports and CEQ III.2 was used in 32% of cases. The use of the specified indicator under the first CEQ was low at just 6%, but responses were boosted through the use of alternative indicators in 19% of MTE reports. Alternative indicators were also used widely in relation to the two indicators under the second CEQ in preference to the indicators specified.
- **Chapter VII: Investments in processing and marketing.** The use of CEQs under this Chapter was moderate with most used in at least a third of MTE reports. The use of CEQs VII.4 (improvements in health and welfare) and VII.5 (environmental protection) was slightly lower at 28% and 30% respectively. Often CEQs were mainly addressed through one indicator with little use made of further indicators. Where this was the case, typically the most qualitative indicators were selected (for example, CEQ VII.1). Alternative indicators were frequently used in preference to more quantitative indicators. For example, Indicator VII.2-1.1⁵⁴ was not used in any of the MTE reports, but alternatives were used in 19% of cases allowing an assessment of impact on product quality to be made.
- **Chapter VIII: Forestry.** There was a high degree of variability in the extent to which CEQs were addressed in the MTE reports under this Chapter. CEQ VIII.1 on the impact on land use and the structure and quality of growing stock was addressed in 55% of MTE reports, a result perhaps explained by the requirement for straightforward output data concerning the area of assisted plantings. On the other hand, CEQ VIII.1.B, relating to carbon storage, was only addressed in 12% of MTE reports. Indicator VIII.2.B-1.1⁵⁵, which requires a considerable amount of quantitative data, was only used in 6% of MTE reports and alternatives to this indicator were used in 31% of cases.
- **Chapter IX: Adaptation and development of rural areas.** Again there was a high degree of variation in the extent to which CEQs were answered in the MTE reports. Only a fifth of reports addressed CEQ IX.1 concerning impact on income. Neither of the quantitative first two indicators were used in any of the MTE reports with alternatives preferred. In contrast, 68% of MTE reports provided an answer to CEQ IX.3 on impact on employment in rural areas, although again alternative indicators were used in addition to those specified to achieve this result.

⁵⁴ Share of agricultural basic products contained in processed/marketed products with improved intrinsic quality from assisted processing/marketing lines (%): (a) of which subject to systematic quality monitoring thanks to assistance (%); (b) of which with improved homogeneity within and/or between batches (%).

⁵⁵ Activity on holdings from {own execution of assisted planting/improvement works} plus {anticipated work at the holding deriving from the assisted action in the short/mid term} (hours/hectare/year): (a) of which falling in periods where agricultural activity level is below the capacity on combined farm/forest holdings (hours/holding/year + number of holdings concerned); (b) of which leading to additional or maintained employment on holdings (full time equivalents/year)

Evaluators typically concentrated on less complex qualitative indicators where this was possible

- **Chapter X: Cross cutting.** CEQ Transv.5 on the extent to which the programme has been conducive to the protection and improvement of the environment was answered in 59% of MTE reports, however, this question was predominantly answered through the use of one indicator (Indicator Transv.5-1.1 share of supported actions entirely/mainly intended for environmental protection or enhancement) with little information on the other indicators provided, at least using the specified form. At the other end of the extreme, CEQs Transv.3 (on impact on income) and Transv.4 (on the market situation of basic agricultural/forestry products) were addressed in only 29% of MTE reports with a general avoidance of more quantitative where possible. The use of alternative indicators was widespread throughout this Chapter with a greater degree of use where the specified indicators required a greater data collection effort.

In conclusion it is possible to say that:

- The use of CEQs in the MTE reports is typically not high, although perhaps higher than expected given the relatively small share of the rural development measures within the Objective 1 programmes and the widespread use of DG Regio evaluation guidelines.
- CEQs were more widely answered in some Chapters than in others. For example, CEQs were relatively widely addressed in Chapter IX: Adaptation and development of rural areas, but were less widely treated in Chapter VII: Investments in processing and marketing in particular;
- where multiple indicators are specified there is a tendency, perhaps not surprisingly, for evaluators to have used the ones with the least data requirement effort. This often equates to those indicators which are more output rather than outcome related;
- indicators which demand the construction of ratios are often poorly used for the reason above;
- there is a reasonable use of alternative indicators, especially where the specified indicators were more quantitative; and,
- there is a need to have less criteria under one CEQ as where there are multiple criteria, some are less well addressed than others- these could have been made into separate questions to ensure an answer.

3.4.3. Relevance of Common Evaluation Questions

The relevance of CEQs was not widely commented on explicitly by mid-term evaluators. However, given the framework within which rural development measures were evaluated within the Operational Programmes it is not clear that a question

pertaining to the relevance of the CEQs is applicable in this instance. Individual CEQs may or may not have been considered relevant had the DG Agri evaluation guidelines been widely followed, but as they were not, then the question of CEQ relevance did not, in most cases, arise. There is no reason to suppose that the relevance of the CEQs would be any different inside or outside Objective 1 regions if the evaluation guidelines, of which they form part, had been used. The reader should therefore refer to comments made under the meta-evaluation of the RDR outside Objective 1 regions.

The above notwithstanding, clearly CEQs relating to Chapters not implemented by a Member State (or region) are not relevant, neither are CEQs, criteria or indicators relating to issues not considered a priority and hence not addressed through national/regional measures (for example, soil erosion and water resource issues in many Member States/regions in the north and west of the EU-15).

Whilst in many cases it is not explicitly stated that the CEQs are not considered relevant, the use of alternative or simplified indicators might suggest a lack of relevancy, although of course this could also suggest a lack of data and/or resources to properly use the specified indicators. In some cases, for example, Greece, late starts to some elements of some schemes (particularly under Chapter IX) made the use of the CEQs irrelevant at the mid-term point.

Judgement

It is not possible to form a judgement on the basis of the evidence available. However, there is no reason to suppose that the relevance of CEQs will be any different to their relevance outside the objective 1 regions. Essentially, there is a core of CEQs across most Chapters which are always likely to be relevant even where contextual circumstances differ, for example, those relating to the impact of measures on income, employment, etc. where the measure objectives are designed to have such an impact. Beyond this core it appears that setting CEQs centrally to apply in all evaluations reduces the extent to which they are targeted to the specific circumstances found across the different regions/Member States, although it is accepted that this increases consistency across the EU in terms of the coverage of evaluation reports. Further, some CEQs appear to be unrelated to the objectives of the measure and the relevance of these is clearly questionable. An example of where CEQs are less relevant are those relating to investment measures where impacts are not necessarily expected in the short-term (this was considered to be the case in Spain in relation to Chapter VII: Processing and marketing). However, this is clearly an issue of timing rather than of the relevance of the CEQs themselves). In general it is felt that the CEQs are usually sufficiently relevant to evaluate the Rural

Development Regulation provided that they are assessed within the evaluation methodology employed.

3.4.4. Evaluation system efficiency and effectiveness

Again, the fact that most mid-term evaluations were carried out using the DG Regio evaluation guidelines invalidates this question to a large extent. That said, whilst it is clear that the mid-term evaluations respected the funding framework in that Guarantee and Guidance funding were evaluated separately, it might have been more efficient to have evaluated them together.

The attitude of regions/Member States to the evaluation process is an important determinant in the degree to which monitoring systems and evaluation systems are harmonised. Where evaluation is seen as an important part of the policy design process it is more likely that a coherent monitoring and evaluation system will have been set up. Where regions/Member States consider evaluation to be more of a burden it is likely that monitoring systems will simply be mechanisms already in place for administrative reasons such as the need to disburse funds and are not generally very useful in addressing the evaluation questions.

The following points were raised in mid-term evaluation reports:

- There is a general lack of harmonisation between monitoring data and evaluation indicators which leads to inefficiency in that additional information needs to be gathered during evaluations. This can be noted in certain Member States where the use of specified indicators is low. The contention is that the greater the degree of harmony between monitoring and evaluation systems the more possible it should have been to efficiently use monitoring information in the mid-term evaluation. Indeed the need to create greater harmony between monitoring and evaluation systems the most common recommendation in the Italian Objective 1 mid-term evaluations.
- It is commented that efficient and effective use of public funds should really be determined by the quality of the output, whereas it is often considered as a function of money spent. Although this in part follows the DG Regio guidelines, where monitoring systems are more concerned with process rather than output information, then this is the only information available at no additional cost. In France, for example, the PRESAGE monitoring system exhibits very little linkage with the DG Agri CEQs (except where these are outcome measurements, for example, forest area planted, or where European priorities such as employment, environment and gender are concerned).

- The timing of the mid-term evaluation was questioned in that it was too early in the life of many schemes to be in a position to provide any meaningful output information (admittedly this was in many cases the result of late starts to certain schemes for a variety of reasons). It was therefore considered that a focus on implementation and expected outputs might have been more appropriate at this stage with actual outputs assessed at the *ex-post* point.
- In one case the composition of the evaluation team was seen to be an issue in that the lack of a specialist forestry member could have hampered attempts to provide answers to certain questions (see also Section 3.4.1).
- A final point raised is the use of quantitative indicators which are often answered qualitatively. Greater depth and understanding might be provided if evaluators were more able to integrate a wider range of information into their analysis.

Judgement

Evaluation effectiveness and efficiency would be improved by evaluating all RDR measures together rather than evaluating according to funding source (although evaluations are, in practice, often conducted to seek justification for expenditure as much as to feedback into policy design). Additionally, it is considered that the efficiency and effectiveness of the evaluation system depends in part on the attitude of the region/Member State. In those regions/Member States where it is felt that evaluation feeds back into better policy design, monitoring systems are better adapted to facilitating evaluation. There appears to be a lack of harmony between monitoring data and evaluation indicators and this has reduced the efficiency of the mid-term evaluations by necessitating additional data collection (effectiveness is compromised where this additional data collection is not made). Finally, effectiveness was reduced by the timing of the evaluation which was felt to be too early in the programme to provide the type of answers sought.

3.4.5. Alternative criteria and indicators used

A full set of alternative criteria and indicators is presented in Appendix 2. The text here focuses on the extent to which any alternative criteria and indicators were commonly applied across regions/Member States. It is clear that there are no examples of the systematic use of alternative criteria or indicators across the MTE reports and very few cases where more than one or two MTE reports used even a similar alternative. Typically alternative indicators were unique to individual regions/Member States, but a degree of commonality exists in CEQs under two Chapters are these are set out below.

- **Chapter I: Investments on farm.** Output per FTE rather than per hour of labour was used in two MTE reports (CEQ I.2). Two MTE reports used the intention to improve quality under CEQ I.4 to indicate the extent to which quality

improvements had been made and a further two MTE reports took the same approach to investigating animal welfare improvements under CEQ I.7.

- **Chapter X: Cross cutting.** Two MTE reports investigated employment impact, both on and off-farm, under CEQ Transv.2.

3.4.6. National/regional questions

The full set of national/regional questions addressed in the MTE reports can be found in Appendix 2. There are no examples of the same (or very similar) national questions being posed in different regions/Member States. There are two explanations for the general lack of national/regional questions. First, as the rural development measures account for a relatively low proportion of total spending within the Objective 1 regions it is unlikely that they were the focus of additional attention from regional/national administrators when the mid-term evaluations were carried out. Second, the CEQs set by the Commission covered all the issues which are in common across the EU and of interest to regional/national administrations. This is a largely expected finding in that the CEQs are focused on the expected outcomes given the objectives and framing of the RDR measures.

3.5. Assessment of the delivery system

CEQ Transv.6: To what extent have the implementing arrangements contributed to maximising the intended effects of the programme?

This question was answered in the MTE reports from 5 of the 13 Member States where it was considered to be applicable. The short answers presented in Table 3.40 show that in 60% of cases the programme implementing arrangements contributed to maximising the intended effects of the programme. In the remaining 40% no meaningful answer could be drawn from the MTE reports.

Table 3.40: Short answers to CEQ Transv.6

	De	Es	Fin	Fr	Gr	%
On balance a positive change	1		1		1	60%
Mixed according to circumstances						0%
Mixed according to region						0%
No change						0%
On balance a negative change						0%
Too early to note impact						0%
No meaningful answer possible		1			1	40%

Scheme monitoring data and interviews with implementing authorities/scheme managers were the key information sources employed to address this question.

Interview respondents in Austria felt that the programme has become more complementary, particularly for interventions under Chapter VII: Processing & marketing where a support committee (comprised of representatives from the federal, regional and local administration) assesses every project to ensure a high degree of consistency and coherence. The prioritisation of the most sustainable holdings and projects is also achieved via the assessment of the financial performance of the applicants. Local management authorities (who have a high degree of local knowledge) have also be used to ensure that interventions target projects/beneficiaries with the greatest need and/or potential for rural development. However, in many cases explicit targeting is often not required since there are sufficient funds to meet the interests of most groups (although it is recognised that there are barriers to entry for smaller holdings). Leverage is found to be highest when holdings contribute most of the required investment themselves and the deadweight risk is highest for smaller holdings, primarily due to the difficulty in verifying how money has been spent.

In Portugal interview respondents indicated that administrative and bureaucratic burdens add significant complexity to the programme and these have impeded implementation and created inefficiencies. Overall it was felt that the programme and individual measures should be less regulated and each application should be judged on merit in order to reward innovation, new technological options, and so on.

Interview evidence from Spain indicates that implementing arrangements contribute both positively and negatively to the intended effects of the programme. On the positive side the measures are well established and have been well publicised which has been beneficial in terms of uptake. Also the administration of the measures appears to be efficient and new opportunities have been exploited well. On the negative side there has been a lack of co-ordination in some areas (e.g. environmental issues) and long delays between applications and final decisions. A lack of funds has also lead (in some situations) to the use of discriminating criteria that are not always coherent with the overall objectives of the programme. There is also a lack of advisory services available to farmers. This problem is particularly acute for Objective 1 regions where farmers tend to be less well integrated into marketing channels, new technologies, economic trends, etc..

Interview respondents in the UK (South Yorkshire) reported that the Objective 1 programme has dovetailed well with the non-Objective 1 Programme (England Rural

Development Programme). Leverage effects have been optimised via the use of variable grant rates and private sector contribution, which has worked particularly well when the contribution made by the private sector, exceeded initial levels. Deadweight has been minimised via the project appraisal system. The only notable barrier to entry is that which precludes non-vocational training.

Implementing arrangements were also reported to have contributed positively to maximising the intended effects of the programme in Germany where, for example, positive leverage ratios were reported in the Sachsen (3.6:1 for biogas assistance) and Thüringen (1.8:1 for village renewal). In Mecklenburg-Vorpommern measures targeted specific groups of interest and that most actions were communicated in an appropriate way. However, village renewal measures predominantly impacted homeowners whilst bypassing the young (particularly young women) and the poor. Village renewal was also reported to have had beneficial indirect effects. However, deadweight was reported to be an issue in some situations.

There was evidence of several projects having advanced the interaction and co-operation among the various agricultural production chains that had ultimately helped to reinforce rural development in Finnish regions, according to the MTE reports. The main types of direct beneficiaries were agricultural holdings and to a much lesser extent other rural enterprises. Survey evidence did highlight the fact that the delayed start of the programme initially caused some inconvenience, but these problems were soon overcome as the rollout of the programme proceeded smoothly. Leverage rates of 1.50:1 in East Finland and 1.55:1 in North Finland were reported for setting-up aid. The evidence of deadweight was minimal with less than 5% of projects considered likely to have gone ahead without support in East Finland and approximately 1% in North Finland.

Elsewhere the situation was less clear. Among the French MTE reports, for example, it was reported in the case of Guyana that small towns had tended to compete with the rural sector to access EAGGF Guidance funds (for example, in relation to rural water supply). Also, the MTE reports in Guadeloupe, La Reunion and again Guyana comment that the varying development gaps raised the issue of geographical targeting within the programme (in Guadeloupe, for example, the less-developed islands may not have been appropriately targeted). The French overseas districts also face specific issues relating to coherence resulting from the implementation of several programmes simultaneously, a situation which has tended to create a lack of clarity. Issues relating to the accuracy/reliability of monitoring systems were also acknowledged and these have created specific problems with duplications and the classification of beneficiaries. There is also a problem relating to eligibility since many farmers in the overseas districts are part-time and too small to access the program

(for example, in Guadeloupe, only 40 farms were targeted for irrigation by the mid-term stage whereas there are approximately 12,000 farmers in the region). Delays in the implementation of the Farm Territorial Contracts scheme appears to have limited uptake in both the overseas districts and the mainland. However, overall Interview evidence indicates that the flexibility of the EAGGF Guidance fund is perceived to be conducive to maximising the intended effects of the programme but overall it was too soon for the intended effects of the programme to become visible.

Judgement

The evidence available suggests that the implementing arrangements have contributed positively to maximising the intended effects of the programme (although in some cases it was too soon for effects to have become visible). In some situations (for example Austria) programmes have become more complementary due to the prior assessment of projects to ensure a high degree of consistency and coherence. Positive leverage effects were reported by several Member States and evidence of deadweight was minimal (and had been kept low in several instances by strict project appraisal procedures).

On the negative side the delayed start of the programme initially caused some inconvenience and the lack of funds was reported by several Member States to have prevented the involvement of all rural actors (which runs contrary to the overall objectives of the programme). Administrative and bureaucratic burdens were also reported to add significant complexity to the programme. The lack of advisory services available to farmers was also cited as an issue. This problem is perceived to be particularly acute for Objective 1 regions where farmers tend to be less well integrated into marketing channels, new technologies, economic trends, and so on.

In summary, there is evidence that the implementing arrangements have contributed both positively and negatively to maximising the intended effects of the programme. The delayed inception of the programme and the lack of available funds has undoubtedly had a serious impact on the programme, although it is encouraging to see that a wide range of positive effects had taken place by the mid-term stage.

FEQ Transv.7.A: Is there evidence that the efficiency of programme implementation (“value for money”) could be improved by changes in the current delivery mechanisms or programming approach? If yes, in what way could this happen?

In Greece interview evidence suggests that the main problems leading to inefficiency relate primarily to excessive bureaucracy, inflexible procedures related to EAGGF regulations, high costs of inspections, and the programme-specific

monitoring. Similar concerns were raised by respondents in Portugal where interview respondents reported that the decision-making system is slow and overly bureaucratic and therefore the involvement of non-public partners may be of use in ameliorating these problems. Also, the increasing role of the paying authority in Portugal (which also analyses a significant proportion of projects) has led to a reduction of the influence of the Regional Agricultural Directorates (who tend to have very good knowledge of each region's specific agricultural features and constraints).

Interview respondents from Finland reported some difficulties with the way in which Objective 1 support has been managed. Due to the inherently small nature of projects, applicants frequently lack the skills and resources necessary to overcome the bureaucracy. The proposal is for additional authority and responsibility to be transferred to strengthen local umbrella groups and empowering them so that they can make decisions concerning smaller applications (this would include responsibility for budgets and monitoring). Overall it was felt that the emphasis of the measures should be more clearly aligned with the human and social dimension. Furthermore it was felt that the EAGGF financed measures in Objective 1 regions are overly concerned with agriculture and physical infrastructure to be of any great benefit to Finland. Additional flexibility is therefore needed since the current framework is similar to that of horizontal RDP (i.e. payments yearly) and this is far from ideal for a programme involving small projects the success of which is largely driven by the rapid disbursement of funds. Similarly in France it was felt that there is a contradiction between the EAGGF 'annual schedule' and the national long-term programmes for the restructuring of commodity lines (which conspires to reduce coherence and efficiency).

Interview respondents in Austria, on the other hand, felt that it would be difficult to improve the current delivery mechanism and the existing structure is conducive to efficient management of the programme.

The main findings from the French MTE reports are summarised as follows:

- Implementation rates in Objective 1 regions, as assessed by the number of operations programmed, were not as low at mid-term as those in Objective 2 regions (except perhaps in Nord Pas de Calais where EAGGF programming was far behind other funds).
- EAGGF Guidance funded measures were generally seen to be progressing at a satisfactory rate. Lower implementation rates were explained partly by management processes (for example, relating to the raising of counterpart

funds), caused partly by the structural difficulties in the agricultural and forestry sectors that create the need for the measure in the first instance.

- Payment delays in the centralised development agencies (ODEADOM for the overseas districts and ODARC for Corsica) have caused some problems for the overseas districts.
- The national managing authority for mainland France (DATAR) reported that the overall performance of the management authorities in mainland France had been satisfactory.

Judgement

From the limited evidence base available several key themes emerge. Several respondents note that the current delivery mechanism is overly bureaucratic. Whilst this in itself is not an unexpected finding it is important to note that bureaucracy might in some situations represent a considerable barrier to entry for small-scale projects and other segments of the rural economy (as well as reducing the efficiency of the programme). In such situations the decentralisation of decision-making to the local level (i.e. via Local Action Groups or umbrella groups) would help to improve access. In tandem with this is a more general need for additional flexibility, both in terms of eligibility and financing rules, in order to maximise potential benefits. Additional financial flexibility, for example, would enable scheme managers to switch funds between measures and to disburse money more rapidly (something seen as crucial for smaller-scale projects). Finally, the administrative aspects of the programmes (e.g. inspections, monitoring) were perceived by some regions/Member States (e.g. Spain and Portugal) to impede efficiency.

In summary, from the evidence available it is apparent that programme implementation has been sub-optimal which has led to inefficiencies. However, it is highly likely that recommendations made by the mid-term evaluators have helped to improve implementation and as such it is anticipated that the overall situation is likely to have improved. In summary, whilst there are likely to be some inefficiencies inherent in the programmes it is probable that problems associated with the slow inception of the programmes between 2000 and 2003 will have been rectified. A more rounded response to this question should therefore be available by the ex-post stage.

CEQ Transv.7B: What have been the evaluation results and recommendations on the performance of the managing authority, the appropriateness of project selection criteria and the quality of the control systems?

Interview respondents in the UK (Northern Ireland) reported that a lack of clarity in what could be funded under the various measures led to confusion about funding

opportunities. In response DARD (Department of Agriculture and Rural Development) improved the provision of information and guidelines and, in subsequent calls for applications, this resulted in 100% of applications received under 'sectoral based' and 65% of 'area based' applications being eligible for support. Additionally a formal review of the application process has improved procedures, while greater detail in respect of selection criteria has led to shorter turnaround times.

Interview evidence from Austria, the UK, Finland and Greece also indicates that recommendations made by the mid-term evaluators have been implemented which have led to a wide range of improvements in implementation mechanisms. In Finland, for example, there are now broader financial opportunities for the fishing sector, and in Sweden the identification of projects with longer-term impacts has improved (as has the emphasis on 'horizontal criteria' such as the environment and equal opportunities). In Greece recommendations by the mid-term evaluations also led to some changes, the most important of which involved a decrease in the number of inspections⁵⁶ and a limited reform of project-selection criteria.

Each of the regional reports from France analysed implementation procedures and produced recommendations. The six regions are very diverse and the only shared recommendations relate to making better use of the Presage monitoring software (and the redefinition of indicators) and to improving the targeting of small communes and individual farmers via better facilitation and communication.

In French Guyana, the most remote overseas district, the evaluation has produced a comprehensive plan for improving management. For other regions there are a number of instances where budget reduction is recommended (for example, forestry in Corsica and local rural development in Nord Pas de Calais). However, since EAGGF Guidance accounts for only a small proportion of the structural funds (ranging from 10% in Nord Pas de Calais to 20% in La Reunion), no specific recommendations for this fund were made.

Judgement

From the limited evidence available it is clear that improvements have been made to implementation mechanisms. Whilst the evidence base is limited it is assumed that all member States will have acted, to varying degrees, on MTE (and other) recommendations relating to the performance of managing authorities, the appropriateness of project selection criteria and the quality of the control systems.

⁵⁶ It is unclear as to the impact of this change. The assumption is that the savings accrued from reduced inspections would allow for greater disbursement of funds to beneficiaries. It is assumed, therefore, that the reduced inspection rate is compliant with RDR rules.

Overall this question was not systematically tackled as part of the MTE process and as such a more thorough analysis at this point is not possible. Nevertheless it appears that improvements in programme implementation have been made, although the degree to which they were induced by the MTE process is currently unclear (i.e. changes to programmes are also likely to have derived from internal audit and review process that were independent of the MTE).

3.6. Assessment of the overall objectives of rural development

The set of Further Evaluation Questions addressed in this Chapter of the report were generally not addressed in the mid-term evaluation reports. They are addressed here through a literature review and interviews with members of implementing authorities as well as an especially convened meeting in Brussels of the Core team with the evaluators involved at national level.

3.6.1. Appropriateness of the current menu of measures

3.6.1.1. The extent to which current measures are adapted to rural needs

The new approach to rural development initiated with the Agenda 2000 reforms and further developed in the Mid-Term Review incorporates some new elements, for example, measures under Chapter IX: Promoting the adaptation and development of rural areas which were previously offered in certain areas under Objective 5b. However, as was noted by the Commission itself (Ahner, 2004) in relation to the proposals for the 2007 period onwards "*most of the rural development measures we propose for the future, already exist today*"⁵⁷. The same is true for the measures in place for the period 2000-2006 which for the most part contain previously introduced measures which in some instances were initiated in the 1970s (although these are the 'accompanying measures' financed through EAGGF Guarantee rather than Guidance within Objective 1 regions). This raises the question of the relevance of the measures in place to today's rural development needs.

These early measures were introduced in a different context (share of agriculture in total employment in 1973 in the EU-9⁵⁸ was 9.0% and the share of agriculture in GDP was 5.4% compared to 2002 EU-15 figures of 4.0% and 1.6% respectively) to meet the needs of a different (largely north-west European) set of Member States and to address the priorities of an agricultural sector which was at that point still grappling with the near universal need to restructure, 'modernise' and improve efficiency. 'Rural development' in this context could conveniently be equated with 'agriculture sector development' and it could reasonably convincingly be argued that by channelling funds specifically through this sector broader 'rural' needs would be addressed. Of course, the fact that EAGGF Guidance funded rural development measures are programmed alongside measures relating to the wider economy in Objective 1 areas ought to ensure a closer match between the territorial needs of the programme area and the measures selected.

⁵⁷ Buckwell (2004) also comments on the large element of path dependency when designing policy.

⁵⁸ The six original Member States plus Denmark, Ireland and the United Kingdom.

Whilst now this may be the case in some regions, especially those most remote and inaccessible, it is generally no longer the case (Douwe van der Ploeg, *et al*, 2002). As was noted in Agra CEAS' *ex-post* evaluation report on rural development measures under Regulation 950/97 for the previous programming period:

“due to the limited weight of farmers in rural communities (in terms of employment), it follows that objectives such as ‘maintaining a viable agricultural community and thus helping develop the social fabric of rural areas’ (Article 1c Regulation 950/97⁵⁹) may only be partially achieved through a (rural development) policy measure only targeting the farming population. While we fully recognise that looking at employment alone is insufficient since the agricultural enterprise may support a range of other activities, by giving aid exclusively to farmers, Regulation 950/97 only directly reaches a relatively small proportion of the economic actors in rural areas. This does not mean that the Regulation does not make sense, but that objectives relating to the rural community as a whole are less likely to be achieved.”

This point is reiterated and extended to the current programming period by Buckwell (2004) who points out that the needs of rural areas are more likely to relate to access to suitable jobs, public transport, essential services and amenities rather than to anything that can be addressed exclusively through the agricultural sector⁶⁰. In other words there is a partial contradiction between what was conceived as a sectoral policy with some territorial dimensions and what is now perceived as the need for a more territorial approach covering the full range of economic activities which take place in rural areas. That this is to some extent the case has been implicitly recognised by the greater emphasis on the measures under Article 33 which allows the integration of measures with both farming and non-farming activities (Feinerman and Komen, 2003).

That said, this is likely to be less of a problem in relation to Objective 1 areas where the rural development measures are only one strand of the total measures and funding available and it is clear that the rural development measures within the Objective 1 Operational Programmes offer a more comprehensive territorial approach. However, this does not mean that this more integrated territorial approach would be appropriate throughout the EU. Objective 1 regions are so

⁵⁹ Whilst this is no longer the exact wording of the objective the sentiment remains.

⁶⁰ Although as Feinerman and Komen (2003) point out, rural areas have increasingly to fulfil the demand by non-farmer rural dwellers for outdoor recreation and tourism, nature and wildlife conservation and landscape as increasing income, mobility and leisure time increase the demand for these goods. As far as provision of these goods goes, agriculture and the wider rural economy are significantly related.

designated because they have special development needs over and above typical rural areas and more typical areas may not require such an approach.

This need for a partial shift in focus is reinforced by the fact that since the 1970s, when many of the measures were first initiated, the nature of agriculture in the EU and the context it operates in has changed dramatically. Successive enlargements have added five new southern Member States (Cyprus, Greece, Malta, Portugal, Spain), six new central European Member States (Austria, Czech Republic, Hungary, Poland, Slovakia, Slovenia) and five new northern Member States (Finland, Sweden and the Baltic States). The addition of these Member States with very different agricultural and rural economy traditions, contexts and needs has arguably reinforced the need to give more weight to the territorial rather than sector based approach than was the case in the past, at least in some regions/Member States. However, it is recognised that it is the responsibility of the region/Member State to select appropriate measures from the menu.

While therefore there may be a further need for a change in emphasis within the menu on offer, it is clear that the menu as a whole remains highly relevant to the needs of some regions/Member States. As the European Union has enlarged, Member States have been added with a very real need for support for, for example, restructuring of the agricultural sector. It is actually amongst some members of the EU-15 which have in some cases benefited from these kinds of measures for 30 years where the continued relevance of certain existing measures may be questionable. It should also be recognised by implementing authorities that not all rural areas are in need of development to the same degree and therefore when considering a more territorial (for example, increasing resources for Article 33 measures) rather than sectoral approach it is important to acknowledge that not all rural areas will require support via this mechanism.

Agreement has now been reached on the new Rural Development Regulation to cover the period 2007 to 2013 and the changes made reflect some of the issues identified above. There will be four axes:

1. Improving agricultural competitiveness: at least 10% of total spending must relate to this axis.
2. Managing the land in an environmentally friendly and sustainable manner: at least 25% of total spending.
3. Improving the quality of life in rural areas: at least 10% of total spending.
4. LEADER+ type schemes (i.e. bottom up rather than top down in nature): at least 5% of total spending.

A key element of the proposals is that there will be a single fund, the European Agricultural Fund for Rural Development (EAFRD), which removes the complexity in the current programming period whereby funding for rural development is drawn from both the EAGGF Guidance and Guarantee funds.

A set of Strategic Guidelines for Rural Development will accompany the new Regulation. This document, according to Fischer Boel (2005) "*gives Member States a tool box from which they can choose, depending on their own situation and priorities*". This approach is in line with the aims of the 'Lisbon strategy' for growth and jobs and the conclusions of the Göteborg Summit in 2001 where it was agreed that strong economic performance must go together with the sustainable use of natural resources and levels of waste, maintaining biodiversity, preserving ecosystems and avoiding desertification. The Guidelines indicate that rural development should take place with reference to these existing broader EU priorities. For the current programming period we would note that the approach taken within Objective 1 areas ensures that this is the case.

Finally, we would note that over a seven year implementation period it is quite likely that contexts and regional/Member State needs and priorities will change and therefore the extent to which the programme allows for flexibility during this period is important. Thus, for example, there may be scope to enhance animal disease prevention and welfare via veterinary status improvement plans should this be considered desirable.

3.6.1.2. Programme efficiency

The intervention logic reveals several instances of conflicts between measures. Although some measures are funded through EAGGF Guarantee, these are included here because they still represent conflicts at the aggregate policy level, even though technically they are not conflicts within the same programme. Examples include possible conflicts between:

- measures likely to lead to intensification or increases in scale under Chapter I: Investments on farm and measures to mitigate against the environmental impact of intensification or scale increases in Chapter VI: Agri-environment;
- the reassignment of land to non-agricultural uses under Chapter IV: Early retirement and the objective of continued agricultural land use under Chapter V: LFAs;
- payments made under Chapter V: Less Favoured Areas and the objectives of Chapter IV: Early retirement;

- payments made under Chapter V: Less Favoured Areas and afforestation payments under Chapter VIII: Forestry, the demand for which might be reduced in the absence of Less Favoured Areas support;
- afforestation measures under Chapter VIII: Forestry and the objective of continued agricultural land use under Chapter V: LFAs;
- afforestation measures and objectives under Chapter VI: Agri-environment relating to landscape; and,
- reparacling, land improvement and infrastructure measures under Chapter IX: Article 33 and the objectives of Chapter VI: Agri-environment.

According to Ahner (2004), the efficiency of EU rural development policy has been questioned in the past. Concerns surround the perception that there are too many measures, often with partly conflicting objectives within the same programme, as demonstrated above, which tends to result in a dispersal of support reducing overall efficiency. Whilst regions/Member States can (and should) select measures in order to promote synergy, this has not always been the case. Dwyer, *et al* (2002) note that a more integrated and coherent approach requires closer partnership between administrators and stakeholders in planning and implementation and that this has been difficult to achieve in some Member States. However, the Rural Development Regulation offers a set of measures which target different policy objectives, and that the choice of the measures by member states should reflect national/regional needs (and therefore regional national objectives). In this respect, the new RDR (2007-2013) introduces a clearer policy framework which should further support and facilitate this process.

Many evaluation studies⁶¹ have reported important deadweight effects, in particular in relation to processing and marketing support and support for young farmers. In contrast, an evaluation of the LEADER initiative⁶² concluded that LEADER is efficient because *"it is adaptable to very different socio-economic contexts in rural areas, brings key actors together, mobilises voluntary effort and is responsive to small scale activities and projects to promote local development"*. However, whether the decentralised LEADER approach can retain this quality once it is mainstreamed from the centre remains to be seen.

Finally, administering rural development through two funds with three different management and control systems and five different types of programming (Ahner, 2004) results in an administrative burden which will be greatly simplified in the 2007 to

⁶¹ See for example Agra CEAS Consulting (2003a) and Agra CEAS Consulting (2003b).

⁶² ÖIR – Managementdienste (2003).

2013 programming period. By implication, this administrative burden is likely to have reduced implementation efficiency.

Interview respondents from Belgium noted that the inception of the programme was difficult and slow which reduced economic efficiency. However, this was undoubtedly the same for many regions and there is some evidence which indicates that early inefficiencies have now either been eliminated or dramatically reduced. Nevertheless, many respondents mentioned that some aspects of the programmes are overly bureaucratic and consequently a degree of economic inefficiency is effectively built in to all situations. Efficiency was also reported to vary on a measure-by-measure basis in Finland with scale being an important factor (the economic efficiency of smaller projects is perceived to be most adversely affected by bureaucracy).

3.6.1.3. Need for additional measures

There was little call for additional measures amongst those interviewed. However, respondents in Belgium reported that the programme still does not adequately meet rural needs and indicated that some additional measures are required, for example those which contribute towards co-operation, networking, integration of sectors, awareness, and capacity building. For some Member States it is not so much additional measures that are needed but additional means of implementing the existing ones (e.g. deficiencies in funding for technical support and/or advisory services was cited as a problem by several Member States including France, Spain, Portugal and Finland).

3.6.1.4. Need to remove or adapt measures

In addressing this issue it is important to keep in mind the two levels at which rural development policy is implemented. The menu of measures is set at the EU level and regions/Member States are free to select those measures which they feel are appropriate to their needs. It is generally the consensus that most measures are still required in at least certain regions/Member States and/or circumstances and on this basis there is no suggestion that any measures need to be removed as options, although regions/Member States should be encouraged to ensure that the suite of measures that they elect to offer remains appropriate.

That said, some doubts are raised with respect to the performance of measures under Chapter II: Young farmers (see Chapter 3.2.2). The same policy objectives could be encouraged by weighting support available under other Chapters in favour of younger farmers (as it already can be under Chapter I: Investments on farm) without the need for a separate set of measures.

Again, there were few comments from interviewees on the need to remove or adapt measures and there is generally a reasonable level of satisfaction with the current menu. Respondents in France, however, reported that the programme is useful for all types of development needs (i.e. it is too broad) and consequently this tends to create redundancy problems in other programmes (particularly in the overseas districts where a number of other programmes are on-going e.g. POSEIDOM).

Judgement

In summary it is therefore clear that:

- a) the current menu of Rural Development measures remains generally relevant at the EU level, but Member States should be further encouraged to critically examine the suite of measures that they offer to ensure that the regional/national programme as a whole is coherent and meets local needs;
- b) the current menu of measures is not as efficient as it could be, largely as a result of the administrative/funding system, programming conflicts and the selection of inappropriate measures by regions/Member States; and,
- c) there are no major gaps in the suite of measures offered, although there are some instances where particular regions/Member States would welcome specific additions;

3.6.2. Widening eligibility and scope to include the non-agricultural sector

The objectives of rural development refer to the wider rural economy and rural communities rather than just the agricultural sector. As was set out in Section 3.6.1, it is no longer the case that agriculture is synonymous with the wider rural economy in many regions of the EU. In this sense widening the eligibility and scope of rural development measures towards non-agricultural beneficiaries is likely to provide a better means of achieving the objectives of rural development in regions where there is a pressing need for support. However, it is recognised that not all rural areas fall into this category and regional/Member State selection of measures from the EU-wide menu should reflect this in order to ensure that inappropriate programming does not take place.

It should be noted that certain elements of the current RDR are already available to those outside agriculture, namely measures under Chapter VII: Investment in processing and marketing, measures under Chapter VIII: Forestry relating to afforestation of non-agricultural land and measures under Chapter IX: promoting the adaptation and development of rural areas which explicitly targets the non-agricultural sector for the first time in the history of EU rural development policy. Other elements of rural development policy must necessarily remain focused

exclusively on the agricultural sector by definition, an obvious example being measures under Chapter I: Investments on farm.

Whilst the first axis (competitiveness) of the new Rural Development Regulation for the 2007-2013 programming period is explicitly targeted on the farming and forestry sectors, the others are not, although axis two (environment and countryside) will necessarily focus predominantly on these sectors (see Section 1.1.20 for full details). This movement towards a widening of eligibility and scope is considered likely, at least *ex-ante*, to provide a better means for achieving wider rural development objectives where these are considered necessary by the implementing authority.

Evidence from interviews appears to support the view that a limited widening of eligibility and scope of the measures towards non-agricultural beneficiaries would be beneficial. In Austria, for example, it was felt that the programme should support all people living in the region in question. In this respect it was indicated that Article 33 measures currently play the most important role in achieving this objective. However, in Burgenland the differentiation between the agricultural and non-agricultural population is becoming increasingly unclear. Similarly, in Belgium it was reported that a significant proportion of the rural population is not involved in the agricultural sector and many beneficiaries (approximately 15% of the total) are non-farmers (particularly beneficiaries of forestry and Article 33 measures). Similar views were expressed elsewhere: in Finland it was suggested that 'micro-enterprises' (other than farms) as well as other rural landowners should be included within the support framework; in Greece wider eligibility would encourage investors who are well placed to effect modernisation; and in Portugal where the inclusion of financial investors (e.g. banks, venture capital companies), and education/research organisations (universities, NGOs, etc.) would provide valuable support.

It is important to note that whilst the new RDR offers a more sectorally coherent approach to rural development in Objective 1 areas, the loss of the Objective 1 programming approach in the current implementation period implies a reduction in coherence at the territorial level (i.e. between sectors *and* structural funds). The extent to which the widening of eligibility criteria will compensate for the loss of this more territorially coherent approach remains to be seen.

Judgement

The current RDR already includes measures providing support directly beyond the agricultural sector as well as a number of measures which have an impact in the wider rural community and economy, both directly and indirectly. The new RDR is expected to increase this impact beyond the farm-gate and is generally welcomed, although the extent to which this compensates for the loss of the territorial

programming approach within Objective 1 regions remains to be seen. However, it should be borne in mind that not all rural regions have the same need for development and that widening eligibility criteria across the board would merely move the eligibility distinction from a sectoral to a territorial basis (i.e. rural versus urban). On that basis our view is that the measures involving the wider rural community and economy directly (Article 33) already exist and can be used more extensively where necessary by implementing authorities and that therefore there is no need to widen further either the scope or eligibility criteria.

3.6.3. Adequacy of existing agricultural restructuring measures

3.6.3.1. Effectiveness of restructuring measures

The RDR contains a number of measures which address restructuring beyond those contained in Chapter 1: Investments on farm. Those funded through EAGGF Guarantee are also included here in brackets as they are also available in Objective 1 regions. These are set out below with their location in the Regulation. Those in italics were introduced under Regulation 1783/2003 and fall outside the reference period for this evaluation:

- Investments in farms (Chapter I)
- Young farmers (Chapter II)
- Training (Chapter III)
- [Early retirement (Chapter IV)]
- *Meeting standards - temporary support (Chapter Va)*
- *Meeting standards – support farm advisory services (Chapter Va)*
- *Food quality – incentive scheme (Chapter VIa)*
- *Food quality – promotion (Chapter VIa)*
- Investments in processing/marketing (Chapter VII)
- Land improvement (Chapter IX)
- Reparcelling (Chapter IX)
- Setting up of farm relief and farm management services (Chapter IX)
- Marketing of quality agricultural products (Chapter IX)
- Agricultural water resources management (Chapter IX)
- Development and improvement of infrastructure related to agriculture (Chapter IX)
- Restoring agricultural production potential damaged by natural disasters and appropriate prevention instruments (Chapter IX)

Approximately €18.5 billion of EU funding will be spent on these measures between 2000 and 2006, some 38% of the total budget. In Objective 1 regions this share is 45%

of total EU rural development spending compared to a 27% share outside these areas reflecting the greater importance attached to restructuring within Objective 1 regions (EPEC, 2004).

The purpose of support for restructuring has been and remains the need to build human and physical capital. Over time ethical concerns have been added so that now there are two main types of restructuring: first to build more economically viable units and second to take greater account of environmental and animal welfare issues on already economically viable units. This mirrors the categorisation of investment types made in Agra CEAS Consulting (2003a) where investments were defined as either traditional, i.e. concerned with increasing economic viability, and what was termed 'innovative' meaning with a newer orientation towards, for example, the environment and animal welfare.

As has been noted in Section 3.6.1, the needs of different regions/Member States do differ in terms of their need for restructuring. In regions/Member States where a relatively large proportion of the workforce is employed in the agricultural sector and where fragmented ownership structures are common it is necessary to address the issue of land ownership and to develop both physical and human capital significantly. In other areas of the EU the agricultural sector has been through a lengthy restructuring process (with the support of policies still available under the RDR and indirectly from the agricultural market support measures provided under Pillar 1) and now there are fewer and relatively larger farms with a limited need for further specialisation, etc.. Indeed here the problem is often too great a degree of specialisation/concentration and associated production intensity which have tended to compromise the environment and as a consequence it has become necessary to address this on already economically viable holdings through other aspects of the RDR.

The existing restructuring measures have played and continue to play a role in addressing the problems of the agricultural sector (see Agra CEAS Consulting 2003a for evidence from the 1994-1999 programming period and this report for evidence from the 2000-2003 period). It is considered highly likely that these measures will continue to play a similar role in those regions/Member States where they are still required. In this context it should be noted that some measures under Chapter IX: Adaptation and development of rural areas are considered to be particularly beneficial in this regard, notably for Spain in the case of those relating to agricultural water resources management (see Chapter 3.2.6).

Interview respondents generally agreed that Chapter I measures (Investments on farm) have dominated restructuring activities to date. In general it was felt that the

existing restructuring measures are inadequate to address the problems of agriculture. In Greece it was reported that it is only farmers who receive assistance under Chapter I who are in fact being provided with an incentive to restructure. Portuguese respondents highlighted the fact that restructuring of the agricultural sector will only be possible through profound changes at the productive, technological and structural level and that the majority of the available support to date has been used to maintain rather than promote productive and technological conversion. In Portugal the main factor driving structural adjustment in holdings in the past two decades has been the ageing of the agricultural enterprise system in rural areas and thus existing policy measures (such as early retirement and setting-up of young farmers) have had a relatively little impact on restructuring.

It was also pointed out by Spanish respondents that insufficient agriculture diversification is taking place since activities tend to be targeted towards rural diversification (and non-agricultural beneficiaries). In Sweden an additional focus on technological development is needed, as is the need to promote the uptake of farming activities by younger generations.

Finally, as was noted at the Salzburg Conference and by interviewees in Spain and France, the context within which restructuring measures operate is very important. Market support measures are capitalised into land prices and supply management measures under Pillar 1 and dwarf the support available under the RDR in financial terms. Against this background the ability of restructuring measures to have a significant impact is somewhat limited.

3.6.3.2. Scope for support for non-agricultural sector to aid farm restructuring

The discussion above has focused on restructuring within agriculture. However, the opportunity to restructure within agriculture also depends on the creation of employment (or income generating) opportunities outside the sector as is evident in the support for diversification under the RDR. It is therefore considered highly likely that support for the non-agricultural sector will help to facilitate restructuring within agriculture through a move towards greater pluriactivity⁶³.

This support could take many forms, but an obvious one is for training to allow workers in the agricultural sector to compete for jobs with a different skill base. The type of training necessary would depend on the economic opportunities in each region/Member State and this could range from the tourist industry to the service

⁶³ For many decades this was considered a deviation from mainstream farming, but is now taking on a new importance (Wilson, *et al*, 2002).

sector and manufacturing in more accessible areas. Whilst support could also be made available for rural small businesses not connected with agriculture this would merely shift the eligibility boundary from the sectoral to the territorial and this is probably best achieved in particularly disadvantaged regions through the Operational Programmes of the other Structural Funds.

Evidence from interviews suggests that the support of non-agricultural enterprises in rural areas would be of benefit to agricultural restructuring. Respondents in Belgium added that investments in socio-cultural projects would help to improve the overall quality of life, and in Greece non-agricultural activities would help to adsorb surplus farm labour. However, respondents in Belgium questioned the appropriateness of using EAGGF funds to achieve this and suggested that LEADER might be a more appropriate mechanism. Furthermore the support of activities which are disconnected with agriculture was not seen to be useful in addressing the prime cause of problems in rural areas. Overall increased support for wider (i.e. non-agricultural) rural development is generally perceived to have good scope for improving the situation in rural areas, both for the agricultural and non-agricultural sectors. However, there is concern in some areas that the diversion of activities away from agriculture might be counterproductive.

Judgement

In conclusion, the existing agricultural restructuring measures have been shown to address the problems of the agricultural sector, although this is limited by the relatively low financial resource devoted to the measures in the wider context of CAP support. Also, the extent to which restructuring measures are appropriate will vary according to regional/Member State circumstances and should be reflected in the extent to which these measures are offered. In this context the greater importance attached to these measures in Objective 1 areas (as evidenced by proportion of total spend) is noted.

However, restructuring is not only derived from action taken within the sector, it is also heavily influenced by opportunities in the wider rural economy and indeed the overall economy. Measures acknowledging this, such as those relating to diversification, are already helping to further the aims of restructuring. Beyond this our judgement is that the other Structural Funds offer sufficient support targeted on the regions most in need of support, in the Objective 1 regions through the programming approach which includes specific rural development measures.

3.6.4. Impact on the wider rural economy and community to date

3.6.4.1. Achievements of measures targeted off-farm to date

The RDR contains a number of measures (all within Chapter IX: Adaptation and development of rural areas) which address the wider rural economy and community directly⁶⁴ and these are set out below:

- Basic services for the rural economy and population
- Renovation and development of villages, protection and conservation of the rural heritage
- Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income
- Encouragement for tourism and craft activities
- Financial engineering

As has been mentioned elsewhere in this report, some measures under Chapter IX: Article 33 represent the only 'new' measures available under the RDR⁶⁵. This has required the setting up of an administrative framework to implement the measures and this has resulted in delays in implementation making the evidence available to assess the impact of these measures at this mid-term stage somewhat sparse in several regions/Member States.

With reference to the measures above, this problem is compounded by the evaluation questions for this Chapter which deal with relatively general issues such as impact on income; living conditions and welfare; employment; the structural characteristics of the rural economy; and, the environment. Whilst the measures above clearly contribute to some of these broad measures of impact, the material within the MTE reports does not always discuss the evidence with specific reference to individual Article 33 measures. It should also be recalled that regions/Member States were free to choose which indents to adopt under this Chapter and not all will have adopted those above. That said, it is possible to draw out some early achievements from the MTE reports.

While the details of the impact of the measure as extracted from the MTE reports are presented in Chapter 3.2.6, in summary:

⁶⁴ It could be argued that measures relating to the provision of public goods also have relevance to the wider rural community, but these are not covered here.

⁶⁵ It is recognised that these measures used to exist under Objective 5b.

- measures in **support of basic services for the rural economy and population** have resulted in improvements in living conditions and welfare for rural populations in, for example, Finland and Portugal (see CEQ IX.2 for further details); and the creation of employment in Greece (CEQ IX.3);
- measures **supporting village renewal** have resulted in improvements in living conditions and welfare in terms of identifying rural populations with their villages in Germany (CEQ IX.2); employment in Germany (CEQ IX.3); and the maintenance or improvement of the structural characteristics of the rural economy in Germany;
- measures **supporting diversification** have resulted in on-farm employment in Finland and Spain (CEQ IX.3); off-farm employment benefits in Finland (CEQ IX.2); and the maintenance or improvement of the structural characteristics of the rural economy in Germany (CEQ IX.4);
- measures **encouraging tourism and craft activities** has resulted in some income benefits in Germany and Finland (CEQ IX.1).

Evidence from interviews also suggests that interventions are resulting in positive outcomes for the wider rural economy and community. For example, in Portugal and Greece improvements to basic infrastructure such as roads, irrigation and electrification has already benefited a wide range of people.

3.6.4.2. Increasing the efficiency and effectiveness of Article 33

Little evidence is available with which to address this question, partly as a result of late implementation in a number of regions/Member States. Further evidence should be available by the *ex-post* stage as a number of studies investigating efficiency and effectiveness of these measures are under way.

Interview respondents in Austria suggested that enhanced temporal and geographical co-ordination of measures would help to maximise the effectiveness of investments. However it was pointed out that there often exists a powerful lobby which fights for funds for other measures (such as farm investment and processing and marketing). Additionally budget constraints reduce the effectiveness of Article 33 measures. Respondents in Portugal, Spain and Belgium also highlighted the fact that Article 33 measures absorb a relatively small proportion of the total budget and this is often shared between many small projects (this dilutes the impact of individual measures and overall the net impact is small or even negligible). However, it is noted that setting a minimum spending proportion of 10% in the 2007-2013 programming period should reduce this problem.

Interview respondents from Finland, Greece, Portugal and Sweden suggested that eligibility rules should be changed so as to enable the involvement of all rural groups. It was also suggested that training measures should be removed from Article 33

(Finland), bureaucratic procedures should be relaxed (Greece, Belgium) and funds decentralised (Greece). Respondents in Portugal also proposed a stricter selection of projects, in order to prioritise those with a higher probability of success and better ability to generate multiplier effects. It was also proposed that the private sector should be used to provide resources for the programme and to assist with the delivery of some of the measures.

3.6.4.3. Scope to re-orient non-Article 33 measures towards the wider rural community

There may also be scope to re-orient some rural development measures not listed under Article 33 so as to better meet the needs of the wider rural economy and community. However, in this context it is important to consider that under the existing RDR many of the measures which are primarily aimed at the agricultural sector already indirectly address at least some of the needs of the wider rural economy and community. This issue is addressed in full in the intervention logic, but particular examples of note include:

- **Chapter I: Investments on farm** where an objective is to promote the diversification of farming activities. This in turn may lead to employment opportunities for off-farm employees and may have upstream and downstream knock-on effects.
- **Chapter II: Young farmers** scheme where young people are encouraged to stay in the rural area and they will thereby contribute to providing a critical population mass which will help maintain services and facilities.
- **Chapter V: Less Favoured Areas** have continued agricultural land use as an objective as this will maintain farming families in the community contributing to the maintenance of rural services and facilities. Less Favoured Areas also provide a public good in terms of landscape (see next bullet point).
- **Chapter VI: Agri-environment** which provides public goods which are valued in themselves by those living in rural areas, but also provide an attraction to tourists who bring further economic benefits.
- **Chapter VII: Investments in processing and marketing** which may create employment opportunities and upstream and downstream knock-on effects.
- **Chapter VIII: Forestry** where tourist attractions and public goods are provided. Some employment opportunities may also be created as well as upstream and downstream knock-on effects.

It is also important to remember that there are a range of Structural Funds which are targeted outside the agricultural sector in areas of particular need. It is important to ensure coherence between these funds and also to avoid double-funding (European Commission, 1997). A further point in this context is the fact that widening

the eligibility of, for example, investment measures to non-agricultural actors merely shifts the boundary between those eligible and those not from a sectoral to a territorial basis (i.e. a possible shift towards non-rural dwellers which would not be conducive to promoting the adaptation and development of rural areas). In our view non-Article 33 RDR measures should remain primarily focused specifically on the issues within the agricultural sector (bearing in mind the indirect impact that this has on the wider rural economy) and allow the wider rural economy and community to be addressed through the appropriate existing measures, including measures under Article 33 and the other Structural Funds (see Section 3.6.5 for further details on the Structural Funds).

Bearing this in mind, ways in which re-orientation of non-Article 33 measures might further meet rural economic and community needs were investigated in interviews with implementing authorities where limited support for the re-orienting of non-Article 33 measures towards the wider rural community was revealed. Some respondents felt that the programmes already cater well for wider rural development. However, respondents in Finland reported that Article 33 training measures had been problematic and that they might be better off elsewhere in the programme. Respondents from Portugal also suggested that improved co-ordination between the structural funds might lead to significantly higher regional impacts.

Judgement

The achievements of measures targeted specifically on the wider rural community and economy have included improvements in living conditions and welfare for rural populations, the maintenance of the structural characteristics of the rural economy, income improvements for both the farming and non-farming populations and improvements in rural dynamism.

Simply increasing the share of the rural development budget for these measures should increase their effectiveness and suggestions to improve efficiency include replacing the single project application system, increasing local involvement and adopting implementation methods from LEADER+.

Whilst there may be some scope to re-orient some non-Article 33 measures, it should be recalled that measures under other Chapters already indirectly address the wider rural community and economy. It is important to ensure that the Structural Funds are coherent and do not result in programming conflicts and for this reason the non-Article 33 elements of the RDR should remain mainly focused on the agricultural sector with the Structural Funds addressing needs on a territorial basis where required. In any case, widening the eligibility criteria merely shifts the focus of debate from a sectoral to a territorial dimension.

3.6.5. Coherence between the RDR and Structural Funds

As was agreed as a priority at the Lisbon summit, one of the fundamental objectives of the EU is to construct a competitive economy. As economic development is uneven across the EU there is a need to assist those areas that lag behind. To this end, just over a third of the total EU budget is devoted to regional policy which aims to strengthen the economic, social and territorial 'cohesion' of the EU by reducing gaps in development between regions⁶⁶. Job creation is the primary objective. There are four main ways in which this is addressed:

- helping regions lagging behind to catch up;
- supporting the restructuring of declining industrial regions;
- supporting the diversification of the economies of rural areas with declining agriculture; and,
- supporting the revitalisation of declining neighbourhoods in the cities.

There are four Structural Funds, each with their own specific thematic area:

- **The European Regional Development Fund (ERDF).** This is used to finance infrastructure, jobcreating investment, local development projects and aid for small firms.
- **The European Social Fund (ESF).** This fund promotes the return of the unemployed and disadvantaged groups to the workforce, mainly by financing training measures and systems of recruitment assistance.
- **The Financial Instrument for Fisheries Guidance (FIFG).** This is designed to help adapt and modernise the fishing industry.
- **The Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF-Guidance).** This finances rural development measures in Objective 1 regions.

Other financial instruments exist in addition to these Structural Funds, including the Cohesion Fund, although this is less important in the present context being mainly aimed at the ten new Member States⁶⁷.

The Rural Development Regulation provides (largely) sectoral measures aimed specifically at rural areas and complements the other Structural Funds which are targeted towards three priority areas and will account for 94% of total spending between 2000 and 2006:

⁶⁶ €213 billion has been set aside for spending on all structural instruments in the EU-15 between 2000 and 2006. This money supplements that spent nationally under state aid rules.

⁶⁷ The Cohesion Fund also includes Ireland (until the end of 2003), Greece, Portugal and Spain.

- Objective 1:** Helping regions whose development is lagging behind to catch up.
- Objective 2:** Supporting economic and social conversion in industrial, rural, urban or fisheries dependent areas facing structural difficulties.
- Objective 3:** Modernising systems of training and promoting employment. Measures financed by Objective 3 cover the whole EU except for the Objective 1 regions, where measures for training and employment are included in the catch-up programmes.

Also, the RDR takes on the concept of programming from the Structural Funds (Dwyer, *et al*, 2004) and indeed takes over some of the measures previously available in specific locations in previous programming periods and incorporates them under Chapter IX: Article 33 where they can be used in all rural areas.

That said, the extent to which the RDR fits within a territorial approach to cohesion is limited outside Objective 1 areas. In theory, 'territorial' measures such as those under Chapter V: Less Favoured Areas and Chapter VI: Agri-environment ought to offer significant coherence with other Structural Funds. However, as has been demonstrated by Shucksmith, *et al* (2005), these measures tend to be focused on the more economically dynamic areas of the EU in contrast to those areas with lower GDP and higher unemployment⁶⁸. This may arise for a number of reasons. First, environmental concerns, and hence agri-environmental programmes, are more prevalent in richer areas of the EU where the problems of intensive agricultural production are more pronounced. Second, institutional issues (e.g. designations based on obsolete economic criteria – see Ahner, 2004) also result in a higher use of Less Favoured Areas payments in richer, more developed areas. Beyond the ability of poorer Member States to co-finance measures, key among these issues is that of farm size with many smaller farms failing to meet size eligibility criteria in poorer parts of the EU (some regions of Italy illustrate this well). Additionally, poorer regions/Member States tend to focus more on sectoral measures relating to structural issues such as those under Chapter I: Investment on farm and Chapter VII: Investments in processing and marketing, although these priorities may, and perhaps should, change in time.

If, however, one adds into the equation those measures specifically targeting the agricultural sector rather than rural territories as a whole this would suggest a generally higher degree of coherence with the objectives of the Structural Funds as smaller farms (generally in poorer regions) tend to receive higher levels of RDR funding, in marked contrast to receipts from Pillar 1 policies, than larger farms. Farms

⁶⁸ A problem also noted by BMLFUW (2001) in Austria.

in the least accessible regions and those in more peripheral regions also receive, on average, higher receipts from the RDR (Shucksmith, *et al*, 2005). On this basis, and the findings with respect to Less Favoured Areas and agri-environment measures notwithstanding, it appears that the RDR at the programme level is coherent with the rationale behind the Structural Funds.

The picture is, however, different within Objective 1 regions where rural development measures are offered within a wider territorial framework through the Operational Programmes. Whilst this approach is considered to be appropriate in these regions which are lagging behind the rest of the EU, it is not considered necessary in other rural regions which are not lagging behind to the same extent. For example, significant rural areas in some regions of some Member States are not suffering depopulation and are not at risk of abandonment, although that is not to say that the agricultural sector within these regions is not disadvantaged compared to other economic sectors. In such regions a predominantly sectoral approach is considered to be valid.

The differences between Objective 1 and non-Objective 1 regions notwithstanding, the fact that the RDR is an integral part of the overall suite of Structural Funds suggests that there will be a high degree of coherence between the different funding mechanisms. European Commission (2005b) notes that there is synergy between structural, employment and rural development policies, but also points out that this synergy needs further encouragement. In this context Member States are required to ensure complementarity and coherence between actions to be financed by the ERDF, Cohesion Fund, ESF, EFF and the new EAFRD for a given territory and in a given field of activity. Irrespective of the nature of the present relationship between the Structural Funds and the RDR, it is likely that in future they will operate even more closely together.

Interview evidence suggests that the RDR measures are considered to be coherent with and complement well the measures from other Structural Funds. This is primarily achieved through the regular contact between the managers of the different funds. However, the funds do overlap in some areas and implementing authorities often work closely to ensure that double funding does not happen. For example, programme managers in France have developed innovative ways of clarifying eligibility to different funds. In many situations the same group of people is responsible for all funds and as such systems are well tuned to optimise coherence and complementarity. However, there is clearly room for improvement, particularly in terms of greater temporal and geographical co-ordination. In Portugal, for example, it was stated that each fund has its own rules, procedures, timings,

payment authorities, and so on, and this had led to compatibility problems between the three funds.

Overall interview evidence suggests that in general there are often synergies both between RDR measures and RDP programmes at the Member State level, as well as between RDR measures and other EU and national policies (although this was by no means a universal finding). However, synergies can be exploited more effectively through better organisation of related authorities/institutions, the decentralisation of funds, enhanced temporal and geographical co-ordination, and greater flexibility in relation to eligibility criteria.

Judgement

There is a high degree of complementarity between the Structural Funds at the conceptual level and this generally results in coherence at the operational level through co-operation between the relevant implementing authorities. This co-operation is clearer through the programming approach in Objective 1 regions where the need for a territorial rather than a sectoral policy is noted. It is recognised by some implementing authorities and by the Commission itself that synergy in general needs further encouragement, although this is likely to apply more outside Objective 1 designations as a result of the programming approach taken inside these regions. That said, the current overall approach is considered to be appropriate and as long as regions/Member States are encouraged to design programmes with synergy in mind then the current approach is satisfactory.

3.6.6. Gender in the Rural Development Regulation

Although Regulation 1257/99 states under Article 2 that “*support for rural development, related to farming activities and their conversion, may concern... the removal of inequalities and the promotion of equal opportunities for men and women, in particular by supporting projects initiated and implemented by women*”, there is no mention of gender under any of the Chapters and it is left to Member States to determine the extent to which their regional/national programmes consider this issue. Only two Common Evaluation Questions make reference to gender. These are:

- **Chapter II: Young farmers**, CEQ II.3: where the number of supported young farmers should be split by gender; and,
- **Cross cutting**, CEQ Transv.1 where the gender ratio of people benefiting from assistance is requested.

In relation to assistance for young farmers, the proportion of assisted women is below their share in employment in agriculture as a whole in France. In Spain, the ratio of

supported women ranged from 9% of total young farmers in Castilla y Leon to 42% in Galicia. In Portugal women made up 11% of beneficiaries in the Azores, 35% in Madeira and 42% on the mainland (see Chapter 3.6.6 for further details).

Interview evidence suggests that few gender-specific actions, both within the measures and horizontally, have been supported, but in general most activities tend to be gender-neutral (with the exception of some training course aimed specifically at women). However, many regions do attach higher scores to applications that involve women.

In Portugal a joint study by the AGRO management unit and the Portuguese Association of Women Farmers concluded that the programme did not prevent women's access to support. Monitoring shows, for example, a significant presence of female beneficiaries: setting-up of young farmers 43.6%; investment in agricultural holdings 26.6%; forestry 27.9%; training 47.6%; technological development and demonstration 50.2%. Similarly in Finland there is good evidence to suggest that gender equality is well catered for by the programmes. For example, eleven of the measures had a gender-equality emphasis, sixteen measures were gender-neutral, and four measures were specifically female oriented. By the end of 2003 the programme in Finland had created approximately 650 full-time equivalent (FTE) jobs involving women (3,000 had been maintained), and almost 250 enterprises had established by women.

There was also some evidence to suggest that gender issues and gender equality is not sufficiently understood at some levels of decision making. Therefore, training on gender equality might be desirable in some situations, particularly in those regions where women account for the larger proportion of beneficiaries (such as in Austria and the French overseas districts).

It is noted under Article 8 of the new Rural Development Regulation that, "*the Member States and Commission shall promote equality between men and women at all the various stages of programme implementation. This includes the stages of conception, implementation, monitoring and evaluation*". It is therefore clear that a) the requirement to consider gender will be far more robust and comprehensive and that b) gender issues will be monitored and will therefore be capable of evaluation in a way not systematically possible during the current programming period.

Judgement

There is no specific requirement to consider gender under any of the RDR measures, although support for gender equality is foreseen under Article 2 of Regulation

1257/99. However, little specific consideration has been paid to this issue by implementing authorities. Gender appears to have typically been considered in a horizontal manner rather than through specific programmes although the extent to which the impact of this has been assessed is not clear. The new Rural Development Regulation is much more explicit with respect to gender and sets out the need to carry out monitoring and evaluation.

4. General conclusions and recommendations

Our conclusions and recommendations cover rural development policy as a whole, the measures which make up the policy, the delivery system and the evaluation system. Conclusions are followed by boxed recommendations.

4.1. Key questions regarding overall objectives of Rural Development

The Agenda 2000 reform consolidated the previous nine legislative texts on rural development into a single regulation on support for rural development. Although in terms of presentation it appears a more coherent package, the RDR does not therefore offer a 'new' menu of measures. The fact that the menu remains to a degree an agglomeration of previously available and separately implemented measures can reduce overall efficiency in terms of delivering outcomes and meeting objectives at the programme level, not least because there are examples where the objectives, or at least the impacts, of individual measures are in conflict with one another. That said, it is recognised that the choice of measures to offer in the individual programme is the responsibility of the implementing authorities and it is incumbent upon them to ensure that the measures selected are appropriate to their rural development needs.

However, this is more of an issue with respect to measures funded through EAGGF-Guarantee than it is in relation to those funded through EAGGF-Guidance. That said it is recognised that certain measures funded through Guarantee may conflict with those funded through Guidance, for example Chapter VI: Agri-environment may exhibit some conflicts with Chapter I: Investments on farm (see intervention logic, section 3.2.1.2).

Further, it is recognised that it is up to implementing authorities to select the measures that they deem to be appropriate to their rural development needs and it is incumbent upon them to ensure that the Rural Development Programmes they implement are coherent.

The potential for a lack of coherence between individual measures at the programme level is clearly acknowledged by the Commission and the new Regulation for the 2007-2013 programming period takes a more strategic approach to rural development through the definition of three core objectives which will be addressed by three main axes, together with a LEADER axis. This will transform rural development policy from a measure-led to an objective-led system and as a consequence it is likely to improve programme efficiency and internal coherence with respect to the overall policy objectives targeted within each programme.

Several measures under the RDR can be expected to have an indirect impact beyond the agricultural sector in terms of, for example, employment, in addition to the support targeted explicitly on the wider rural population under Chapter IX: Adaptation and development of rural areas (Article 33). The impact of this targeted support is likely to increase over time as Article 33 suffered from late implementation in many cases. Whilst the Structural Funds provide a mechanism to increase cohesion generally across the EU, Article 33 provides for support targeted specifically on rural areas and is therefore a useful addition to this overall policy framework.

There is a high degree of complementarity between rural development policy and the Structural Funds at the conceptual level in terms of their contribution to EU cohesion and this generally results in coherence at the operational level through co-operation between the relevant implementing authorities.

The overall approach to implementing rural development measures and the Structural Funds is considered to be appropriate and as long as regions/Member States continue to be encouraged to implement these policies with synergy in mind, as they currently are, then the approach is satisfactory.

4.2. Individual measures

Measure-specific concluding comments and recommendations are presented below. These address the Common and Further Evaluation Questions set out in the contract.

4.2.1. Chapter I: Investments on farm

The objectives of this measure are to reduce production costs; improve and re-deploy production; increase quality; preserve and improve the natural environment; hygiene conditions and animal welfare standards; and, promote the diversification of farm activities.

There is mid-term evaluation evidence from some regions/Member States to suggest increases in income and a positive impact in terms of the better use of production factors as a result of support under this Chapter, for example, improvements in productivity in Greece and Portugal.

Whilst evidence from Finland and Greece suggests that measures under this Chapter have resulted in a re-orientation of farming activities this is by no means a universal finding.

A generally positive impact on job maintenance and creation has been realised as a result of the diversification of on-farm activities resulting from supported activities, although there is considerable regional variation. In Portugal, for example, increases of between 2.3% and 32.7% in terms of Annual Work Units were noted depending on the region.

The issue of deadweight was little addressed in the MTE reports, most likely because the nature of many of the specified indicators does not explicitly request a consideration of this. This means that we cannot comment on the extent to which deadweight is present. It is also important to bear in mind that investments sometimes require a longer time period in which to demonstrate expected impacts and that therefore impact of the supported investments, and as a result the impact of the measure, may be underestimated at the mid-term point.

Overall the evidence suggests that investments directed at improving product quality are having a positive impact, both where this is a direct objective of the supported investment and also indirectly, for example, in the case of Ireland where support for dairy hygiene helps ensure continued compliance with the Dairy Hygiene Directive 92/46/EEC.

There is evidence from a range of regions/Member States (for example, Italy, Finland, Ireland, Greece, Spain, Germany, France and Portugal) to suggest that supported investments have facilitated more environmentally friendly farming. Positive environmental benefits are often supported investment aims (whether this is a main aim or otherwise) and positive outcomes have been reported. Even where measures do not directly address environmental concerns the need to comply with minimum environmental standards should have ensured that investments were at least environmentally neutral and as such these standards are successful in terms of protecting the environment.

The potential for supported investments to enhance working conditions and animal welfare is widely recognised and some positive impacts have been detected. However, where there has been a positive impact on animal welfare this has, in most cases, been indirect. The role of farm advisory services was cited as being of particular importance in ensuring that improvements to working conditions and animal welfare are maximised.

This measure remains relevant at the RDR level and implementing authorities are free to target it at the programme level on those issues that they feel are most appropriate given their needs, i.e. on economic (including diversification) issues where the agricultural sector has structural problems and on other issues such as

working conditions and the environment where these are considered to be more pressing concerns.

4.2.2. Chapter II: Young farmers

Although not stated explicitly in the RDR, the implicit objective of this measure, based on Article 8 of Regulation 1257/99, is to facilitate farm transfer thus reducing the average age of those in the sector.

The evidence provided by the evaluation indicates that support covers upwards of one third of setting up costs (Castilla-La-Mancha, Spain) rising to almost all of the costs (Murcia, Spain), although it is more typically around 50%. Qualitative evidence also suggests that the interventions have contributed positively to the earlier transfer of farms, albeit very marginally.

There is evaluation evidence from some regions/Member States of positive synergy from a few regions/Member States between setting-up aid and aid for early retirement in achieving the earlier transfer of farms. For example, evidence from Finland and Spain indicates that transferees benefiting from both schemes tend to be marginally younger which might suggest that the measures in combination contribute to an earlier transfer of farms compared to the operation of the measure in isolation.

Whilst it is clear that young farmers set up with support under this measure, the extent to which the existence of the support influences their decisions is not known and as a result it is not possible to attribute causality to the scheme itself. In terms of gender, whilst a varying proportion of young farmers are female, the majority are male in all regions/Member States.

Even at the mid-term stage evidence suggests that the measure has made positive contributions to the safeguarding of employment, although, as is indicated above, the extent to which the measure is the cause of young farmers setting up is generally not known. However, in Spain in particular and southern Europe in general, this measure is reported to be one of the main contributors to the maintenance and creation of employment across the programmes.

In conclusion, the available evidence at the mid-term stage suggests that this measure does facilitate farm transfer, although the extent to which it is a key driver in the decision to set up remains unclear.

Recommendation

- A survey of supported farmers should be undertaken to establish the extent to which the scheme had an impact on their decision to set up and the extent to which the measure covered their setting up costs.

4.2.3. Chapter III: Training

Training within the RDR is designed essentially to facilitate access to the other available measures. Monitoring data from the CAP-IDIM system records the areas in which training is offered where it is funded through EAGGF Guarantee, but does not monitor training carried out within Objective 1 regions. The absence of this monitoring information obviously reduces the evidence available with which to address the use of this measure. However, there is clear evidence from some regions/Member States (for example, Finland, Germany and Spain) to suggest that assisted training courses have been tailored to meet previously identified needs and they do exhibit coherence with other measures in the programme.

Evidence from some regions/Member States (for example, Finland and the UK) suggests that acquired skills/competence have helped to improve the situation of the trainees and of the agricultural/forestry sector with roughly three-quarters of training beneficiaries receiving qualifications and/or experiencing job improvements.

In conclusion, this measure is considered to be relevant and to work well with other measures under the RDR.

4.2.4. Chapter VII: Investments in processing and marketing

The objectives of this measure are to guide production in line with foreseeable market trends or 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 or waste; apply new technologies; favour innovative investments; improve and monitor quality and health conditions; and, protect the environment.

There is evidence from a wide range of regions/Member States to suggest that supported investments have helped to enhance the competitiveness of agricultural products. In many cases the bulk of the improvements stem from technological investments which have improved and rationalised processing procedures (for example, in the UK), although there is some evidence that support to producer groups has also enhanced marketing ability (for example, Austria).

There is also evidence to indicate that supported investments have helped to increase the added value and competitiveness of agricultural products through

quality improvements. In some cases, for example in Spain and Portugal, producers are increasingly using regional/national labelling schemes (as well as other quality devices) and technology to differentiate and promote their products as a result of the support.

Interview evidence (from in particular Spain and Greece) highlights the importance of formal long-term and multi-annual contracts (or equivalent instruments) between producers and processors in delivering benefits to the basic agricultural production sector as well as leveraging quality and technological improvements. The existence of 'top-ups' in the level of assistance was reported in Austria to have delivered additional improvements that might not otherwise have been realised.

Positive impacts on health and welfare, particularly on the nutritive and hygiene aspects of products and on workplace conditions, have been observed as a direct result of measures in some regions/Member States (whereas positive impacts on animal welfare tend to derive from collateral effects). That said, whether the improvements noted here go beyond minimum standards is often unclear.

A positive impact on the environment was noted mainly as a result of the requirement to meet minimum environmental standards and there was no suggestion of any negative environmental impact.

The evidence in relation to company size is mixed with some regions/Member States reporting greater effectiveness for medium sized companies, for example companies with up to 50 employees in Greece, and others noting that larger companies were more likely to carry out investments unaided than smaller ones, for example, Spain.

Finally, it is also important to bear in mind that investments sometimes require a longer time period than currently available at the mid-term point in which to demonstrate expected impacts. The impacts noted at this time may therefore underestimate the impact in the longer-term which will be more apparent in the *ex-post* evaluation.

4.2.5. Chapter VIII: Forestry

The objectives of these measures are to provide sustainable forest management and development of forestry; the maintenance and improvement of forest resources; and the extension of woodland area.

Many regions/Member States reported positive impacts in relation to the maintenance and enhancement of forest resources, although due to the long-term nature of the resource involved, these impacts were marginal at the mid-term stage.

There is evidence in some regions/Member States (for example, Finland, Greece and Spain) to suggest that the assisted actions contribute positively to the maintenance and development of employment (as well as other socio-economic functions and conditions), with, for example, some 372 full-time jobs maintained in Finland and a further 343 created. While some regions/Member States provided evidence of positive outcomes in terms of maintenance and encouragement of productive functions on forest holdings (Finland, for example), the evidence overall was too variable to allow a definitive assessment of impact.

Evidence from a number of regions/Member States suggests that assisted actions have contributed to the ecological functions of forests by maintenance of their health and vitality, including Greece, for example, where some 2,000 hectares of forest is maintained and a further 24,000 hectares protected. Assisted actions have resulted in the maintenance, conservation and appropriate enhancement of biological diversity in a number of cases, including Portugal where approximately 600 hectares of critical sites were being maintained or improved and over 200 hectares of indigenous species were planted or restored.

Recommendation

- Longer-term monitoring and evaluation, independent of financial programming periods, should be established to provide a proper assessment of impacts in this area.

4.2.6. Chapter IX: Adaptation and development of rural areas

A range of measures are available under this Chapter targeted at both the agricultural and the non-agricultural sectors. These include measures promoting competitiveness in the agricultural sector, protecting the environment and the adaptation and development of rural areas.

There is a body of evidence to suggest that Article 33 measures have at least helped to maintain incomes in the rural population. Tourism-related projects were identified by some regions/Member States as being effective in delivering positive income-related outcomes. In Finland, for example, the share of tourism-related turnover in total turnover of supported enterprises was 19% in the east and 3% in the north; and in Corsica (France) supported investments in agro-tourism resulted in income increases of between 15% and 30%. Positive effects on employment maintenance (and to a lesser extent employment creation) were also widely reported and were substantial in some cases, for example, Finland, Spain, Ireland and Greece. However, these positive employment effects tend to involve the farming population rather than the non-farming population.

Positive environmental outcomes were reported in a number of regions/Member States, although these tended to be quite modest. In southern regions/Member States the interventions have been focused primarily on more fundamental issues such as water resources management and environmental awareness, whereas regions/Member States in the north have tended to focus on rural advice, conservation and the support of local community projects.

Whilst there have been some positive impacts on living conditions as a result of supported actions, particularly in Portugal, these generally remain small-scale at this point in the programme.

Projects supported by Article 33 measures have involved a wide range of beneficiaries which has contributed positively to the maintenance/improvement of the structural characteristics of the rural economy.

In conclusion, although the implementation of this measure has been hampered by delays in many cases, the early evidence suggests that positive impacts are already filtering through.

4.3. Delivery system

The evidence available suggests that the implementing arrangements have contributed positively to maximising the intended effects of the programme (although in some cases it was too soon for effects to have become visible). In some situations (for example Austria), programmes have become more complementary, due largely to the prior assessment of projects, which has helped to ensure consistency and coherence. Several Member States reported funding leverage effects ranging from, for example, 3.6:1 in relation to supported biogas assistance in Sachsen, Germany to 1.5:1 in relation to the young farmer measure in East Finland. There was evidence of only minimal deadweight with, for example, less than 5% associated with supported projects in East Finland and approximately 1% in North Finland.

Some negative effects were reported. Administrative and bureaucratic burdens were reported to have added significant complexity to the programme in some cases, for example, in relation to delays in project approval processes. In some cases, excessive bureaucracy was cited as resulting in programme inefficiency and bureaucracy was also found to present a barrier to entry, especially in relation to smaller-scale projects. In such situations the decentralisation of decision-making to the local level (i.e. to Local Action Groups or umbrella groups) was proposed in order to improve access. While some of these inevitably stem from the slow start to some

of the programmes, others, such as insufficient funding, were cited in several cases as having prevented the involvement of all rural actors.

From the evidence available it is clear that feedback from the mid-term evaluations has resulted in some improvements to implementation mechanisms in some cases, for example, in relation to information provision and guidelines in Northern Ireland.

4.4. Evaluation system

There is no reason to suppose that the relevance of CEQs will be any different within Objective 1 regions compared to their relevance outside Objective 1 regions. Essentially, there is a core of CEQs across most Chapters which are always likely to be relevant even where contextual circumstances differ, for example, those relating to the impact of measures on income, employment, etc. where the measure objectives are designed to have such an impact. Beyond this core it appears that setting CEQs centrally to apply in all evaluations reduces the extent to which they are targeted to the specific circumstances found across the different regions/Member States, although it is accepted that this increases consistency across the EU in terms of the coverage of evaluation reports. Examples where CEQs are less relevant are those relating to investment measures where impacts are not necessarily expected in the short-term. However, this is clearly an issue of timing rather than of the relevance of the CEQs themselves. In general it is felt that the CEQs are usually sufficiently relevant to evaluate the quality of the rural development measures (provided that they are used as envisaged under the DG Agriculture evaluation guidelines).

The use of the specified indicators was less widespread due to the lack of data and in some cases the limited relevance of the indicator specified in the regional/national context. That said, the use of alternative indicators and additional national questions was low suggesting that the specified indicators were generally appropriate and the range of questions asked was sufficient to provide a satisfactory evaluation of the RDR. An additional issue here is that where multiple indicators were proposed it was quite common for evaluators to simply use the most straightforward of these.

Evaluation effectiveness and efficiency would be improved by evaluating all rural development measures together regardless of funding source (although evaluations are, in practice, often necessary for financial control reasons as well as to provide feedback into policy design). Unsurprisingly evaluations tend to focus on the measures accounting for a greater proportion of expenditure and, given the weight of rural development measures within Operational Programmes and Single Programming Documents, attention given to measures funded through EAGFF Guidance is relatively light.

Additionally, it is considered that the efficiency and effectiveness of the evaluation system depends in part on the attitude of the region/Member State. In those regions/Member States where it is felt that evaluation feeds back into better policy design, monitoring systems are better adapted to facilitating evaluation. Finally, the collection of monitoring information relating to the rural development measures within Objective 1 regions is not as widespread as it is outside these areas. This has reduced the efficiency of the mid-term evaluations by necessitating additional data collection. Evaluation effectiveness is compromised where this additional data was not, or could not, be collected.

Recommendations

- A smaller set of core questions relating to more broadly relevant issues such as income and employment, etc. would increase the general relevance of the evaluation system. Greater freedom should be allowed in areas where regional context is more likely to be a factor in terms of relevance.
- Many indicators require an assessment of change over time and in this context greater effort should be made to establish suitable baselines.
- Whilst having central evaluation guidelines is considered to be useful a greater degree of flexibility in the choice of indicators should be permitted- the point is to answer the evaluation questions, not address the indicators as such. Also, it should be recognised that certain data requirements impose a greater burden on beneficiaries and a greater cost on implementing authorities. Where possible, specified indicators should be simple rather than complex.
- A greater effort should be made to persuade regions/Member States of the use of evaluations in feeding in to better policy design in order to encourage monitoring systems more capable of facilitating evaluation.
- In order to ensure thorough evaluation in Objective 1 regions rural development measures should either be evaluated separately, i.e. outside the framework of the wider Operational Programmes and Single Programming Documents, or they should be evaluated alongside the measures funded through EAGGF Guarantee.
- Whether or not the above recommendation is taken up, monitoring in relation to rural development measures should be encouraged inside Objective 1 areas.

Appendix 1: References and bibliography

This Appendix contains references cited in the text and mid-term evaluation reports in Section A1.1. Section A1.2 contains references which informed the analysis, but were not explicitly cited and further reading. It should be noted that there is a general paucity of literature beyond the mid-term evaluation reports covering the period of this evaluation (2000-2003) and that most of the information that is available is in the International academic press.

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Appendix 2: Analysis tools and programmes investigated

This Appendix sets out in detail the analysis tools used to carry out this meta-evaluation, the programmes selected for further investigation and the people and organisations contacted in the course of this evaluation.

A2.1. Analysis tools

Two main tools were used to analysis the information in the mid-term evaluation reports. An extraction grid to assess the extent to which Common Evaluation Questions and associated criteria and indicators were used and a synthesis grid which was used to extract information from the mid-term evaluations. These tools are discussed in the sub-sections below.

A2.1.1. Extraction grid

The use of Common Evaluation Questions was assessed through the completion of an extraction grid (in Microsoft Excel) covering all mid-term evaluation reports. This was answered at the level of the indicator. Where the indicator was considered applicable, i.e. measures under the relevant Chapter had been implemented in the region/Member State and the indicator referred to elements of schemes that had been implemented (on time), the possible answers available from a drop down menu were:

- **yes:** where the indicator was used (or an attempt was made to use the indicator);
- **alternative used:** where an alternative (replacement) indicator was used to address the CEQ (this includes cases where a quantitative indicator was answered qualitatively); and,
- **no:** where the indicator was not used (whether because it was considered applicable by the evaluator, but was simply omitted or whether it was considered applicable, but omitted with a reason, for example because the indicator was considered unusable or it was considered too costly to collect the required information).

Where the indicator was not considered applicable this was marked. An answer of not applicable was permitted when:

- indicators in Chapters were not taken up (for example, Chapter VII- Processing and Marketing in Greece);
- where Chapters were taken up, indicators relating to measures not implemented at all (for example, environmental protection restrictions under Less Favoured Areas in most regions of Italy);

- indicators not sensible in a regional/national context (for example, relating to irrigation in Ireland); and,
- measures under Chapters implemented late meaning that it was not possible to evaluate at the mid-term point (Chapter IX- Adapt rural areas in Wales)

This approach means that when we report that a certain percentage of national/regional mid-term evaluations used a specified indicator we are not including the cases where evaluators could not have applied the indicator. We do, however, include cases where evaluators chose not to apply an indicator⁶⁹.

A2.1.2. Synthesis grid

A synthesis grid was developed in order to mine and analyse the information contained in the mid-term evaluation reports. This grid was constructed in Microsoft Excel to allow the results to be imported into a Microsoft Access database from where they could be analysed. The objective of this grid was to draw information from the mid-term evaluations in a systematic manner to facilitate the EU-15 synthesis. One grid was completed for each Member State with information in regional reports (where applicable) synthesised to present information at the Member State level with regional examples where applicable.

Each RDR Chapter was the subject of a separate worksheet which lists Common Evaluation Questions and Further Evaluation Questions in one column with a range of further columns in several categories in which extracted material can be placed. A range of data were requested from yes/no responses from drop down boxes (many of which had a range of possible answers) to requests for synthesised text. The response categories, requested data and the form of response required are set out in Table 4.1 and were the same for all RDR Chapters.

Table 4.1: Requested information and response format

Information requested	Response format
Applicability	
Was this question answered in your Member State?	Drop down menu
Comments on relevance and use of Commission criteria and indicators	
Report comments on question relevance	Text
Report comments on relevance of EU criteria	Text
Report comments on relevance of EU indicator(s)	Text
Were other criteria and indicators used for this question and if so, what were they?	Text
Answer	

⁶⁹ We recognise that this could be for a variety of reasons and it is not intended as a criticism.

Information requested	Response format
Short answer to the evaluation question (drop down menu)	Drop down menu
Synthesised answer to the evaluation question	Text
Data sources	
<u>Quantitative data sets</u>	
RDP admin data	Drop down menu
Scheme monitoring data	Drop down menu
FADN/ RICA	Drop down menu
National census	Drop down menu
Other national data	Drop down menu
Modelling results	Drop down menu
<u>Surveys</u>	
Survey	Drop down menu
Survey type	Drop down menu
Survey sample size	Number
Percent of survey group population	Number
<u>Interviews</u>	
Focus group	Drop down menu
Number of Focus Groups used	Number
Focus Group size (typical number of participants)	Number
Focus Group participants	Text
Semi-structured interviews with stakeholders	Drop down menu
Stakeholders interviewed	Text
Discussions with scheme administrators	Drop down menu
Discussions with research community	Drop down menu
<u>Literature/other</u>	
Secondary data/literature reviews	Drop down menu
Other (please specify)	Text
Additional notes on data sources	Text
Miscellaneous comments	
Comments on additionality	Text
Were other criteria suggested for future use and what were they?	Text
Were other indicators suggested for future use and what were they?	Text
Quality of answer/presence of gap	
Was the question answered satisfactorily? (yes/no/partially)	Drop down menu
Is there a gap to be filled with respect to this question?	Drop down menu
Is filling this gap a priority?	Text
Required data to answer the question	
What data sources will you use to answer the evaluation question?	Text
Notes	
Please add here any additional notes that you feel are necessary with regard to this question	Text

The information from completed grids was imported into a database and analysed using a range of queries. These queries were designed both to collate evidence from different Member States to facilitate synthesis at the EU-15 level and also to filter

evidence to allow account to be taken of the robustness of responses. For example, the database queries allowed all evidence drawn from face to face surveys to be collated for particular questions. In some cases the information collected was quantitative in nature, for example, the short answer to the evaluation question where a choice was made between the following options:

- no meaningful answer possible;
- too early to not impact;
- on balance a positive change as a result of the scheme;
- on balance a negative change as a result of the scheme;
- no change;
- mixed according to farm type (for example, farm type); and,
- mixed according to region.

In other cases the information collected was qualitative, for example the synthesised answer to the evaluation question. Analysing quantitative responses was more straightforward than qualitative ones, but the latter contain greater depth of information and caveats which provide a deeper insight into the impact of the RDR across the EU-15.

A2.2. Regions selected for further investigation

Where there is more than one Operational Programme or Single Programming Document within a Member State it was necessary to decide which of these programmes will be investigated. We used two main criteria for making this judgement within each Chapter:

1. There should be extensive gaps in the ability to answer the Chapter CEQs and FEQs from the relevant MTE report.
2. The Chapter should be significant in the region concerned. By this we mean that the share of spending on this Chapter in this region should be important in terms of overall national spend on this Chapter, irrespective of the Chapter's importance in the region itself.

This selection criteria, coupled with the investigation of the same Chapters across all Member States, guarantees that a suitable balance of Member States were investigated for each Chapter and that a wide range of geographical contexts have been considered.

On this basis the following programmes were selected for further investigation where there was regional implementation. Not all questions within the Chapters set out were gaps:

- **Finland:**

East Finland: Chapters I, III, VIII, IX, X and Key Question FEQs

North Finland: Chapters I, III, VIII, IX, X and Key Question FEQs

- **France:**

Nord pas de Calais: Chapters I, IX and X

La Reunion: Chapters I, VII and X

Guadeloupe: Chapters IX and X

Corsica: Chapters IX and X

Nationally: Chapters I, III, VIII, IX, X and Key Question FEQs

- **Germany:**

Brandenburg: Chapters I and III

Thüringen: Chapters I and VIII

Mecklenburg-Vorpommern: Chapters III, VII and IX

Sachsen-Anhalt: Chapters VII and IX

Sachsen: Chapter VIII

Nationally: Chapter X and Key Question FEQs

- **Greece:**

Crete: Chapter IX

Western Peloponese: Chapter IX

Nationally: Chapters I, VII, VIII, IX, X and Key Question FEQs

- **Ireland:**

Border-Midland-Western region: Chapters I, VII, VIII, IX, X and Key Question FEQs

Southern-Eastern region: Chapters I, III, VII, IX, X and Key Question FEQs

- **Italy:**

Sicilia: Chapters I, VII, IX, X and Key Question FEQs

Campania: Chapters I, VII, VIII, IX, X and Key Question FEQs

Puglia: Chapters I, VII and X

Sardegna: Chapters VII, IX and X

Calabria: Chapters VII, VIII, IX and X

- **Portugal:**

Azores: Chapter VII

Norte: Chapter IX

Vale do Tejo: Chapter IX

Madiera: Chapter IX

Mainland Operational Programme: Chapters I, III, VII, VIII, IX, X and Key Question FEQs

- **Spain:**

Galicia: Chapter III and Key Question FEQs

Andalucia: Chapters VII, VIII, X and Key Question FEQs

Murcia: Chapter VII

Castilla-La Mancha: Chapters VII, VIII and X

Extremadura: Chapters VIII, IX, X and Key Question FEQs

Castilla y León: Chapters IX, X and Key Question FEQs

Nationally: Chapters I and X

- **Sweden:**

Norra Nordland: Chapters I, VII, IX, X and Key Question FEQs

Södra Skoglänsregionen: Chapters I, VII, IX, X and Key Question FEQs

- **UK:**

West Wales and Valleys: Chapters I, III, VIII, IX, X and Key Question FEQs

Highlands and Islands: Chapters I, IX, X and Key Question FEQs

Northern Ireland: Chapters III, VII, IX, X and Key Question FEQs

Cornwall and Scilly Isles: Chapters VII, IX, X and Key Question FEQs

South Yorkshire: Chapters IX, X and Key Question FEQs

Appendix 3: Definition of evaluation questions and indicators

A3.1. Chapter I: Investments in agricultural holdings

A3.1.1. Common Evaluation Questions

Question:	I.1	To what extent have supported investments improved the income of beneficiary farmers?
Criterion:	I.1-1	The income of beneficiary farmers has improved
Indicator:	I.1-1.1	'Gross farm income' of assisted holdings (€)
Comments:	<ul style="list-style-type: none"> • There is likely to be an issue in terms of separating out additional income received from new investment on holdings of beneficiaries. Care will be needed in assigning causality to the measures. There is an issue of gross versus net income and the meaning of 'gross farm income' is not clear. 'Gross' usually implies before deduction of allowance for capital consumption. However, if estimates of depreciation are available there is little point in preferring a gross figure. This is not the case in the MTE reports though. However, 'gross' can also be interpreted as meaning output (turnover) before deduction of variable and fixed costs (other than depreciation). An increase in turnover may not increase net income or 'family farm income' as used by FADN. The question implies a concept after all costs have been paid and this is how we interpret it. • It is generally difficult to assess the impact of investments on income in the short-term as there is often an initially negative impact while the investment is made and before the benefits become apparent. 	

Question:	1.2	To what extent have supported investments contributed to a better use of production factors on holdings?
Criterion:	1.2-1	Increase in factor productivity
Indicators:	1.2-1.1 1.2-1.2 1.2-1.3	Output per hectare on assisted holdings (€/ha) Output per hour of labour on assisted holdings (€/h) Cost (i.e. 'direct inputs') per unit of basic products sold (e.g. €/tonne, €/m ³ , etc) on assisted holdings.
Comments:	•	These require a measurement of output and costs before and after investment. Confounding factors need to be taken into account so that the cause of any change can be attributed to the measures. These are very quantitative indicators and in many cases more qualitative versions of them were used instead. Further, the extent to which causality can be assigned is uncertain.

Question:	1.3	To what extent have supported investments contributed to the reorientation of farming activities?
Criterion:	1.3.1	Holdings re-deploy production by moving out of surplus product lines or moving into products which have good market outlets
Indicators:	1.3-1.1	<p>"Net change" in "surplus product" activity after the investment = holdings with sum of scores for all surplus lines > 0</p> <ul style="list-style-type: none"> • <i>[the holding's score (per surplus product line) = +1 if ≥10% decrease in annual average livestock numbers or crop area</i> • <i>0 if no change {between -10% and +10%}</i> • <i>-1 if ≥10% increase]</i> <p><i>[Surplus products = cereals of any type, beef, milk wine and olives/olive oil: except particular products with favourable market prospect]</i></p>
Comments:	<ul style="list-style-type: none"> • It is not clear whether the question relates to all holdings or only the assisted ones, although the general direction of other questions implies that the focus is on the assisted holdings. It is very difficult to decide what products are in surplus at the local level. Whilst it may be clear that there is a surplus of milk at the EU or national level, this may not be the case at the level of smaller territorial units. Also, within a surplus product such as milk there are product segments which may not be in surplus, for example organic production, certain fat profiles, etc.. However, these may displace other, surplus, segments of the market and thus contribute to problems. Defining surplus areas in the first place is therefore potentially problematic. • This indicator was little used in the MTE reports, probably as a result of its relative complexity as well as the issues raised above. 	
Criterion:	1.3-2	Holdings take up more alternative activities
Indicators:	1.3-2.1	Number of assisted holdings introducing alternative activities. Use:
	1.3-2.2	Share of assisted holdings with a significant part of their turnover (≥10%) from alternative activities (%). Use:
	1.3-2.3	Share of working time spent on alternative activities on the holding (%). Use:

Comments:	<ul style="list-style-type: none"> In this context alternative activities is taken to mean any diversified activity. This could be agricultural or non-agricultural, but does not mean agricultural production in non-surplus areas as this type of activity is covered under the first criteria. It may be difficult to calculate retrospectively where family labour is split between agricultural and alternative activities as this will often not be recorded and this may explain the relative absence of information relating to indicator 1.3-2.3.
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Question:	1.4	To what extent have supported investments improved the quality of farm products?
Criterion:	1.4-1	The quality of farm products has improved
Indicator:	1.4-1.1	Ratio of {price of assisted quality-improved basic products} to {average price for the commodity concerned}
	1.4-1.2	Gross sales of assisted quality-improved basic products (€)
Comments:	<ul style="list-style-type: none"> A key point here is the definition of an improvement in quality. Care will be needed in establishing causality as increased sales may be driven by several factors and not just an investment to improve product quality. This point is indeed made in one MTE report. 	
Criterion:	1.4-2	Farm products comply with quality standards, particularly at Community level
Indicator:	1.4-2.1	Share of assisted products sold with quality label (%); a) of which EU-level labelling schemes (%); b) of which national level labelling schemes (%); c) of which other labelling schemes (%)
Comments:	<ul style="list-style-type: none"> This is relatively straightforward under the assumption that quality labels do actually infer improved quality. However, this indicator was little used in practice, perhaps because most products under these measures are destined for further processing before sale to end user and the quality label is added at this later stage. 	

Question:	1.5	To what extent has the diversification of on-farm activities originating from supported alternative activities helped maintain employment?
Criterion:	1.5-1	Employment is maintained or increased through alternative activities on the holding

Indicator:	1.5-1.1	Number of full-time equivalent jobs maintained or created thanks to the assistance for alternative activities (FTE)
Comments:	•	There is potentially an issue here with regard to the quality of labour. Employment maintained could be additional hours for the existing workforce, which, in the case of family labour may be unpaid. This is not drawn out in the MTE reports.

Question:	1.6	To what extent have supported investments facilitated environmentally friendly farming?
Criterion:	1.6-1	Integration of environmental concerns into farm investments
Indicator:	1.6-1.1	Share of beneficiary holdings introducing environmental improvements thanks to the co-financing (%); a) of which with the environmental improvement as the direct aim of the investment (%); b) of which as a collateral effect (e.g., due to new equipment acquired mainly for economic purposes) (%); c) of which relating to waste and excess manure (%); d) of which relating to on-farm water management (%); e) of which relating to (other) benign farming practices/systems (%).
Comments:	•	Share of holdings introducing improvements is not necessarily a guide to the overall level of improvement made.
	•	In most cases there was only a limited attempt in the MTE reports to break the answer down by category.
Criterion:	1.6-2	Improved storage and landspreading of farm manure
Indicator:	1.6-2.1	Share of assisted holdings improving storage/landspreading of farm manure (%); a) of which co-financed from the assistance (%); b) of which storage (%); c) of which landspreading (%).
	1.6-2.2	Ratio of {storage capacity of farm manure on assisted holdings} to {total farm manure output on assisted holdings}
	1.6-2.3	Share of assisted holdings meeting standards concerning farm manure (%)
Comments:	•	Share of holdings introducing improvements is not necessarily a guide to the overall level of improvement made.
	•	There was no attempt to quantify the extent to which investments were co-financed and little attempt to separate out the proportion of investments relating to storage from

	those relating to landspreading.
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Question:	1.7	To what extent have supported investments improved production conditions in terms of better working conditions and animal welfare?
Criterion:	1.7-1	Working conditions have improved
Indicator:	1.7-1.1	Evidence of significant reduction thanks to the assistance in exposure to any of the following: noxious substances, odours, dust, extreme climatic conditions outdoor/indoor, lifting of heavy loads, aberrant working hours (description).
Comments:	<ul style="list-style-type: none"> • The type of production conditions referred to are well set out, although the extent of improvement is subjective without any quantification of 'significant'. It is also debatable as to whether suitable means of measurement can be found. • Answers to this indicator in the MTE reports tended to be somewhat vague in most cases, although there were exceptions. 	
Criterion:	1.7-2	Animal welfare has improved
Indicator:	1.7-2.1	Share animals on assisted holdings enjoying improved welfare thanks to assisted investments (%); a) of which with animal welfare as a direct aim (%); b) of which with animal welfare as a collateral effect (e.g., due to new housing or equipment acquired mainly for other reasons) (%); c) of which related to welfare standards (%); d) of which related to EU-welfare standards (%)
Comments:	<ul style="list-style-type: none"> • The lack of definition of investments which improve animal welfare means that these indicators are subjective and open to different interpretations. • Attempts to break the answer down into the categories specified in the indicator were limited in many cases. 	

A3.2. Chapter II: Setting up of young farmers

A3.2.1. Common Evaluation questions

Question:	II.1	To what extent has the aid for setting up covered the costs arising from setting up?
Criterion:	II.1-1	High incentive effect of the setting-up aid
Indicator:	II.1-1.1	Ratio between {setting-up aid} and {actual setting-up costs}
Comments:	<ul style="list-style-type: none"> • This requires knowledge of actual setting up costs which will vary according to circumstances and location and will therefore require a survey methodology. Other evidence is unlikely to facilitate an answer. • This indicator was typically well used in the MTE reports. 	

Question:	II.2	To what extent has the setting-up aid contributed to the earlier transfer of farms (to relatives versus non-relatives)?
Criterion:	II.2-1	Reduction of average age of transferees and/or transferors in assisted transfers
Indicator:	II.2-1.1 II.2-1.2	Average age of transferee in assisted setting up Average age of transferors in assisted setting up
Comments:	<ul style="list-style-type: none"> • There are many factors behind the decision to transfer farms between generations which will be specific to individual circumstances. The extent to which the setting-up aid influenced the decision will need to be carefully isolated and the extent to which this can be done will depend on the methodology used. There was little attempt to do this in the MTE reports. • There is potential deadweight in that the scheme might simply have been accessed by those intending to transfer farms in any case. • It is possible that transfers take place in order to attract funds, but that the management structure of a family farm remains the same in practice. 	

Question:	II.2.A	To what extent has the setting-up aid contributed to the earlier transfer of farms (to relatives versus non-relatives)...in particular, how significant was the synergy with the aid for early retirement in achieving such an earlier transfer?
Criterion:	II.2.A.-1	Simultaneous take-up of the two schemes
Indicator:	II.2.A-1.1	Ratio between {number of beneficiaries of setting-up aid replacing beneficiaries of early retirement aid} and {total number of farm transfers in period}
Comments:	<ul style="list-style-type: none"> • There is potential deadweight in that the scheme might simply have been accessed by those intending to transfer farms in any case. • Establishing causality is a potential issue. • In reality there are few instances where measures under both Chapters were applied to any great extent. 	
Criterion:	II.2.A-2	Reduced average age of the transferee in the case of combined aid
Indicator:	II.2.A-2.1	Ratio between {average age of assisted transferees (young farmers receiving setting-up aid) replacing assisted transferors} and {average age of all young farmers receiving setting-up aid}
Comments:	<ul style="list-style-type: none"> • See above. 	

Question:	II.3	To what extent has the aid influenced the number of young farmers of either sex setting up?
Criterion:	II.3-1	More young farmers are installed
Indicator:	II-3-1.1	Number of assisted young farmers installed (by gender)
Comments:	<ul style="list-style-type: none"> • Again there is a potential deadweight issue and establishing causality requires care. • Most of the analysis in the MTE report focused on the gender split rather than the absolute numbers of assisted young farmers. 	

Question:	II.4	To what extent has the setting up of young farmers contributed to safeguarding employment?
Criterion:	II.4-1	Jobs are maintained or created
Indicator:	II.4-1.1	Number of full-time equivalent jobs maintained or created (FTE)
Comments:	<ul style="list-style-type: none"> • There is potentially an issue here with regard to the quality of labour. Employment maintained could be additional hours for a young farmer already working on the family farm. • There was little attempt in the MTE reports to consider the nature of maintained or created employment. 	
Criterion:	II.4-2	Main-occupational farming is secured
Indicator:	II.4-2.1	Ratio between {% of assisted set ups resulting in main-occupational farming} and {% of all establishments resulting in main-occupational farming}
Comments:	<ul style="list-style-type: none"> • Causality could be difficult to establish as there are many reasons why some farms support main-occupational farming and others do not. • This indicator was not addressed directly in the MTE reports. 	

A3.3. Chapter III: Training

A3.3.1. Common Evaluation Questions

Question:	III.1	To what extent are the assisted training courses in accordance with needs and coherent with other measures of the programme?
Criterion:	III.1-1	The training responds to the needs and potential for adaptation (<i>conversion, reorientation, improvement</i>) at the level of individuals, sectors or regions (<i>including gaps/weaknesses or potential/opportunities identified during programming or ex-ante evaluation</i>)
Indicator:	III.1-1.1	Share of assisted training accommodating issues identified as gaps/weaknesses or potential/opportunities during programming/ex-ante evaluation (%) a) of which thanks to the type/mix of participants (e.g., young people, women...) (%); b) of which thanks to the topic/contents of the courses (%); c) of which related to co-financed actions of other chapters of the programme (%)
Comments:	<ul style="list-style-type: none"> • This question is underpinned by the assumption that training needs are known. Whether an ex-ante needs analysis was carried out would help to inform this. • Although some MTE reports provided an answer broken down as requested, in many cases more qualitative comments were offered. 	

Question:	III.2	To what extent have the acquired skills/competence helped improve the situation of the trainees and of the agricultural/forestry sector?
Criterion:	III.2-1	The skills/competence acquired by the trainees help improve their employment conditions.
Indicator:	III.2-1.1	Share of assisted trainees (both holders and employees) experiencing job improvements related to the training (%); a) of which farm/forest holders (%); b) of which employees (%); c) of which thanks to better remuneration (%); d) of which thanks to non-pecuniary job quality (e.g., seasonal/ contractual work security, exposure to risk and adverse conditions, job-variation/enrichment...) (%).
Comments:	<ul style="list-style-type: none"> • • 	<p>The main issue here relates to establishing causality.</p> <p>Whilst some MTE reports broke the answer down as requested, most did not and focused on the headline proportion or a more qualitative comment.</p>
Criterion:	III.2-2	The skills/competence acquired by the trainees facilitate the adaptation of agriculture and forestry (conversion/reorientation/improvement)
Indicator:	III.2-2.1	Share of holdings with an assisted trainee, initiating conversion/ reorientation/improvement related to the assisted training (%); a) of which new/additional activities (%); b) of which improved quality/hygiene/added value concerning existing activities (%); c) of which management related (%); d) of which environmental benign methods/practices (%); e) of which farming (%); f) of which forestry (%)
Comments:	<ul style="list-style-type: none"> • • 	<p>The main issue here relates to establishing causality.</p> <p>See comment above on indicator use.</p>

A3.3.2. Further Evaluation Questions

Question:	III.3a	To what extent is the training measure used for promoting: the application of production practices compatible with the maintenance and enhancement of the landscape
Criterion:	III.3a-1	Training is used to promote production practices compatible with the maintenance and enhancement of the landscape
Indicator:	III.3a-1.1 III.3a-1.2	Share of funding for training relating to maintenance and enhancement of the landscape (%) Share of assisted trainees receiving training relating to maintenance and enhancement of the landscape (%)
Comments:	<ul style="list-style-type: none"> • Ideally an indicator such as “share of holdings with an assisted trainee reorienting production practices to make them compatible with the maintenance and enhancement of the landscape (%)” would be used in order to assess the actual impact of training measures on holdings, but the use of such an indicator requires a survey methodology and this is outside the terms of reference for this evaluation. This question will have to be answered instead from monitoring systems under the assumption that training provided is subsequently used. • Where answers to this FEQ were available, they were largely based on the share of courses offered. 	

Question:	III.3b	To what extent is the training measure used for promoting: the protection of the environment
Criterion:	III.3b-1	Training is used to promote protection of the environment
Indicator:	III.3b-1.1 III.3b-1.2	Share of funding for training relating to environmental protection (%) Share of assisted trainees receiving training relating to environmental protection (%)
Comments:	<ul style="list-style-type: none"> • Ideally an indicator such as “share of holdings with an assisted trainee increasing environmental protection as a result of the training scheme (%)” would be used in order to assess the actual impact of training measures on holdings. However, this would require a survey methodology, see comments to FEQ III.3a. 	

Question:	III.3c	To what extent is the training measure used for promoting: Hygiene standards and animal welfare
Criterion:	III.3c-1	Training is used to promote hygiene standards and animal welfare
Indicator:	III.3c-1.1 III.3c-1.2	Share of funding for training relating to hygiene standards and animal welfare (%) Share of assisted trainees receiving training relating to hygiene standards and animal welfare (%)
Comments:	•	Ideally an indicator such as "share of holdings with assisted increasing hygiene and animal welfare standards as a result of the training scheme (%)" would be used in order to assess the actual impact of training measures on holdings. However, this would require a survey methodology, see comments to FEQ III.3a.

Question:	III.3d	To what extent is the training measure used for promoting: Management skills
Criterion:	III.3d-1	Training is used to promote management skills
Indicator:	III.3d-1.1 III.3d-1.2	Share of funding for training relating to management skills (%) Share of assisted trainees receiving training relating management skills (%)
Comments:	•	Ideally an indicator such as "Share of assisted trainees taking on new or increased management duties as a result of training (%) (a) of which new management duties (%); (b) of which increased management duties (%)." Would be used in order to assess the actual impact of training measures on holdings. However, this would require a survey methodology, see comments to FEQ III.3a.

A3.4. Chapter VII: Improving processing procedures and marketing of agricultural products

A3.4.1. Common Evaluation Questions

Question:	VII.1	To what extent have the supported investments helped to increase the competitiveness of agricultural products through improved and rationalised processing and marketing of agricultural products?
Criterion:	VII.1-1	Rational procedures in assisted processing & marketing lines.
Indicator:	VII.1-1.1	Evidence of more rational processing and marketing procedures (description, e.g., including the trend in beneficiaries having ISO 9000)
Comments:	<ul style="list-style-type: none"> • By rational we understand economically rational, i.e. lowest cost or highest net margin. • This Indicator was generally addressed well in the MTE reports. 	
Criterion:	VII.1-2	Better use of production factors in assisted processing & marketing lines
Indicator:	VII.1-2.1	Capacity-use in assisted processing & marketing lines (%).
Comments:	<ul style="list-style-type: none"> • This requires either a baseline or a suitable comparator group. • The full benefit of an investment may not be immediately apparent and it is essential that fully installed and operated capacity is considered. • Most MTE reports addressed this Indicator adequately. 	
Criterion:	VII.1-3	Lower costs in assisted processing & marketing lines
Indicator:	VII.1-3.1	Change in processing/marketing costs per unit of basic product thanks to assistance (%)
Comments:	<ul style="list-style-type: none"> • A baseline or suitable comparator group will be required. • This Indicator was widely used in the MTE reports. 	

Question:	VII.2	To what extent have the supported investments helped to increase the added value and competitiveness of agricultural products by improving their quality?
Criterion:	VII.2-1	The intrinsic quality of processed/marketed agricultural products is improved
Indicator:	VII.2-1.1	Share of agricultural basic products contained in processed/marketed products with improved intrinsic

	<p>quality from assisted processing/marketing lines (%):</p> <p>a) of which subject to systematic quality monitoring thanks to assistance (%);</p> <p>b) of which with improved homogeneity within and/or between batches (%).</p>
Comments:	<ul style="list-style-type: none"> • A key point here is the definition of an improvement in quality. • It should be relatively straightforward to identify quality monitoring changes and improved homogeneity assuming that a suitable baseline exists. • This Indicator was widely addressed in a more qualitative manner.
Criterion:	VII.2-2 Uptake of quality labels has increased
Indicator:	VII.2-2.1 Share of marketed products from assisted processing/marketing lines sold with quality label (number of products and %): <p>a) of which EU-level labelling schemes (%);</p> <p>b) of which national-level labelling schemes (%);</p> <p>c) of which other labelling schemes (%).</p>
Comments:	<ul style="list-style-type: none"> • This should be straightforward. • This Indicator was widely addressed, although was not always disaggregated to the extent required.
Criterion:	VII.2-3 Higher added value in financial terms thanks to improved quality
Indicator:	VII.2-3.1 Added value in assisted processing & marketing lines (%)
Comments:	<ul style="list-style-type: none"> • This can be assessed through changes in net sales value, but other potential influences over this indicator will need to be considered in order to be certain of causality. • This Indicator was not used in all MTE reports and it is not always clear where it was used to what extent causality has been considered.

Question:	VII.3 To what extent have the supported investments improved the situation of the basic agricultural production sector?
Criterion:	VII.3-1 Demand for and price of basic agricultural products assured or improved
Indicator:	<p>VII.3-1.1 Trend (in terms of quantity and price) in purchases of raw materials by assisted production/marketing lines</p> <p>VII.3-1.2 Share (within area of programme) of gross sales of basic agricultural products that are sold to outlets safeguarded or created thanks to the assistance (%)</p>

Comments:	<ul style="list-style-type: none"> • It is unclear to what extent the price of raw materials is affected by supported investments, although it is possible that there is a relationship with quantity demanded. • Background trends in market power along the supply chain, demand and prices will need to be considered to set this in context. • There may be a lag between investments and impact on the basic agricultural sector and this should be taken into account by discounting very recent investments. • These Indicators were not widely used in the MTE reports.
Criterion:	VII.3-2 Co-operation developed between the producers of basic agricultural products and the processing/marketing stages
Indicator:	VII.3-2.1 Share of supply of basic products to beneficiary producers (processing) or marketers that depends on multi-annual contracts or equivalent instruments (%)
Comments:	<ul style="list-style-type: none"> • This should be fairly easy to establish. • A reasonable treatment of this Indicator is offered in the MTE reports.

Question:	VII.4	To what extent have the supported investments improved health and welfare?
Criterion:	VII.4-1	Health and welfare concerns are appropriately integrated into the programme
Indicator:	VII.4-1.1	Share of assisted investments in processing and marketing related to health and welfare (%): a) of which aiming to improve of the nutritive and hygiene quality of products for human consumption (%); b) of which aiming to improve the nutritive and hygiene quality of animal feed (%); c) of which aiming to improve workplace safety (%); d) of which aiming to improve animal welfare (%)
Comments:	<ul style="list-style-type: none"> • There will be a difference between the proportion of cases and the proportion of spending, the latter being more useful. • This answer to this Indicator was not broken down in the MTE reports and was answered either at the general level only or in a more qualitative manner. 	
Criterion:	VII.4-2	Animals transported or handled for slaughter do not infect live animals
Indicator:	VII.4-2.1	Trend in spread of contagious diseases during handling and transport of animals for slaughter related to assistance (description, e.g., frequency of incidents).
Comments:	<ul style="list-style-type: none"> • This will require a commentary on the type of actions taken to reduce this risk. Other factors such as general awareness of hygiene issues, other regulations, etc. should be taken into account. The proportion of slaughterhouses having implemented relevant EU guidelines would also be informative. • This Indicator was not addressed in the MTE reports. 	
Criterion:	VII.4-3	Workplace conditions improved for persons involved in processing and marketing
Indicator:	VII.4-3.1	Trend in workplace conditions related to assistance (description, e.g., frequency of reported incidents)
Comments:	<ul style="list-style-type: none"> • Again, a set of actions taken will need to be set out and confounding factors such as increased awareness considered. • This Indicator was not addressed in the MTE reports. 	

Question:	VII.5	To what extent have the supported investments protected the environment?
Criterion:	VII.5-1	Profitable outlets for basic agricultural products that are linked to environmentally benign farming have been provided
Indicator:	VII.5-1.1	Capacity created or upgraded thanks to assistance for processing/marketing of basic agricultural products resulting from environmentally benign farming (tons): a) of which processing/marketing of products produced by farmers respecting environmental obligations that are verified by public authorities or regulated by contractual obligations or an equivalent instrument (e.g. organic products, integrated production, etc.) (tons); b) of which processing/marketing of crops for renewable energy or traditional non-food land uses (e.g. cork) (ton)
Comments:	<ul style="list-style-type: none"> • Subject to a suitable baseline these indicators should be fairly straightforward. • Care will be needed in establishing causality, use of these products may be driven primarily by the market and non-assisted peers may be making similar changes. • This Indicator was addressed to a reasonable extent in the MTE reports, although not always to the level of disaggregation required. 	
Criterion:	VII.5-2	The assisted operations relating to processing or marketing exceed minimum environmental standards
Indicator:	VII.5-2.1	Share of processing and marketing lines introducing environmental improvements thanks to co-financing (%): a) of which with environmental improvement as the direct aim (%); b) of which with environmental improvement as a collateral effect (e.g., due to new technology mainly for other purposes (%); c) of which assisted investments going beyond standards concerning emissions (waste, sewage, smoke) directly from the processing and marketing sites ('end of pipe') (%); d) of which assisted investments concerning resource use (water, energy...) and environmental effects of the products after leaving the processing/marketing site (transport, packaging...) (%)

Comments:	<ul style="list-style-type: none">• It should be fairly straightforward to use these indicators.• This Indicator was widely answered in the MTE reports, although typically only parts a) and b) were disaggregated from the general answer.
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A3.5. Chapter VIII: Forestry

A3.5.1. Common Evaluation Questions

Question:	VIII.1A	To what extent are forest resources being maintained and enhanced through the programme...particularly by influencing land-use and the structure and quality of growing stock?
Criterion:	VIII.1.A-1	Increase of wooded area on previous agricultural and non-agricultural land
Indicator:	VIII.1.A-1.1	Area of assisted plantings (hectares)
Comments:	<ul style="list-style-type: none"> • This should be quite straightforward to establish, although there is a potential issue relating to the timing of planting relative to the timing of assistance. • This Indicator was generally well answered, usually in a reasonably quantitative manner. 	
Criterion:	VIII.1.A-2	Anticipated increase of volume of growing stock thanks to planting of new woodland and improvement of existing woodlands
Indicator:	VIII.1.A-2.1	Anticipated additional average annual increment thanks to assistance (m ³ /hectare/year): a) of which in new plantings (% and hectares concerned); b) of which due to improvement of existing woodlands (% and hectares concerned)
Comments:	<ul style="list-style-type: none"> • This will depend on the type of species planted. Confounding factors which might also influence improvements will need to be considered. • This Indicator was only partially addressed in the MTE reports and was often treated in a qualitative manner. 	
Criterion:	VIII.1.A-3	Anticipated improvement in quality (assortment, diameter...) and structure of growing stock thanks to forest improvement
Indicator:	VIII.1.A-3.1	Trend in structure/quality parameters (description, e.g., including hardwood/softwood, diameter-evolution, straightness, knots...)
Comments:	<ul style="list-style-type: none"> • Causality will need to be assigned with care. • This Indicator was only addressed in a few MTE reports. 	

Question:	VIII.1.B	To what extent are forest resources being maintained and
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		enhanced through the programme...particularly by influencing the total carbon storage in forest stands?
Criterion:	VIII.1.B-1	There is additional build up of carbon in the growing stock of new and existing woodlands
Indicator:	VIII.1.B-1.1 VIII.1.B-1.2	Average annual net carbon storage from 2000-2012 thanks to assistance (millions of tons/year) Trend in average annual net carbon storage beyond 2012 thanks to assistance (millions of tons/year)
Comments:	<ul style="list-style-type: none"> • • 	The main issues here will be confounding factors and the degree to which it is possible to anticipate storage to 2012. This Indicator was not widely addressed in the form specified, but was often considered in a more qualitative manner.

Question:	VIII.2A	To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development...by maintenance and encouragement of the productive functions on forests holdings?
Criterion:	VIII.2.A-1	More rational production of forest products (or services)
Indicator:	VIII.2.A-1.1 VIII.2.A-1.2	Short/medium term change in annual costs for silviculture, harvesting and transport/collection, stocking operations thanks to the assistance (€/m ³) Share of holdings being connected to associations of forest holders or similar organisation thanks to assistance (%)
Comments:	<ul style="list-style-type: none"> • • • • 	Tracking investment levels might help to generate information to answer this question. A suitable baseline or comparator group will need to be established and causality assigned. Anticipated cost changes should also be taken into account. Establishing where the assistance is the sole reasons for connection to associations might be problematic. These Indicators were reasonably well addressed, although most MTE reports did not address both.
Criterion:	VIII.2.A-2	Enhancement of outlets for forest products
Indicator:	VIII.2.A-2.1	Additional assisted outlets, in particular for products of small dimension/low quality (m ³)
Comments:	<ul style="list-style-type: none"> • 	The actions of unassisted peer companies should be considered to understand the degree to which the market drives this process rather than the assistance.

	<ul style="list-style-type: none"> There is some information in the MTE reports relating to this Indicator, but usually in a qualitative format.
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Question:	VIII.2.B To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development...by maintenance and development of employment and other socio-economic functions and conditions?
Criterion:	VIII.2.B-1 More activities/employment on holdings
Indicator:	<p>VIII.2.B-1.1 Activity on holdings from {own execution of assisted planting/improvement works} plus {anticipated work at the holding deriving from the assisted action in the short/mid term} (hours/hectare/year):</p> <p>a) of which falling in periods where agricultural activity level is below the capacity on combined farm/forest holdings (hours/holding/year + number of holdings concerned);</p> <p>b) of which leading to additional or maintained employment on holdings (full time equivalents/year)</p>
Comments:	<ul style="list-style-type: none"> This requires an investigation of the labour requirements for other enterprises and assumes that it is possible to differentiate labour use between enterprises. There is an issue in terms of the quality of labour. Additional FTEs could be created by additional workers or by existing workers working longer hours. In the latter case it would not necessarily lead to maintained employment, although it might appear to do so. This Indicator was answered reasonably well in many MTE reports, although there was little information relating to point a).
Criterion:	VIII.2.B-2 More activities in rural community, due to primary or secondary production on holdings or due to initial processing and marketing stages
Indicator:	<p>VIII.2.B-2.1 Volume of short/medium term supply of basic forest products for small scale, local processing (m³/year)</p> <p>VIII.2.B-2.2 Employment in the short/medium term outside holdings (logging, initial processing and marketing, and further local,</p>

		small scale processing and marketing) directly or indirectly depending on assisted actions (full time equivalents/year)
Comments:	<ul style="list-style-type: none"> Assigning degree of causality to assistance could be problematic. These Indicators were often addressed in the MTE reports, but generally not to the extent quantified above. 	
Criterion:	VIII.2.B-3	Greater attractiveness of area for local population or rural tourists
Indicator:	VIII.2.B-3.1	Additional attractive/valuable area or sites due to assistance [description, taking into account the concepts of perceptive/cognitive coherence, differentiation (homogeneity/diversity) and cultural identity as well as the number of hectares involved (c.f., Question VI.3.)]
Comments:	<ul style="list-style-type: none"> Although this is subjective, tourist numbers (and changes in these), distance travelled, etc. could be used to provide more objective information on this question. This Indicator is addressed well where it is included in MTE reports. 	
Criterion:	VIII.2.B-4	Maintaining or increasing income in rural areas
Indicator:	VII.2.B-4.1	Income in the short/medium term due to assisted activities (€/year, number of beneficiaries): a) of which additional sustainable income on holdings (% and hectare); b) of which due to knock-on activities or assisted off-farm activities (%)
	VII.2.B-4.2	Ratio of {premium for loss of income} to {net-income from previous land use} (i.e., previous 'gross margin')
Comments:	<ul style="list-style-type: none"> Subject to a suitable baseline (i.e. a long enough time period to allow for annual fluctuations in income from previous land use) and the ability to tease out confounding factors this should be reasonably straightforward. These Indicators are only addressed in a few MTE reports. 	
Question:	VIII.2.C	To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development...by maintenance and appropriate enhancement of protective functions of forest management?
Criterion:	VIII.2.C-1	Appropriate protection actions undertaken

Indicator:	VIII.2.C-1.1	Area planted/managed with a view to protective functions (hectares)
Comments:	<ul style="list-style-type: none"> • What is classified as a protective function may differ regionally. • This assumes that a similar degree of protection is provided in all cases, this may not in fact be the case and an area planted to provide a protective function may be far more effect in some contexts. • This Indicator was widely commented on in the MTE reports, but sometimes not in the manner specified. 	
Criterion:	VIII.2.C-2	Non-woodland and socio-economic interests are protected
Indicator:	VIII.2.C-2.1	Resources/assets enjoying improved protection due to assisted forest actions (hectare): a) of which agricultural land (%); b) of which water bodies (%); c) of which villages, tourist facilities (%. plus type & magnitude of interest - e.g., expressed approximately as number of inhabitants, night beds, etc)
Comments:	<ul style="list-style-type: none"> • See above. • Separating out the protective functions of areas planted with assistance from other plantings and other policies will be necessary. • This Indicator was treated in a fairly cursory manner in most MTE reports. 	

Question:	VIII.3.A	To what extent have the assisted actions contributed to the ecological functions of forests...by maintenance, conservation and appropriate enhancement of biological diversity?
Criterion:	VIII.3.A-1	Genetic and/or species diversity protected/improved by using indigenous tree species or mixtures in assisted actions
Indicator:	VIII.3.A-1.1	Area planted/regenerated/improved with indigenous tree species (hectares): a) of which in mixture (hectares); b) of which providing <i>in situ</i> conservation of genetic resources (hectares)
Comments:	<ul style="list-style-type: none"> • The area planted does not necessarily correlate to protection of diversity as this will depend also on breeding populations and other factors. 	

	<ul style="list-style-type: none"> Some MTE reports provide a quantitative treatment of this Indicator, but it is not always disaggregated as specified. In other reports a qualitative answer is provided.
Criterion:	VIII.3.A-2 Protection/improvement of habitat diversity through the upkeep of representative, rare or vulnerable forest ecosystems/habitats that depend on specific assisted forest structures or silvicultural practices
Indicator:	<p>VIII.3.A-2.1 Critical sites maintained/improved due to assistance (hectares):</p> <p>a) of which in or linked to Natura 2000 areas (hectares);</p> <p>b) of which protected/restored from natural hazards (hectares)</p> <p>VIII.3.A-2.2 Trend in protection of vulnerable non-commercial (i.e., non-traded forest products) species/varieties of flora & fauna on land subject to assisted actions (description, e.g., number of different species/varieties affected and where possible change in the abundance of key species)</p>
Comments:	<ul style="list-style-type: none"> Internationally used methods of assessing biodiversity such as α and β indices could be employed here. The greatest use of these Indicators in the MTE reports is in relation to part a) of Indicator VIII.3.A-2.1. There is little consideration of Indicator VIII.3.A-2.2.
Criterion:	VIII.3.A-3 Protection/improvement of habitat diversity through beneficial interaction between assisted areas and the surrounding landscape/countryside
Indicator:	<p>VIII.3.A-3.1 Area planted in zones with low or missing forest cover (hectares):</p> <p>a) of which in or linked to Natura 2000 areas (hectares);</p> <p>b) of which forming corridors between isolated, precarious habitats (hectares)</p> <p>VIII.3.A-3.2 'Ecotones' established (forest edge...) of significant value for wild flora and fauna (kilometres)</p>
Comments:	<ul style="list-style-type: none"> The area planted does not necessarily correlate to protection of diversity as this will depend also on breeding populations and other factors. Again, internationally used methods of assessing biodiversity such as α and β indices could be employed within the ecotone. There is only limited consideration of these Indicators in the MTE reports.

Question:	VIII.3.B	To what extent have the assisted actions contributed to the ecological functions of forests...by maintenance of their health and vitality?
Criterion:	VIII.3.B-1	Less damage to soil and growing stock from silvicultural or harvesting operations
Indicator:	VIII.3.B-1.1	Volume of growing stock subject to reduced damage thanks to assisted equipment or infrastructure (m ³ /year)
Comments:	<ul style="list-style-type: none"> • The degree of reduced damage is likely to differ from case to case, but this will not be picked up here. A forest inventory over time would be useful. • This Indicator is not quantified in the MTE reports. 	
Criterion:	VIII.3.B-2	Prevention of calamities (particularly pests and diseases) through appropriate forest structure and silvicultural practice
Indicator:	VIII.3.B-2.1	Area where improved forest structure or silvicultural practice relevant to the prevention of calamities has been introduced (hectares)
Comments:	<ul style="list-style-type: none"> • This could also be measured in terms of number of outbreaks over time. • This Indicator was typically not used in the MTE reports, although there are some exceptions. 	
Criterion:	VIII.3.B-3	Production potential protected or restored from damage arising from natural hazards
Indicator:	VIII.3.B-3.1	Area protected or restored from damage arising from natural hazards (including fire) (hectares)
Comments:	<ul style="list-style-type: none"> • Basal area and stand density change over time would also be useful indicators under this criteria. • The treatment of this Indicator was as specified in some MTE reports, but was more qualitative in others. 	

A3.5.2. Further Evaluation Questions

Question:	VIII.4	Could the afforestation of agricultural land measure be re-targeted more explicitly towards environmental objectives for instance to combat climate change, enhance biodiversity, reducing the risk or impact of natural disasters (e.g. flooding), or production of renewable energy? If yes, how can a reasonable balance between sometimes conflicting objectives (markets – restructuring – environment) be ensured?
Criterion:		Not applicable
Indicator:		Not applicable
Comments:	•	It is not appropriate to define criteria and indicators in this instance. This question requires consideration of the current targeting of afforestation support and a judgement on the extent to which this can be re-targeted as envisaged in the question. An initial view, drawing on implementing authorities and key stakeholders will be provided. Further research is recommended to provide a full treatment of this question.

A3.6. Chapter IX: Promoting the adaptation and development of rural areas

A3.6.1. Common Evaluation Questions

Question:	IX.1	To what extent has the income of the rural population been maintained or improved?
Criterion:	IX.1-1	Farm income maintained/improved
Indicator:	IX.1-1.1	Share of farming population's income generated by assisted actions (€/beneficiary, no. concerned): a) of which gross farm income (from improved agriculture or from transactions generated by off-farm assistance) (%): b) of which from pluriactivity generated by off-farm assistance (%)
	IX.1-1.2	Ratio of {costs} to { turnover } for assisted farm-related activities (where costs = 'all inputs')
Comments:	<ul style="list-style-type: none"> • There is an issue here with regard to gross versus net income, the question implies a concept after deduction of costs. • Causality will need to be considered carefully. • In some cases Indicator IX.1-1.1 was used as specified at the headline level, but this was not disaggregated in most cases. Indicator IX.1-1.2 was only used rarely. 	
Criterion:	IX.1-2	Off-farm income maintained/improved
Indicator:	IX.1-2.1	Share of gross income of off-farm beneficiaries generated by the assistance (€/beneficiary, no. concerned): a) of which relating to tourism (%): b) of which relating to crafts and local products (%)
	IX.1-2.2	Share of rural non-farming population having an income from transactions/employment generated by off-farm assistance (%)
Comments:	<ul style="list-style-type: none"> • See above. • These Indicators were only used exactly as set out above in one MTE report. Elsewhere this criterion was addressed though more qualitative comments. 	

Question:	IX.2	To what extent have the living conditions and welfare of the rural population been maintained as a result of social and cultural activities, better amenities or by the alleviation of remoteness?
Criterion:	IX.2-1	Remoteness has been alleviated
Indicator:	IX.2-1.1 IX.2-1.2 IX.2-1.3	Share of holdings/households/businesses having access to assisted telecommunication facilities/services (%; no.) Transport/journeys facilitated or avoided due to assisted actions (description and kilometres and/or hours avoided per year): a) of which concerning agricultural holdings (kilometres and/or hours avoided per year); b) of which concerning the rural community (kilometres and/or hours avoided per year) Evidence of economic activity resulting from assisted, enhanced telecommunications or transport facilities (description)
Comments:	•	Quantitative answers were provided in some cases, although generally a qualitative comment was offered in the MTE reports.
Criterion:	IX.2-2	Social and cultural facilities have been maintained/enhanced, particularly for young people and young families
Indicator:	IX.2-2.1	Share of rural population with access to social/cultural activities that depend on assisted facilities (%): a) of which farmers taking leave-days thanks to assisted relief services (%; and number of days); b) of which young people and young families (%)
Comments:	•	Whilst these Indicators were addressed in some MTE reports, often a more general discussion of the themes was provided.
Criterion:	IX.2-3	Neighbourhood amenities and housing conditions maintained/improved
Indicator:	IX.2-3.1 IX.2-3.2	Share of rural population enjoying access to amenity land/nature or conserved rural heritage/sites thanks to assisted actions (%) Share of rural accommodation that has improved due to assistance (no. and %): a) of which for rural tourism (%); b) of which providing an incentive for remaining/settling in area (%)

Comments:	<ul style="list-style-type: none"> • There is an issue here in relation to the catchment area of amenities. • These proved to be problematic Indicators to address as specified, although the MTE reports offered qualitative comments.
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Question:	IX.3	To what extent has employment in rural areas been maintained?
Criterion:	IX.3-1	Employment of the farming population maintained/increased
Indicator:	IX.3-1.1	Farm employment created/maintained by assisted actions (FTE, no. of holdings concerned): a) of which from improved agriculture or transactions, generated by assisted activities off-farm (%); b) of which from pluriactivity generated by assisted activities off-farm (%); c) of which concerning farming population younger than 30 years of age (%); d) of which concerning women (%)
	IX.3-1.2	Cost per job maintained/created for the farming population (€/FTE)
Comments:	<ul style="list-style-type: none"> • There is an issue with regard to quality of employment, existing employees may be working longer hours. • Several MTE reports quantified job creation/maintenance, but often not to the disaggregated level set out above. 	
Criterion:	IX.3-2	Seasonal variation of activities is more effectively balanced.
Indicator:	IX.3-2.1	Workforce obtaining employment during periods of low agricultural activity thanks to assistance (FTE, no. of persons concerned)
	IX.3-2.2	Prolongation of the tourist season (days/year)
Comments:	<ul style="list-style-type: none"> • This requires detailed knowledge of labour requirements for all farm enterprises. • Defining the length of the tourist season with any precision is likely to be very difficult either for a baseline or following assistance. • Although these Indicators were used in some MTE reports, this was relatively unusual. 	
Criterion:	IX.3-3	Diversification of activities contributes to employment of the non-farming population
Indicator:	IX.3-3.1	Employment for off-farm beneficiaries maintained/created

	<p>by the assistance (FTE, no of persons concerned):</p> <p>a) of which relating to tourism (%);</p> <p>b) of which relating to crafts and local products (%);</p> <p>c) of which relating to agri-business (%);</p> <p>d) of which concerning persons younger than 30 years of age (%);</p> <p>e) of which concerning women (%)</p> <p>IX.3-3.2 Cost per job maintained/created for the non-farming population (€/FTE)</p>
Comments:	<ul style="list-style-type: none"> This should be fairly easy to establish where new employees are concerned, although there may be some difficulties where existing employees take up additional employment in diversified activities. Although these Indicators were used in some MTE reports, this was relatively unusual.

Question:	IX.4	To what extent have the structural characteristics of the rural economy been maintained or improved?
Criterion:	IX.4-1	Productive structures linked to agriculture have been maintained or improved.
Indicator:	IX.4-1.1	Share of farms enjoying agricultural improvements thanks to assisted actions (no. and % of holdings and hectares):
		a) of which land improvement (no. and % of hectares);
		b) of which improved irrigation (no. and % of hectares);
		c) of which relating to farm/field structure (foncière) (no. and % of holdings);
		d) of which more professional farm management (no. and % of holdings)
	IX.4-1.2	Assisted new/improved production related activities connected to agriculture including marketing of quality agricultural products (description)
	IX.4-1.3	Capacity-use for assisted off-farm facilities (%).
Comments:	<ul style="list-style-type: none"> The degree of improvement is not defined nor addressed. Improvements might be assessed in net output per unit of input. These Indicators are not generally used in the quantitative form set out above in the MTE reports, they are, however, typically discussed. 	
Criterion:	IX.4-2	Agricultural production potential has been protected/restored regarding natural hazards
Indicator:	IX.4-2.1	Share of threatened land protected thanks to assisted

		actions (hectares and %) IX.4-2.2 Share of damaged land restored thanks to assistance (hectares and %)
Comments:	<ul style="list-style-type: none"> • The degree of protection/restoration is not considered, this assumes homogeneity in terms of initial problem and assisted impact. • These Indicators are only used qualitatively in the MTE reports. 	
Criterion:	IX.4-3	Dynamism of rural actors promoted and potential for endogenous development mobilised in rural areas
Indicator:	IX.4-3.1	Evidence of improved dynamism/potential thanks to assisted actions (description, e.g., relevant networks, financial engineering...)
Comments:	<ul style="list-style-type: none"> • This could be assessed through consideration of the number of active groups and the type of activities undertaken. 	

Question:	IX.5	To what extent has the rural environment been protected or improved?
Criterion:	IX.5-1	Agricultural improvements generate environmental benefits.
Indicator:	IX.5-1.1 IX.5-1.2 IX.5-1.3	IX.5-1.1 Share of land where soil protection has improved, particularly by reducing erosion thanks to assisted action (hectares and %) IX.5-1.2 Reduced water loss from irrigation infrastructure thanks to assistance (hectares benefiting and m ³ /tons of crop) IX.5-1.3 Evidence of positive environmentally related trends in farming systems, practices, ecological infrastructure or land-use due to assisted actions (description).
Comments:	<ul style="list-style-type: none"> • • • 	<p>There is no consideration of the extent of improvement.</p> <p>Exogenous factors will need to be identified and causality assigned.</p> <p>This criterion was usually addressed in a fairly qualitative manner.</p>
Criterion:	IX.5-2	Pollution/emissions prevented and better use of natural/non-renewable resources.
Indicator:	IX.5-2.1 IX.5-2.2	IX.5-2.1 Waste/sewage collected/treated thanks to assisted actions (% of waste/sewage and % of farms/households served) IX.5-2.2 Share of farms/households having access to renewable energy thanks to assisted actions (%)
Comments:	<ul style="list-style-type: none"> • • 	<p>Number of pollution/contamination episodes over time can be used to assess performance in this regard.</p> <p>Whilst some MTE reports follow this quantitative approach, most provide a qualitative discussion instead.</p>
Criterion:	IX.5-3	Non-agricultural land has been maintained/improved in terms of biodiversity, landscapes or natural resources.
Indicator:	IX.5-3.1	Evidence of improvements on non-agricultural land in terms of biodiversity/landscape/natural resources thanks to assistance (description).
Comments:	<ul style="list-style-type: none"> • • 	<p>The degree of improvement is not considered.</p> <p>Exogenous factors will need to be identified and causality assigned.</p>
Criterion:	IX.5-4	Increased knowledge/awareness about rural environmental problems and solutions
Indicator:	IX.5-4.1	Rural actors having improved exchange of or access to information concerning environmentally benign activities thanks to assisted actions (number, %): a) of which concerning agricultural techniques/practices

	and systems (no. and %); b) of which concerning non-farming activities (no. and %)
Comments:	<ul style="list-style-type: none"> Assigning causality to assisted measures could be problematic.

A3.7. Cross cutting issues

A3.7.1. Common Evaluation Questions

Question:	Transv.1	To what extent has the programme helped stabilising the rural population?
Criterion:	Transv.1-1	Age profile of population benefiting from assistance contributes towards maintaining/promoting a balanced population structure
Indicator:	Transv.1-1.1	Share of persons working on beneficiary farm/forest holdings, and aged: (i) < 30 years (%); (ii) 30-39 years (%); (iii) > 40 years(%)
Comments:	•	There is an issue of causality here. People working on beneficiary holdings are likely to be doing so for a variety of reasons and the extent to which they are doing so because of assistance could be hard to separate out. This issue is rarely addressed in the MTE reports.
Criterion:	Transv.1-2	Gender profile of population benefiting from assistance contributes towards maintaining/promoting a balanced population structure.
Indicator:	Transv.1-2.1	Ratio of {female} to {male} for persons benefiting from assistance
Comments:	•	See above.
Criterion:	Transv.1-3	Rural depopulation has been reduced
Indicator:	Transv.1-3.1	Evidence of positive influences of the programme on reduction of rural depopulation (description, including change in farming population and other rural population)
Comments:	•	It is possible to identify positive influences, but the extent to which they have contributed to a reduction in rural depopulation is difficult to assign due to the array of other influencing factors.

Question:	Transv.2	To what extent has the programme been conducive to securing employment both on and off holdings?
Criterion:	Transv.2-1	Employment is created or maintained, directly and indirectly by the programme, on farm/forestry holdings
Indicator:	Transv.2-1.1	Employment maintained/created on directly/indirectly benefiting farm/forestry holdings (FTE): a) of which holders (%); b) of which non-family labour (%); c) of which women(%); d) of which concerning full-time employment (%); e) of which concerning gainful activities other than the production of basic agricultural/forestry products (%); f) of which indirectly as a result of supplier effects (%)
Comments:	•	There is an issue with the quality of employment relating to whether employment is genuinely created or maintained or whether existing employees are working more. This is not addressed in the MTE reports.
Criterion:	Transv.2-2	Employment is created or maintained, directly and indirectly by the programme, in enterprises (other than holdings) in rural areas or in branches connected with agriculture.
Indicator:	Transv.2-2.1	Employment maintained/created in directly/indirectly benefiting enterprises (other than holdings) (FTE) a) of which women; b) of which young people (under the age of 30); c) of which concerning the pluriactivity of part-time farmers; d) of which indirectly as a result of supplier and income multiplier effects
Comments:	• •	See above. There is an added complication in assigning causality to the link with assisted agricultural enterprises.

Question:	Transv.3	To what extent has the programme been conducive to maintaining or improving the income level of the rural community?
Criterion:	Transv.3-1	Income of the farming population maintained or improved, directly or indirectly by the programme
Indicator:	Transv.3-1.1	Income of directly/indirectly assisted farming population (€/person, number concerned):

		<p>a) of which 'family farm income' (%);</p> <p>b) of which income of non-family workforce on holdings (%);</p> <p>c) of which relating to pluriactivity of part-time farmers or to gainful activities on holdings other than the production of basic agricultural/forestry products (%);</p> <p>d) of which indirectly as a result of supplier effects (%)</p>
Comments:	<ul style="list-style-type: none"> • This requires an appropriate baseline against which to compare. • It is likely to be difficult to assign income to different activities and establishing supplier effects could be problematic. However, this was done in several MTE reports. 	
Criterion:	Transv.3-2	Income of non-farming population maintained or improved, directly or indirectly, by the programme
Indicator:	Transv.3-2.1	<p>Income of directly/indirectly assisted non-farming population (€/person, number concerned):</p> <p>a) of which relating to rural tourism (%);</p> <p>b) of which relating to local crafts/products (%);</p> <p>c) of which indirectly as a result of supplier and multiplier effects (%)</p>
Comments:	<ul style="list-style-type: none"> • See above. 	

Question:	Transv.4	To what extent has the programme improved the market situation for basic agricultural/forestry products?
Criterion:	Transv.4-1	Productivity has been improved and/or costs reduced in key production chains thanks to the programme.
Indicator:	Transv.4-1.1	Ratio {turnover} to {cost} in key benefiting production chains (filières)
Comments:	<ul style="list-style-type: none"> • Exogenous factors will need to be identified and causality assigned. • This ratio was not constructed in the vast majority of MTE reports. 	
Criterion:	Transv.4-2	Market positioning (quality, etc) has improved for key production chains (filières) thanks to the programme
Indicator:	Transv.4-2.1	Change in added value per unit of basic agricultural/forestry product for key benefiting production chains (filières) (%)
	Transv.4-2.2	Share of basic agricultural product being subject to quality improvement at any level along benefiting production chains (filières) thanks to programme (%)
	Transv.4-2.3	Evidence of better market positioning (description)
Comments:	<ul style="list-style-type: none"> • A mixture of the above Indicators were used in the MTE reports. 	
Criterion:	Transv.4-3	There is a positive development in the turnover and price for key production chains (filières) thanks to the programme
Indicator:	Transv.4-3.1	Change in annual gross sales for key benefiting production chains (filières) (%)
	Transv.4-3.2	Evolution in price per unit of standardised product for key benefiting production chains (filières) (%)
Comments:	<ul style="list-style-type: none"> • Exogenous factors will need to be considered and causality assigned. The extent to which market forces play a role should be considered, non-assisted enterprises could potentially also experience positive developments. 	

Question:	Transv.5	To what extent has the programme been conducive to the protection and improvement of the environment?
Criterion:	Transv.5-1	The combination of supported actions (from within and between different chapters) focusing on production/development and/or on the environment generates positive environmental effects.

Indicator:	Transv.5-1.1 Transv.5-1.2 Transv.5-1.3	Share of supported actions entirely/mainly intended for environmental protection or enhancement (% of programme costs; % of projects) Share of supported actions focusing on production and development aspects generating positive environmental spin-offs (% of programme costs; % of projects) a) of which thanks to cleaner technology (%) b) of which thanks to improved agricultural practices or change/ maintenance of land-use patterns (incl. Location/concentration of livestock) (%) Share of supported actions having generated negative environmental effects (% of programme costs; % of projects) a) of which during the establishment/investment/construction phase (%) b) of which during the operational phase (%)
Comments:	<ul style="list-style-type: none"> • • 	<p>There is an issue with respect to the degree of impact (with regard to both positive and negative impacts), a large proportion of supported actions will not necessarily result in a more significant impact.</p> <p>The Indicators are generally well used, although most MTE reports concentrate on Transv.5-1.1.</p>
Criterion:	Transv.5-2	Land-use patterns (incl. the location/concentration of livestock) have been maintained or have developed in a way which is environmentally beneficial
Indicator:	Transv.5-2.1	Share of area within zone covered by the programme with beneficial (or prevented negative) land-use changes related to the programme (%) a) of which concerning permanent crops (grassland, orchards, woodland...) (%) b) of which concerning arable land (organic farming, rotation) (%) c) of which concerning non-cultivated or semi-natural land (%)
Comments:	<ul style="list-style-type: none"> • • 	<p>As above, the share of area is not necessarily a guide to the importance of the impact.</p> <p>This Indicator is well used in many MTE reports, but is not usually broken down as set out.</p>
Criterion:	Transv.5-3	Unsustainable use or pollution of natural resources has been avoided or minimised.
Indicator:	Transv.5-	Share of water resources subject to reduced depletion

	3.1	(or better replenishment) thanks to programme (%) a) of which related to basic agricultural (or forestry) production (%)
	Transv.5-3.2	Share of water resources subject to reduced/stabilised pollution levels thanks to programme (%) a) of which related to basic agricultural (or forestry) production (%)
	Transv.5-3.3	Trend in annual greenhouse gas emission (tons of carbon equivalents) due to programme (approximate estimates) a) of which from carbon dioxide (%) b) of which from nitrous oxide (%) c) of which from methane (%)
Comments:	•	As above, the share of area is not necessarily a guide to the importance of the impact.
Criterion:	Transv.5-4	Rural landscapes have been maintained or enhanced
Indicator:	Transv.5-4.1	Share of area within zone covered by the programme with beneficial (or prevented negative) landscape effects (%) a) of which classified as contributing to respectively: <ul style="list-style-type: none"> • landscape coherence (%); • landscape differentiation (homogeneity/diversity) (%) • cultural identity (%) b) of which concerning permanent crops (grassland, orchards, woodland...) (%)
Comments:	•	There is a degree of subjectivity here.

Question:	Transv.6	To what extent have the implementing arrangements contributed to maximising the intended effects of the programme?
Criterion:	Transv.6-1	The assisted actions are concerted and complementary so as to produce synergy through their interaction on different aspects of rural development problems/opportunities
Indicator:	Transv.6-1.1	Frequency of groups/combinations of actions/projects, from within and/or between chapters, targeting rural development problems/opportunities (i) at different levels along agricultural/forestry <u>production chains</u> (filières); (ii) different aspects of particular <u>bottlenecks</u> and/or (iii) jointly creating <u>critical mass</u> (%)

Comments:	•	No comments.
Criterion:	Transv.6-2	The uptake within the programme (by holdings, enterprises, associations...) involves those having the biggest need and/or potential for rural development in the area concerned by the programme (needy, capable, initiating good projects ...), thanks to a combination of implementing arrangements such as (i) publicity about the support opportunities, (ii) eligibility criteria, (iii) premium differentiation and/or (iv) procedures/criteria for selection of projects as well as (v) the absence of unnecessary delays and bureaucratic costs for these beneficiaries
Indicator:	Transv.6-2.1	Main <u>types of direct beneficiaries and operators</u> (e.g., holdings, enterprises, associations, networks; owners/holders, processors/ marketers; arable/pastoral; small/large) involved in the programme (typology)
	Transv.6-2.2	Evidence of discouraging, unnecessary <u>delays or costs</u> for the direct beneficiaries/operators (description)
Comments:	•	There are other reasons why applications for assistance may not be made such as ability to apply (for example, education level, access to programme information and having the time to follow the programme) and these should also be considered as potential barriers to entry.
Criterion:	Transv.6-3	Leverage effects have been maximised through a combination of eligibility criteria, premium differentiation or procedures/criteria for selection of projects
Indicator:	Transv.6-3.1	<u>Leverage rate</u> = {total spending by direct beneficiaries on assisted actions} to {public co-financing}
Comments:	•	This is generally well answered in the MTE reports.
Criterion:	Transv.6-4	Dead-weight effects have been avoided through a combination of eligibility criteria, premium differentiation and/or procedures/criteria for selection of projects.
Indicator:	Transv.6-4.1	Evidence of <u>dead-weight</u> (description and approximate quantification)
Comments:	•	Evaluators need to have gone beyond simply asking participants whether they would have made an investment without support and to have considered the extent to which, for example, resources might have been reallocated to competing investment opportunities in the absence of support.
Criterion:	Transv.6-5	<u>Beneficial indirect effects</u> (especially supplier effects)

	have been maximised
Indicator:	Transv.6-5.1 Evidence of actions/projects resulting in beneficial indirect effects (description)
Comments:	<ul style="list-style-type: none"> Accounting for exogenous factors and assigning causality will be important.

A3.7.2. Further evaluation questions

Question:	Transv.7.A Is there evidence that the efficiency of programme implementation (“value for money”) could be improved by changes in the current delivery mechanisms or programming approach? If yes, in what way could this happen?
Criterion:	Transv.7.A -1 Not applicable
Indicator:	Transv.7.A -1.1 Not applicable
Comments:	<ul style="list-style-type: none"> It is not appropriate to define criteria and indicators in this case. The question is concerned with programme efficiency and a judgement on this and the scope for improvements is envisaged through improvements to delivery mechanism and programming approach.

Question:	Transv.7B What have been the evaluation results and recommendations on the performance of the managing authority, the appropriateness of project selection criteria and the quality of the control systems?
Criterion:	Transv.7.B -1 Not applicable
Indicator:	Transv.7.B -1.1 Not applicable
Comments:	<ul style="list-style-type: none"> It is not appropriate to define criteria and indicators in this case. The question is concerned with the performance of the managing authority and implies that a judgement on this will be made taking into consideration project selection criteria and the quality of the control system.

Appendix 4: Analysis of the use of CEQs, additional indicators and national questions

A4.1. Use of Common Evaluation Questions, criteria and indicators

Given the fact that the use of the DG Agri evaluation guidelines was sparse, it follows that the CEQs have not been widely used, although in some cases information gathered following the DG Regio (or other) evaluation guidelines can be brought to bear on the DG Agri CEQs.

The use of the Common Evaluation Questions (CEQs), their criteria and indicators is discussed by RDR Chapter in the sub-sections below. Only where questions, criteria and indicators were applicable were they considered, i.e. where measures under the Chapter were taken up and implemented in time to allow consideration at the mid-term evaluation point. Each RDR Chapter begins with an overview of the use of CEQs, their criteria and indicators. The figures provide information condensed from two dimensions: individual mid-term evaluation reports and, in turn, questions, criteria and indicators. This allows an index to be constructed where 100 would mean that all mid-term reports answered all questions (used all criteria/indicators). An index of 50 therefore indicates that:

- a) half the mid-term evaluation reports answered all the questions (used all the criteria/indicators); or,
- b) all the mid-term evaluation reports answered half the questions (used half the criteria/indicators); or,
- c) some combination of the above (for example, just over 70% of mid-term evaluation reports answered a similar proportion of questions).

The production of this index allows a comparison to be made between RDR Chapters and this appears in Section A4.1.8. Each Chapter then considers the use made by the mid-term evaluation reports of each question, criteria and indicator individually in tabular form.

A4.1.1. Chapter I: Farm investment

The index of use for CEQ, criteria and indicators are set out in Table 4.2 with the lowest and highest usage for individual questions, specified criteria, indicators and alternative indicators also shown in percentage terms.

Table 4.2: Summary of question, criteria and indicator use in Chapter I: Farm investment

	Lowest % used	Highest % used	Usage index
Questions answered:	26%	46%	35
Specified criteria used	10%	46%	27
Specified indicators used	0%	31%	10
Alternative indicators used	0%	26%	10

The breakdown of use of questions, criteria and indicators is presented in Table 4.3.

Key points to note are as follows:

- The **CEQ** which was most answered was CEQ 1.1 which was used by 46% of mid-term evaluation reports. CEQ 1.2 had a 42% answer rate. At the other end of the scale, CEQ 1.3 was answered in 27% of mid-term reports and CEQ 1.4 was answered in 26% of cases.
- The use of **criteria** ranged from 10% (I.3-1) to 46% (I.1-1). In the first case the criteria was one of two relating to the question, the other criteria was used in 25% of mid-term evaluation reports.
- **Specified indicators** were used to answer CEQs in between 0% and 31% of cases. Indicator I.4-1.1 was not used at all in any of the mid-term evaluations.
- **Alternative indicators** were used most often for indicator I.2-1.2 with a 26% use rate.

Table 4.3: Use of CEQs in Chapter I: Farm investment

Question, criteria, indicator numbers and text	Used (%)	Alternative used (%)
I.1 To what extent have supported investments improved the income of beneficiary farmers?	46%	
<i>I.1-1 The income of beneficiary farmers has improved</i>	46%	
<i>I.1-1.1 'Gross farm income' of assisted holdings (€)</i>	23%	23%
I.2 To what extent have supported investments contributed to a better use of production factors on holdings?	42%	
<i>I.2-1 Increase in factor productivity</i>	42%	
<i>I.2-1.1 Output per hectare on assisted holdings (€/ha)</i>	4%	16%
<i>I.2-1.2 Output per hour of labour on assisted holdings (€/h)</i>	4%	26%
<i>I.2-1.3 Cost (i.e. 'direct inputs') per unit of basic products sold (e.g. €/tonne, €/m³, etc...) on assisted holdings.</i>		22%
I.3 To what extent have supported investments contributed to the reorientation of farming activities?	27%	
<i>I.3-1 Holdings re-deploy production by moving out of surplus product</i>	10%	

Question, criteria, indicator numbers and text	Used (%)	Alternative used (%)
<p><i>lines or moving into products which have good market outlets</i></p> <p>I.3-1.1 Net change in "surplus product" activity after the investment = holdings with sum of scores for all surplus lines > 0 [the holding's score (per surplus product line) = +1 if ³10% decrease in annual average livestock numbers or crop area 0 if no change {between -10% and +10%}-1 if ³10% increase].</p> <p>I.3-2 <i>Holdings take up more alternative activities</i></p> <p>I.3-2.1 Number of assisted holdings introducing alternative activities. Use:</p> <p>I.3-2.2 Share of assisted holdings with a significant part of their turnover (□10%) from alternative activities (%). Use:</p> <p>I.3-2.3 Share of working time spent on alternative activities on the holding (%). Use:</p>	<p>2%</p> <p>25%</p> <p>17%</p> <p>8%</p> <p>6%</p>	<p>8%</p> <p>8%</p> <p>2%</p>
<p>I.4 To what extent have supported investments improved the quality of farm products?</p> <p>I.4-1 <i>The quality of farm products has improved</i></p> <p>I.4-1.1 Ratio of {price of assisted quality-improved basic products} to {average price for the commodity concerned}</p> <p>I.4-1.2 Gross sales of assisted quality-improved basic products (€)</p> <p>I.4-2 <i>Farm products comply with quality standards, particularly at Community level</i></p> <p>I.4-2.1 Share of assisted products sold with quality label (%); (a) of which EU-level labelling schemes (%); (b) of which national level labelling schemes (%); (c) of which other labelling schemes (%)</p>	<p>26%</p> <p>17%</p> <p>17%</p> <p>9%</p>	<p>15%</p> <p>9%</p> <p>8%</p>
<p>I.5 To what extent has the diversification of on-farm activities originating from supported alternative activities helped maintain employment?</p> <p>I.5-1 <i>Employment is maintained or increased through alternative activities on the holding</i></p> <p>I.5-1.1 Number of full-time equivalent jobs maintained or created thanks to the assistance for alternative activities (FTE)</p>	<p>40%</p> <p>40%</p> <p>31%</p>	<p>10%</p>
<p>I.6 To what extent have supported investments facilitated environmentally friendly farming?</p> <p>I.6-1 <i>Integration of environmental concerns into farm investments</i></p> <p>I.6-1.1 Share of beneficiary holdings introducing environmental improvements thanks to the co-financing (%); (a) of which with the environmental improvement as the direct aim of the investment (%); (b) of which as a collateral effect (e.g., due to new equipment acquired mainly for economic purposes) (%); (c) of which relating to waste and excess manure (%); (d) of which relating to on-farm water management (%); (e) of which relating to (other) benign farming practices/systems (%).</p> <p>I.6-2 <i>Improved storage and landspreading of farm manure</i></p> <p>I.6-2.1 Share of assisted holdings improving storage/landspreading of farm manure (%); (a) of which co-financed from the assistance (%); (b) of which storage (%); (c) of which landspreading (%)</p> <p>I.6-2.2 Ratio of {storage capacity of farm manure on assisted holdings} to {total farm manure output on assisted holdings}</p>	<p>36%</p> <p>33%</p> <p>25%</p> <p>15%</p> <p>9%</p> <p>6%</p>	<p>7%</p> <p>2%</p> <p>6%</p>

Question, criteria, indicator numbers and text		Used (%)	Alternative used (%)
I.6-2.3	Share of assisted holdings meeting standards concerning farm manure (%)	4%	
I.7	To what extent have supported investments improved production conditions in terms of better working conditions and animal welfare?	29%	
I.7-1	<i>Working conditions have improved</i>	24%	
I.7-1.1	Evidence of significant reduction thanks to the assistance in exposure to any of the following: noxious substances, odours, dust, extreme climatic conditions outdoor/indoor, lifting of heavy loads, aberrant working hours (description).	16%	7%
I.7-2	<i>Animal welfare has improved</i>	25%	
I.7-2.1	Share animals on assisted holdings enjoying improved welfare thanks to assisted investments (%); (a) of which with animal welfare as a direct aim (%); (b) of which with animal welfare as a collateral effect (e.g., due to new housing or equipment acquired mainly for other reasons) (%); (c) of which related to welfare standards (%); (d) of which related to EU-welfare standards (%)	15%	9%

A4.1.2. Chapter II: Setting up of young farmers

Table 4.4 sets out the index of use for CEQs, criteria and indicators in this Chapter. It also includes the lowest and highest usage for individual questions, criteria and specified indicators as well as alternative indicators which are shown in percentage terms.

Table 4.4: Summary of question, criteria and indicator use in Chapter II: Young farmers

	Lowest % used	Highest % used	Usage index
Questions answered:	26%	55%	36
Specified criteria used	14%	55%	33
Specified indicators used	4%	38%	24
Alternative indicators used		17%	5

The questions, criteria and indicators usage breakdown is presented in Table 4.5.

Key points to note are as follows:

- The **CEQ** most answered in the evaluation is CEQ II.3 with a 55% usage rate in the mid-term evaluation reports. CEQ II.4 was used in 38% of cases, while the other CEQs were used in just under a third of mid-term reports.
- **Criteria** use ranged from 14% (II.4-2) to 55% (II.3-1). Interestingly criteria II.4-1 was used in 34% of cases while the second criteria for this question (II.4-2) was only used in 14% of the mid-term evaluation reports.

- **Specified indicators** were generally used less than a third of the time with II.3-1.1 used most (38% of cases). Indicator II.4-2.1 on the other hand was only used 4% of the time.
- **Alternative indicators** were rarely used (with respect to just four specified indicators). Alternative indicators were used most often in respect of II.3-1.1 (17% of mid-term evaluation reports).

Table 4.5: Use of CEQs in Chapter II: Young farmers

Question, criteria, indicator numbers and text		Used (%)	Alternative used (%)
II.1	To what extent has the aid for setting up covered the costs arising from setting up?	31%	
II.1-1	<i>High incentive effect of the setting-up aid</i>	31%	
II.1-1.1	Ratio between {setting-up aid} and {actual setting-up costs}	31%	
II.2	To what extent has the setting-up aid contributed to the earlier transfer of farms (to relatives versus non-relatives)?	29%	
II.2-1	<i>Reduction of average age of transferees and/or transferors in assisted transfers</i>	29%	
II.2-1.1	Average age of transferee in assisted setting up	29%	
II.2-1.2	Average age of transferors in assisted setting up	21%	
II.2.A	To what extent has the setting-up aid contributed to the earlier transfer of farms (to relatives versus non-relatives)...in particular, how significant was the synergy with the aid for early retirement in achieving such an earlier transfer?	26%	
II.2.A-1	<i>Simultaneous take-up of the two schemes</i>	26%	
II.2.A-1.1	Ratio between {number of beneficiaries of setting-up aid replacing beneficiaries of early retirement aid} and {total number of farm transfers in period}	15%	11%
II.2.A-2	<i>Reduced average age of the transferee in the case of combined aid</i>	22%	
II.2.A-2.1	Ratio between {average age of assisted transferees (young farmers receiving setting-up aid) replacing assisted transferors} and {average age of all young farmers receiving setting-up aid}	22%	
II.3	To what extent has the aid influenced the number of young farmers of either sex setting up?	55%	
II.3-1	<i>More young farmers are installed</i>	55%	
II.3-1.1	Number of assisted young farmers installed (by gender)	38%	17%
II.4	To what extent has the setting up of young farmers contributed to safeguarding employment?	38%	
II.4-1	<i>Jobs are maintained or created</i>	34%	
II.4-1.1	Number of full-time equivalent jobs maintained or created (FTE)	31%	3%
II.4-2	<i>Main-occupational farming is secured</i>	14%	
II.4-2.1	Ratio between {% of assisted set ups resulting in main-occupational farming} and {% of all establishments resulting in main-occupational farming}	4%	11%

A4.1.3. Chapter III: Training

The index of use for CEQs, criteria and indicators are set out in Table 4.6 with the lowest and highest usage for individual questions, specified criteria and indicators and alternative indicators also shown in percentage terms.

Table 4.6: Summary of question, criteria and indicator use in Chapter II: Young farmers

	Lowest % used	Highest % used	Usage index
Questions answered:	26%	32%	29
Specified criteria used	19%	26%	24
Specified indicators used	6%	13%	10
Alternative indicators used	10%	19%	14

The breakdown of use of questions, criteria and indicators is presented in Table 4.7.

Key points to note include:

- **CEQs** in this chapter were only answered in between 26% and 32% of mid-term evaluation reports. The most answered CEQ was CEQ III.2 (32%), while CEQ III.1 was only answered on 26% of occasions.
- The answer rate for **criteria** ranged between 19% and 26% with III.1-1 and III.2-1 being answered 26% of the time, while III.2-2 was answered 19% of the time.
- **Specified indicators** were used rarely, between 6% and 13% of the time.
- **Alternative indicators** were also used rarely with between 10% and 19% rate of use in the mid-term evaluation reports.

Table 4.7: Use of CEQs in Chapter III: Vocational training

Question, criteria, indicator numbers and text		Used (%)	Alternative used (%)
III.1	To what extent are the assisted training courses in accordance with needs and coherent with other measures of the programme?	26%	
III.1-1	<i>The training responds to the needs and potential for adaptation (conversion, reorientation, improvement) at the level of individuals, sectors or regions (including gaps/weaknesses or potential/opportunities identified during programming or ex-ante evaluation)</i>	26%	
III.1-1.1	Share of assisted training accommodating issues identified as gaps/weaknesses or potential/opportunities during programming/ex-ante evaluation (%); (a) of which thanks to the type/mix of participants (e.g., young people, women...) (%); (b) of which thanks to the topic/contents of the courses (%); (c) of which related to co-financed actions of other chapters of the programme (%)	6%	19%
III.2	To what extent have the acquired skills/competence helped improve the situation of the trainees and of the agricultural/forestry sector?	32%	
III.2-1	<i>The skills/competence acquired by the trainees help improve their employment conditions.</i>	26%	
III.2-1.1	Share of assisted trainees (both holders and employees) experiencing job improvements related to the training (%); (a) of which farm/forest holders (%); (b) of which employees (%); (c) of which thanks to better remuneration (%); (d) of which thanks to non-pecuniary job quality (e.g., seasonal/contractual work security, exposure to risk and adverse conditions, job-variation/enrichment...) (%).	13%	13%
III.2-2	<i>The skills/competence acquired by the trainees facilitate the adaptation of agriculture and forestry (conversion/reorientation/improvement)</i>	19%	
III.2-2.1	Share of holdings with an assisted trainee, initiating conversion/reorientation/improvement related to the assisted training (%); (a) of which new/additional activities (%); (b) of which improved quality/hygiene/added value concerning existing activities (%); (c) of which management related (%); (d) of which environmental benign methods/practices (%); (e) of which farming (%); (f) of which forestry (%)	10%	10%

A4.1.4. Chapter VII: Improving processing procedures and marketing of agricultural products

Usage index for CEQs, criteria and indicators are shown in Table 4.8, including the lowest and highest usage for individual questions, specified criteria, indicators and alternative indicators all shown in percentage terms.

Table 4.8 Summary of question, criteria and indicator use in Chapter VII: Improving processing procedures and marketing of agricultural products

	Lowest % used	Highest % used	Usage index
Questions answered:	28%	47%	35
Specified criteria used	3%	40%	23
Specified indicators used		26%	10
Alternative indicators used		19%	12

The breakdown of use of questions, criteria and indicators is presented in Table 4.9.

Key points to note are as follows:

- Answers to **CEQs** were provided between approximately a third and half of the time. CEQ VII.2 had the highest answer rate being used in 47% of mid-term evaluation reports.
- **Criteria** VII.4-2 was used in only 3% of mid-term evaluation reports, although other criteria under this question were used more frequently.
- **Specified indicators** VII.2-1.1 and VII.5-1.1 were not used at all, although in both cases **alternative indicators** were used (in 19% and 14% of mid-term evaluation reports respectively).

Table 4.9: Use of CEQs in Chapter VII: Improving processing procedures and marketing of agricultural products

Question, criteria, indicator numbers and text	Used (%)	Alternative used (%)
VII.1 To what extent have the supported investments helped to increase the competitiveness of agricultural products through improved and rationalised processing and marketing of agricultural products?	40%	
<i>VII.1-1 Rational procedures in assisted processing & marketing lines.</i>	30%	
VII.1-1.1 Evidence of more rational processing and marketing procedures (description, e.g., including the trend in beneficiaries having ISO 9000)	26%	5%
<i>VII.1-2 Better use of production factors in assisted processing & marketing lines</i>	26%	
VII.1-2.1 Capacity-use in assisted processing & marketing lines (%).	9%	16%
<i>VII.1-3 Lower costs in assisted processing & marketing lines</i>	24%	
VII.1-3.1 Change in processing/marketing costs per unit of basic product thanks to assistance (%)	7%	17%
VII.2 To what extent have the supported investments helped to increase the added value and competitiveness of agricultural products by improving their quality?	47%	
<i>VII.2-1 The intrinsic quality of processed/marketed agricultural products is improved</i>	19%	
VII.2-1.1 Share of agricultural basic products contained in processed/marketed products with improved intrinsic quality from assisted processing/marketing lines (%): (a) of which subject to systematic quality monitoring thanks to assistance (%); (b) of which with improved homogeneity within and/or between batches (%)		19%
<i>VII.2-2 Uptake of quality labels has increased</i>	40%	
VII.2-2.1 Share of marketed products from assisted processing/marketing lines sold with quality label (number of products and %): (a) of which EU-level labelling schemes (%); (b) of which national-level labelling schemes (%); (c) of which other labelling schemes (%)	21%	19%
<i>VII.2-3 Higher added value in financial terms thanks to improved quality</i>	30%	
VII.2-3.1 Added value in assisted processing & marketing lines (%)	16%	14%
VII.3 To what extent have the supported investments improved the situation of the basic agricultural production sector?	33%	
<i>VII.3-1 Demand for and price of basic agricultural products assured or improved</i>	30%	
VII.3-1.1 Trend (in terms of quantity and price) in purchases of raw materials by assisted production/marketing lines	9%	14%
VII.3-1.2 Share (within area of programme) of gross sales of basic agricultural products that are sold to outlets safeguarded or created thanks to the assistance (%)	5%	12%
<i>VII.3-2 Co-operation developed between the producers of basic agricultural products and the processing/marketing stages</i>	12%	
VII.3-2.1 Share of supply of basic products to beneficiary producers (processing) or marketers that depends on multi-annual contracts or equivalent instruments (%)	7%	5%

Question, criteria, indicator numbers and text		Used (%)	Alternative used (%)
VII.4	To what extent have the supported investments improved health and welfare?	28%	
VII.4-1	<i>Health and welfare concerns are appropriately integrated into the programme</i>	28%	
VII.4-1.1	Share of assisted investments in processing and marketing related to health and welfare (%): (a) of which aiming to improve of the nutritive and hygiene quality of products for human consumption (%); (b) of which aiming to improve the nutritive and hygiene quality of animal feed (%); (c) of which aiming to improve workplace safety (%); (d) of which aiming to improve animal welfare (%)	19%	9%
VII.4-2	<i>Animals transported or handled for slaughter do not infect live animals</i>	3%	
VII.4-2.1	Trend in spread of contagious diseases during handling and transport of animals for slaughter related to assistance (description, e.g., frequency of incidents).	3%	
VII.4-3	<i>Workplace conditions improved for persons involved in processing and marketing</i>	15%	
VII.4-3.1	Trend in workplace conditions related to assistance (description, e.g., frequency of reported incidents)	12%	2%
VII.5	To what extent have the supported investments protected the environment?	30%	
VII.5-1	<i>Profitable outlets for basic agricultural products that are linked to environmentally benign farming have been provided</i>	14%	
VII.5-1.1	Capacity created or upgraded thanks to assistance for processing/marketing of basic agricultural products resulting from environmentally benign farming (tons): (a) of which processing/marketing of products produced by farmers respecting environmental obligations that are verified by public authorities or regulated by contractual obligations or an equivalent instrument (e.g. organic products, integrated production, etc.) (tons); (b) of which processing/marketing of crops for renewable energy or traditional non-food land uses (e.g. cork) (ton)		14%
VII.5-2	<i>The assisted operations relating to processing or marketing exceed minimum environmental standards</i>	26%	
VII.5-2.1	Share of processing and marketing lines introducing environmental improvements thanks to co-financing (%): (a) of which with environmental improvement as the direct aim (%); (b) of which with environmental improvement as a collateral effect (e.g., due to new technology mainly for other purposes (%): (c) of which assisted investments going beyond standards concerning emissions (waste, sewage, smoke) directly from the processing and marketing sites ('end of pipe') (%); (d) of which assisted investments concerning resource use (water, energy...) and environmental effects of the products after leaving the processing/marketing site (transport, packaging...) (%)	9%	16%

A4.1.5. Chapter VIII: Forestry

The CEQs, criteria and indicators usage index is set out in Table 4.10 with the lowest and highest usage for individual questions, specified criteria and indicators and alternative indicators also shown in percentage terms.

Table 4.10 Summary of question, criteria and indicator use in Chapter VIII: Forestry

	Lowest % used	Highest % used	Usage index
Questions answered:	12%	55%	44
Specified criteria used	12%	49%	27
Specified indicators used	2%	45%	14
Alternative indicators used		31%	7

The breakdown of use of questions, criteria and indicators is presented in Table 4.11.

Key points are as follows:

- **CEQs** are reasonably well answered with several being answered in more than half of mid-term evaluation reports, exceptions are VIII.1B (12%) and VIII.2A (39%).
- The use of **criteria** is variable within CEQs with one criteria typically being heavily used and the others under a particular question less so.
- The same pattern is also apparent for **specified indicators** with **alternative indicators** used quite frequently throughout the Chapter, generally not to any great extent, but in VIII.2B-1.1 in just under a third of evaluation reports (31%).

Table 4.11: Use of CEQs in Chapter VIII: Forestry

Question, criteria, indicator numbers and text	Used (%)	Alternative used (%)
VIII.1 To what extent are forest resources being maintained and enhanced through the programme...particularly by influencing land-use and the structure and quality of growing stock?	55%	
<i>VIII.1.A-1 Increase of wooded area on previous agricultural and non-agricultural land</i>	49%	
VIII.1.A-1.1 Area of assisted plantings (hectares)	45%	4%
<i>VIII.1.A-2 Anticipated increase of volume of growing stock thanks to planting of new woodland and improvement of existing woodlands</i>	15%	
VIII.1.A-2.1 Anticipated additional average annual increment thanks to assistance (m ³ /hectare/year): (a) of which in new plantings (% and hectares concerned); (b) of which due to improvement of existing woodlands (% and hectares concerned)	15%	
<i>VIII.1.A-3 Anticipated improvement in quality (assortment, diameter...) and structure of growing stock thanks to forest improvement</i>	12%	
VIII.1.A-3.1 Trend in structure/quality parameters (description, e.g., including hardwood/softwood, diameter-evolution, straightness, knots...)	12%	

Question, criteria, indicator numbers and text	Used (%)	Alternative used (%)
VIII.1.B To what extent are forest resources being maintained and enhanced through the programme...particularly by influencing the total carbon storage in forest stands?	12%	
VIII.1.B-1 <i>There is additional build up of carbon in the growing stock of new and existing woodlands</i>	12%	
VIII.1.B-1.1 Average annual net carbon storage from 2000-2012 thanks to assistance (millions of tons/year)	2%	
VIII.1.B-1.2 Trend in average annual net carbon storage beyond 2012 thanks to assistance (millions of tons/year)	6%	6%
VIII.2.A To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development...by maintenance and encouragement of the productive functions on forests holdings?	39%	
VIII.2.A-1 <i>More rational production of forest products (or services)</i>	37%	
VIII.2.A-1.1 Short/medium term change in annual costs for silviculture, harvesting and transport/collection, stocking operations thanks to the assistance (€/m3)	7%	5%
VIII.2.A-1.2 Share of holdings being connected to associations of forest holders or similar organisation thanks to assistance (%)	14%	16%
VIII.2.A-2 <i>Enhancement of outlets for forest products</i>	18%	
VIII.2.A-2.1 Additional assisted outlets, in particular for products of small dimension/low quality (m3)	13%	4%
VIII.2.B To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development...by maintenance and development of employment and other socio-economic functions and conditions?	54%	
VIII.2.B-1 <i>More activities/employment on holdings</i>	37%	
VIII.2.B-1.1 Activity on holdings from {own execution of assisted planting/improvement works} plus {anticipated work at the holding deriving from the assisted action in the short/mid term} (hours/hectare/year): (a) of which falling in periods where agricultural activity level is below the capacity on combined farm/forest holdings (hours/holding/year + number of holdings concerned); (b) of which leading to additional or maintained employment on holdings (full time equivalents/year)	6%	31%
VIII.2.B-2 <i>More activities in rural community, due to primary or secondary production on holdings or due to initial processing and marketing stages</i>	25%	
VIII.2.B-2.1 Volume of short/medium term supply of basic forest products for small scale, local processing (m3/year)	9%	2%
VIII.2.B-2.2 Employment in the short/medium term outside holdings (logging, initial processing and marketing, and further local, small scale processing and marketing) directly or indirectly depending on assisted actions (full time equivalents/year)	15%	8%
VIII.2.B-3 <i>Greater attractiveness of area for local population or rural tourists</i>	22%	
VIII.2.B-3.1 Additional attractive/valuable area or sites due to assistance [description, taking into account the concepts of	20%	2%

Question, criteria, indicator numbers and text	Used (%)	Alternative used (%)
<p>perceptive/cognitive coherence, differentiation (homogeneity/diversity) and cultural identity as well as the number of hectares involved (c.f., Question VI.3.)]</p>		
VIII.2.B-4 <i>Maintaining or increasing income in rural areas</i>	17%	
VIII.2.B-4.1 Income in the short/medium term due to assisted activities (€/year, number of beneficiaries): (a) of which additional sustainable income on holdings (% and hectare); (b) of which due to knock-on activities or assisted off-farm activities (%)	7%	8%
VIII.2.B-4.2 Ratio of {premium for loss of income} to {net-income from previous land use} (i.e., previous 'gross margin')	7%	4%
VIII.2.C To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development...by maintenance and appropriate enhancement of protective functions of forest management?	50%	
VIII.2.C-1 <i>Appropriate protection actions undertaken</i>	49%	
VIII.2.C-1.1 Area planted/managed with a view to protective functions (hectares)	43%	6%
VIII.2.C-2 <i>Non-woodland and socio-economic interests are protected</i>	11%	
VIII.2.C-2.1 Resources/assets enjoying improved protection due to assisted forest actions (hectare): (a) of which agricultural land (%); (b) of which water bodies (%); (c) of which villages, tourist facilities (% plus type & magnitude of interest - e.g., expressed approximately as number of inhabitants, night beds, etc)	4%	8%
VIII.3.A To what extent have the assisted actions contributed to the ecological functions of forests...by maintenance, conservation and appropriate enhancement of biological diversity?	52%	
VIII.3.A-1 <i>Genetic and/or species diversity protected/improved by using indigenous tree species or mixtures in assisted actions</i>	43%	
VIII.3.A-1.1 Area planted/regenerated/improved with indigenous tree species (hectares): (a) of which in mixture (hectares); (b) of which providing in situ conservation of genetic resources (hectares)	28%	15%
VIII.3.A-2 <i>Protection/improvement of habitat diversity through the upkeep of representative, rare or vulnerable forest ecosystems/habitats that depend on specific assisted forest structures or silvicultural practices</i>	35%	
VIII.3.A-2.1 Critical sites maintained/improved due to assistance (hectares): (a) of which in or linked to Natura 2000 areas (hectares); (b) of which protected/restored from natural hazards (hectares)	21%	15%
VIII.3.A-2.2 Trend in protection of vulnerable non-commercial (i.e., non-traded forest products) species/varieties of flora & fauna on land subject to assisted actions (description, e.g., number of different species/varieties affected and where possible change in the abundance of key species)	6%	
VIII.3.A-3 <i>Protection/improvement of habitat diversity through beneficial interaction between assisted areas and the surrounding landscape/countryside</i>	13%	
VIII.3.A-3.1 Area planted in zones with low or missing forest cover (hectares): (a) of which in or linked to Natura 2000 areas (hectares); (b) of which	2%	11%

Question, criteria, indicator numbers and text	Used (%)	Alternative used (%)
forming corridors between isolated, precarious habitats (hectares) VIII.3.A-3.2 'Ecotones' established (forest edge...) of significant value for wild flora and fauna (kilometres)	2%	
VIII.3.B To what extent have the assisted actions contributed to the ecological functions of forests...by maintenance of their health and vitality?	47%	
VIII.3.B-1 <i>Less damage to soil and growing stock from silvicultural or harvesting operations</i>	13%	
VIII.3.B-1.1 Volume of growing stock subject to reduced damage thanks to assisted equipment or infrastructure (m3/year)	2%	12%
VIII.3.B-2 <i>Prevention of calamities (particularly pests and diseases) through appropriate forest structure and silvicultural practice</i>	26%	
VIII.3.B-2.1 Area where improved forest structure or silvicultural practice relevant to the prevention of calamities has been introduced (hectares)	25%	2%
VIII.3.B-3 <i>Production potential protected or restored from damage arising from natural hazards</i>	42%	
VIII.3.B-3.1 Area protected or restored from damage arising from natural hazards (including fire) (hectares)	25%	17%

A4.1.6. Chapter IX: Adaptation of rural areas

The index of use for CEQs, criteria and indicators are set out in Table 4.12 with the lowest and highest usage for individual questions, specified criteria, indicators and alternative indicators all shown in percentage terms.

Table 4.12: Summary of question, criteria and indicator use in Chapter IX: Adaptation of rural areas

	Lowest % used	Highest % used	Usage index
Questions answered:	20%	68%	49
Specified criteria used	8%	62%	32
Specified indicators used		38%	12
Alternative indicators used		31%	11

The breakdown of use of questions, criteria and indicators is presented in Table 4.13.

Key points to note are as follows:

- The ability to use the mid-term evaluation reports to answer the **CEQs** in this Chapter is highly variable with IX.1 answered in a fifth of reports and IX.3 answered in just over two thirds (68%) of cases.
- One **criterion** tends to have been used predominantly under each CEQ with the use of additional criteria less common.

- The use of **specified indicators** is in most cases quite low and in some cases (IX.1-1.1 and IX.1-2.1 none existent).
- In contrast the use of **alternative indicators** is quite widespread throughout the Chapter and in many cases usage is fairly significant.

Table 4.13: Use of CEQs in Chapter IX: Adaptation of rural areas

Question, criteria, indicator numbers and text	Used (%)	Alternative used (%)
IX.1 To what extent has the income of the rural population been maintained or improved?	20%	
<i>IX.1-1 Farm income maintained/improved</i>	20%	
IX.1-1.1 Share of farming population's income generated by assisted actions (€/beneficiary, no. concerned): a) of which gross farm income (from improved agriculture or from transactions generated by off-farm assistance) (%): b) of which from pluriactivity generated by off-farm assistance (%)		20%
IX.1-1.2 Ratio of {costs} to { turnover } for assisted farm-related activities (where costs = 'all inputs')		5%
<i>IX.1-2 Off-farm income maintained/improved</i>	8%	
IX.1-2.1 Share of gross income of off-farm beneficiaries generated by the assistance (€/beneficiary, no. concerned): a) of which relating to tourism (%): b) of which relating to crafts and local products (%)	2%	6%
IX.1-2.2 Share of rural non-farming population having an income from transactions/employment generated by off-farm assistance (%)	3%	2%
IX.2 To what extent have the living conditions and welfare of the rural population been maintained as a result of social and cultural activities, better amenities or by the alleviation of remoteness?	48%	
<i>IX.2-1 Remoteness has been alleviated</i>	48%	
IX.2-1.1 Share of holdings/households/businesses having access to assisted telecommunication facilities/services (%, no.)	7%	13%
IX.2-1.2 Transport/journeys facilitated or avoided due to assisted actions (description and kilometres and/or hours avoided per year): a) of which concerning agricultural holdings (kilometres and/or hours avoided per year); b) of which concerning the rural community (kilometres and/or hours avoided per year)	6%	31%
IX.2-1.3 Evidence of economic activity resulting from assisted, enhanced telecommunications or transport facilities (description)	12%	2%
<i>IX.2-2 Social and cultural facilities have been maintained/enhanced, particularly for young people and young families</i>	26%	
IX.2-2.1 Share of rural population with access to social/cultural activities that depend on assisted facilities (%): a) of which farmers taking leave-days thanks to assisted relief services (% and number of days); b) of which young people and young families (%)	5%	21%
<i>IX.2-3 Neighbourhood amenities and housing conditions maintained/improved</i>	43%	
IX.2-3.1 Share of rural population enjoying access to amenity land/nature or conserved rural heritage/sites thanks to assisted actions (%)	16%	23%

Question, criteria, indicator numbers and text	Used (%)	Alternative used (%)
IX.2-3.2 Share of rural accommodation that has improved due to assistance (no. and %): a) of which for rural tourism (%); b) of which providing an incentive for remaining/settling in area (%)	18%	18%
IX.3 To what extent has employment in rural areas been maintained?	68%	
IX.3-1 <i>Employment of the farming population maintained/increased</i>	42%	
IX.3-1.1 Farm employment created/maintained by assisted actions (FTE, no. of holdings concerned): a) of which from improved agriculture or transactions, generated by assisted activities off-farm (%); b) of which from pluriactivity generated by assisted activities off-farm (%); c) of which concerning farming population younger than 30 years of age (%); d) of which concerning women (%)	38%	5%
IX.3-1.2 Cost per job maintained/created for the farming population (€/FTE)	12%	2%
IX.3-2 <i>Seasonal variation of activities is more effectively balanced.</i>	11%	
IX.3-2.1 Workforce obtaining employment during periods of low agricultural activity thanks to assistance (FTE, no. of persons concerned)	4%	7%
IX.3-2.2 Prolongation of the tourist season (days/year)		2%
IX.3-3 <i>Diversification of activities contributes to employment of the non-farming population</i>	62%	
IX.3-3.1 Employment for off-farm beneficiaries maintained/created by the assistance (FTE, no of persons concerned): a) of which relating to tourism (%); b) of which relating to crafts and local products (%); c) of which relating to agri-business (%); d) of which concerning persons younger than 30 years of age (%); e) of which concerning women (%)	28%	23%
IX.3-3.2 Cost per job maintained/created for the non-farming population (€/FTE)	33%	
IX.4 To what extent have the structural characteristics of the rural economy been maintained or improved?	57%	
IX.4-1 <i>Productive structures linked to agriculture have been maintained or improved.</i>	54%	
IX.4-1.1 Share of farms enjoying agricultural improvements thanks to assisted actions (no. and % of holdings and hectares): a) of which land improvement (no. and % of hectares); b) of which improved irrigation (no. and % of hectares); c) of which relating to farm/field structure (foncière) (no. and % of holdings); d) of which more professional farm management (no. and % of holdings)	21%	27%
IX.4-1.2 Assisted new/improved production related activities connected to agriculture including marketing of quality agricultural products (description)	22%	11%
IX.4-1.3 Capacity-use for assisted off-farm facilities (%).	7%	
IX.4-2 <i>Agricultural production potential has been protected/restored regarding natural hazards</i>	24%	
IX.4-2.1 Share of threatened land protected thanks to assisted actions (hectares and %)	7%	7%
IX.4-2.2 Share of damaged land restored thanks to assistance (hectares and %)	13%	8%
IX.4-3 <i>Dynamism of rural actors promoted and potential for endogenous</i>	34%	

Question, criteria, indicator numbers and text		Used (%)	Alternative used (%)
IX.4-3.1	<i>development mobilised in rural areas</i> Evidence of improved dynamism/potential thanks to assisted actions (description, e.g., relevant networks, financial engineering...)	19%	15%
IX.5	To what extent has the rural environment been protected or improved?	51%	
IX.5-1	<i>Agricultural improvements generate environmental benefits.</i>	41%	
IX.5-1.1	Share of land where soil protection has improved, particularly by reducing erosion thanks to assisted action (hectares and %)	9%	9%
IX.5-1.2	Reduced water loss from irrigation infrastructure thanks to assistance (hectares benefiting and m ³ /tons of crop)	14%	14%
IX.5-1.3	Evidence of positive environmentally related trends in farming systems, practices, ecological infrastructure or land-use due to assisted actions (description).	16%	2%
IX.5-2	<i>Pollution/emissions prevented and better use of natural/non-renewable resources.</i>	22%	
IX.5-2.1	Waste/sewage collected/treated thanks to assisted actions (% of waste/sewage and % of farms/households served)	4%	18%
IX.5-2.2	Share of farms/households having access to renewable energy thanks to assisted actions (%)	5%	2%
IX.5-3	<i>Non-agricultural land has been maintained/improved in terms of biodiversity, landscapes or natural resources.</i>	22%	
IX.5-3.1	Evidence of improvements on non-agricultural land in terms of biodiversity/ landscape/natural resources thanks to assistance (description).	11%	11%
IX.5-4	<i>Increased knowledge/awareness about rural environmental problems and solutions</i>	18%	
IX.5-4.1	Rural actors having improved exchange of or access to information concerning environmentally benign activities thanks to assisted actions (number, %): a) of which concerning agricultural techniques/practices and systems (no. and %); b) of which concerning non-farming activities (no. and %)	9%	9%

A4.1.7. Cross cutting

The CEQs, criteria and indicators usage index is represented in Table 4.14 with the lowest and the highest usage for individual questions, specified criteria, indicators and alternative indicators also shown in percentage terms.

Table 4.14: Summary of question, criteria and indicator use in Chapter X: Cross cutting

	Lowest % used	Highest % used	Usage index
Questions answered:	29%	59%	43
Specified criteria used	8%	57%	27
Specified indicators used		43%	14
Alternative indicators		34%	10

used			
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The breakdown of use of questions, criteria and indicators is presented in Table 4.15.

Key points to note are as follows:

- Most **CEQs** can be answered from the mid-term evaluation reports in at least a third of cases.
- The use of **criteria** is generally fairly high, although Transv.3-2 and Transv.4-3 are exceptions used in 11% and 12% of cases respectively.
- The use of **specified indicators** is mixed, but fairly low, although these are complemented by the use of **alternative indicators**, the use of which often exceeds that of the specified set.

Table 4.15: Use of CEQs in Chapter X: Cross cutting

Question, criteria, indicator numbers and text	Used (%)	Alternative used (%)
Transv.1 To what extent has the programme helped stabilising the rural population?	38%	
<i>Transv.1-1 Age profile of population benefiting from assistance contributes towards maintaining/promoting a balanced population structure</i>	15%	
<i>Transv.1-1.1 Share of persons working on beneficiary farm/forest holdings, and aged: (i) < 30 years (%); (ii) 30-39 years (%); (iii) > 40 years(%)</i>	6%	9%
<i>Transv.1-2 Gender profile of population benefiting from assistance contributes towards maintaining/promoting a balanced population structure.</i>	28%	
<i>Transv.1-2.1 Ratio of {female} to {male} for persons benefiting from assistance</i>	23%	6%
<i>Transv.1-3 Rural depopulation has been reduced</i>	22%	
<i>Transv.1-3.1 Evidence of positive influences of the programme on reduction of rural depopulation (description, including change in farming population and other rural population</i>	18%	4%
Transv.2 To what extent has the programme been conducive to securing employment both on and off holdings?	55%	
<i>Transv.2-1 Employment is created or maintained, directly and indirectly by the programme, on farm/forestry holdings</i>	43%	
<i>Transv.2-1.1 Employment maintained/created on directly/indirectly benefiting farm/forestry holdings (FTE): (a) of which holders (%); (b) of which non-family labour (%); (c) of which women(%); (d) of which concerning full-time employment (%); (e) of which concerning gainful activities other than the production of basic agricultural/forestry products (%); (f) of which indirectly as a result of supplier effects (%)</i>	27%	16%
<i>Transv.2-2 Employment is created or maintained, directly and indirectly by the programme, in enterprises (other than holdings) in rural areas or in branches connected with agriculture.</i>	50%	

Question, criteria, indicator numbers and text	Used (%)	Alternative used (%)
Transv.2-2.1 Employment maintained/created in directly/indirectly benefiting enterprises (other than holdings) (FTE): (a) of which women; (b) of which young people (under the age of 30); (c) of which concerning the pluriactivity of part-time farmers; (d) of which indirectly as a result of supplier and income multiplier effects	16%	34%
Transv.3 To what extent has the programme been conducive to maintaining or improving the income level of the rural community?	29%	
Transv.3-1 <i>Income of the farming population maintained or improved, directly or indirectly by the programme</i>	31%	
Transv.3-1.1 Income of directly/indirectly assisted farming population (€/person, number concerned): (a) of which 'family farm income' (%); (b) of which income of non-family workforce on holdings (%); (c) of which relating to pluriactivity of part-time farmers or to gainful activities on holdings other than the production of basic agricultural/forestry products (%); (d) of which indirectly as a result of supplier effects (%)	15%	15%
Transv.3-2 <i>Income of non-farming population maintained or improved, directly or indirectly, by the programme</i>	11%	
Transv.3-2.1 Income of directly/indirectly assisted non-farming population (€/person, number concerned): (a) of which relating to rural tourism (%); (b) of which relating to local crafts/products (%); (c) of which indirectly as a result of supplier and multiplier effects (%)	4%	7%
Transv.4 To what extent has the programme improved the market situation for basic agricultural/forestry products?	29%	
Transv.4-1 <i>Productivity has been improved and/or costs reduced in key production chains thanks to the programme.</i>	17%	
Transv.4-1.1 Ratio {turnover} to {cost} in key benefiting production chains (filières)		17%
Transv.4-2 <i>Market positioning (quality, etc) has improved for key production chains (filières) thanks to the programme</i>	29%	
Transv.4-2.1 Change in added value per unit of basic agricultural/forestry product for key benefiting production chains (filières) (%)	2%	10%
Transv.4-2.2 Share of basic agricultural product being subject to quality improvement at any level along benefiting production chains (filières) thanks to programme (%)	2%	17%
Transv.4-2.3 Evidence of better market positioning (description)	19%	7%
Transv.4-3 <i>There is a positive development in the turnover and price for key production chains (filières) thanks to the programme</i>	12%	
Transv.4-3.1 Change in annual gross sales for key benefiting production chains (filières) (%)	5%	5%
Transv.4-3.2 Evolution in price per unit of standardised product for key benefiting production chains (filières) (%)		10%
Transv.5 To what extent has the programme been conducive to the protection and improvement of the environment?	59%	
Transv.5-1 <i>The combination of supported actions (from within and between different chapters) focusing on production/development and/or on</i>	57%	

Question, criteria, indicator numbers and text	Used (%)	Alternative used (%)
<i>the environment generates positive environmental effects.</i>		
Transv.5-1.1 Share of supported actions entirely/mainly intended for environmental protection or enhancement (% of programme costs; % of projects)	43%	11%
Transv.5-1.2 Share of supported actions focusing on production and development aspects generating positive environmental spin-offs (% of programme costs; % of projects) (a) of which thanks to cleaner technology (%) (b) of which thanks to improved agricultural practices or change/maintenance of land-use patterns (incl. location/concentration of livestock) (%)	16%	7%
Transv.5-1.3 Share of supported actions having generated negative environmental effects (% of programme costs; % of projects) (a) of which during the establishment/investment/construction phase (%) (b) of which during the operational phase (%)	7%	4%
Transv.5-2 <i>Land-use patterns (incl. the location/concentration of livestock) have been maintained or have developed in a way which is environmentally beneficial</i>	32%	
Transv.5-2.1 Share of area within zone covered by the programme with beneficial (or prevented negative) land-use changes related to the programme (%) (a) of which concerning permanent crops (grassland, orchards, woodland...) (%) (b) of which concerning arable land (organic farming, rotation) (%) (c) of which concerning non-cultivated or semi-natural land (%)	2%	30%
Transv.5-3 <i>Unsustainable use or pollution of natural resources has been avoided or minimised.</i>	13%	
Transv.5-3.1 Share of water resources subject to reduced depletion (or better replenishment) thanks to programme (%) (a) of which related to basic agricultural (or forestry) production (%)		8%
Transv.5-3.2 Share of water resources subject to reduced/stabilised pollution levels thanks to programme (%) (a) of which related to basic agricultural (or forestry) production (%)		9%
Transv.5-3.3 Trend in annual greenhouse gas emission (tons of carbon equivalents) due to programme (approximate estimates) (a) of which from carbon dioxide (%) (b) of which from nitrous oxide (%) (c) of which from methane (%)	2%	
Transv.5-4 <i>Rural landscapes have been maintained or enhanced</i>	26%	
Transv.5-4.1 Share of area within zone covered by the programme with beneficial (or prevented negative) landscape effects (%) (a) of which classified as contributing to respectively: i) landscape coherence (%); ii) landscape differentiation (homogeneity/diversity) (%) iii) cultural identity (%) (b) of which concerning permanent crops (grassland, orchards, woodland...) (%)	7%	19%
Transv.6 To what extent have the implementing arrangements contributed to maximising the intended effects of the programme?	48%	
Transv.6-1 <i>The assisted actions are concerted and complementary so as to produce synergy through their interaction on different aspects of rural development problems/opportunities</i>	24%	

Question, criteria, indicator numbers and text	Used (%)	Alternative used (%)
Transv.6-1.1 Frequency of groups/combinations of actions/projects, from within and/or between chapters, targeting rural development problems/opportunities (i) at different levels along agricultural/forestry production chains (filières); (ii) different aspects of particular bottlenecks and/or (iii) jointly creating critical mass (%)	20%	4%
Transv.6-2 <i>The uptake within the programme (by holdings, enterprises, associations...) involves those having the biggest need and/or potential for rural development in the area concerned by the programme (needy, capable, initiating good projects ...), thanks to a combination of implementing arrangements such as (i) publicity about the support opportunities, (ii) eligibility criteria, (iii) premium differentiation and/or (iv) procedures/criteria for selection of projects as well as (v) the absence of unnecessary delays and bureaucratic costs for these beneficiaries</i>	46%	
Transv.6-2.1 Main types of direct beneficiaries and operators (e.g., holdings, enterprises, associations, networks; owners/holders, processors/marketers; arable/pastoral; small/large) involved in the programme (typology)	28%	12%
Transv.6-2.2 Evidence of discouraging, unnecessary delays or costs for the direct beneficiaries/operators (description)	36%	2%
Transv.6-3 <i>Leverage effects have been maximised through a combination of eligibility criteria, premium differentiation or procedures/criteria for selection of projects</i>	38%	
Transv.6-3.1 Leverage rate = {total spending by direct beneficiaries on assisted actions} to {public co-financing}	36%	2%
Transv.6-4 <i>Dead-weight effects have been avoided through a combination of eligibility criteria, premium differentiation and/or procedures/criteria for selection of projects.</i>	8%	
Transv.6-4.1 Evidence of dead-weight (description and approximate quantification)	8%	
Transv.6-5 <i>Beneficial indirect effects (especially supplier effects) have been maximised</i>	10%	
Transv.6-5.1 Evidence of actions/projects resulting in beneficial indirect effects (description)	10%	

A4.1.8. RDR Chapter comparison

This sub-section provides a comparison in terms of the use of CEQs, their criteria and indicators and alternative indicators between RDR Chapters (and the cross-cutting evaluation Chapter). Table 4.16 presents an index of use by Chapter which is drawn from the sub-sections above (this is also presented graphically in Figure 4.1). It shows that, where Chapters and questions were applicable, the degree to which answers to questions are available in the mid-term evaluation reports is greatest in Chapter IX: Adaptation of rural areas at 54 (which is equivalent to just over half of all questions being answered in each mid-term evaluation report). The lowest index for answering

questions is in Chapter I: Farm investment, closely followed by Chapter VII: Investments in processing and marketing at 40 and 41 respectively. Overall the use of CEQs is relatively low, but perhaps higher than expected considering the widespread use of the DG Regio evaluation guidelines rather than the DG Agri guidelines which contain the CEQs and associated criteria and indicators.

The degree to which criteria and indicators were used does not correlate exactly with the use of CEQs. Criteria and indicators were most often answered in Chapter II: Young farmers. This is probably a reflection of the fact that other Chapters contain a greater range of criteria and indicators and that evaluators have chosen not (or have not been able) to use the full set.

Generally the use of alternative indicators is low. The greatest use of alternative indicators is in Chapter VII: Investments in processing and marketing (index = 14). The lowest use of alternative indicators is in Chapters II: Young farmers and VIII: Forestry (index = 7 and 8 respectively). This reflects the relatively high usage of specified criteria and indicators in these Chapters.

Finally, a weighted average across all mid-term evaluation reports, all questions (or criteria or indicators) and all Chapters provides a guide as to whether the degree of use of CEQs and alternative indicators in each Chapter is higher or lower than average. On this basis the rate of questions answered varies little from Chapter to Chapter. Interestingly the use of criteria and indicators for Chapter II: Young farmers is higher compared to the other chapters which might reflect their nature and is perhaps suggestive of a better link between monitoring and evaluation systems in this area.

Table 4.16: Use of questions, specified criteria and indicators and alternative indicators (index 100 = full use)

Chapter	Questions answered:	Specified criteria used	Specified indicators used	Alternative indicators used
I	35	27	10	10
II	36	33	24	5
VII	29	24	10	14
III	35	23	10	12
VIII	44	27	14	7
IX	49	32	12	11
X	43	27	14	10
Average	41	28	13	10

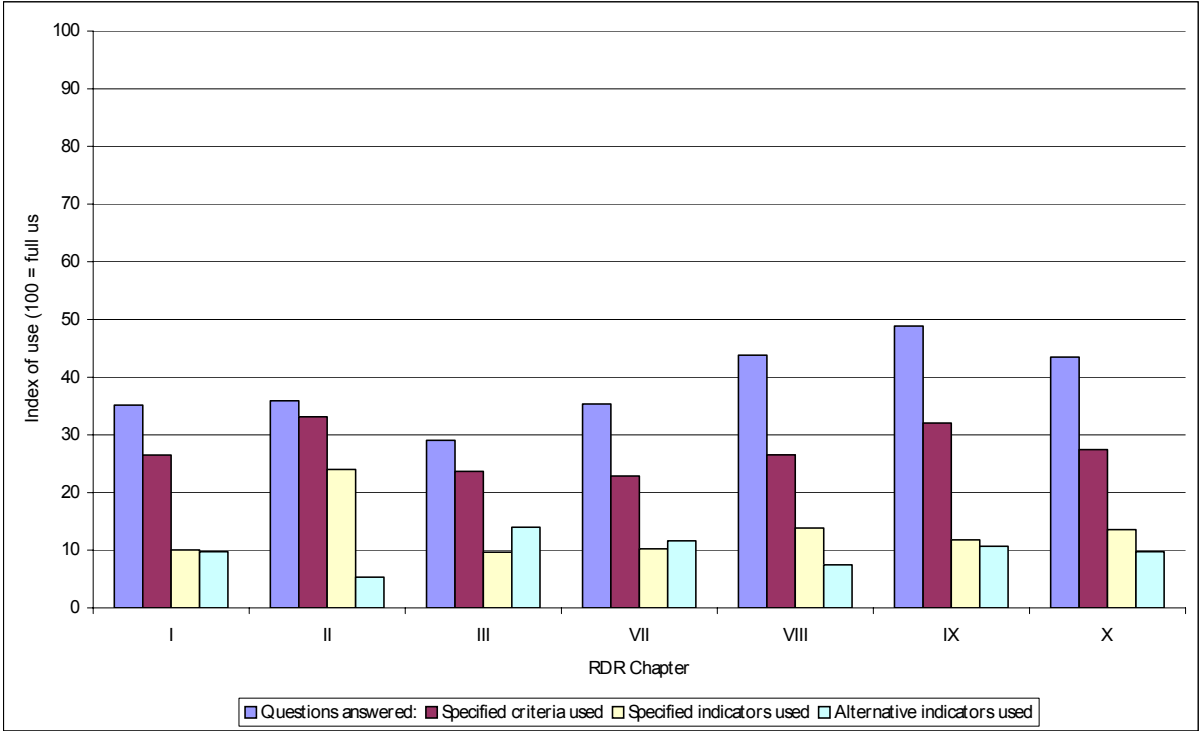


Figure 4.1: Use of CEQs and alternative indicators across all RDR Chapters

A4.2. Alternative criteria and indicators used

A4.2.1. Chapter I: Farm investment

CEQ I.1: To what extent have supported investments improved the income of beneficiary farmers?

- | | |
|----------|---|
| Italy | <ul style="list-style-type: none"> • Net farm income • Net family farm income |
| Portugal | <ul style="list-style-type: none"> • Variation of Gross Margins of supported holdings |
| Spain | <ul style="list-style-type: none"> • Income improvement of the beneficiary farmers (description) • Qualitative assessment about this criteria but without specific use of the indicator I.1.1.1 • New marketing techniques adopted (description) |
| Greece | <ul style="list-style-type: none"> • Change in family farm income • Change in farm gross output • Change in gross output of assisted farms • Financial viability of assisted farms • Impacts on farm economic viability • Increase of farm income and output • Change in farm labour remuneration (Euro/AWU) |

CEQ I.2: To what extent have supported investments contributed to a better use of production factors on holdings?

- | | |
|----------|---|
| Germany | <ul style="list-style-type: none"> • Output per year and FTE on assisted holdings • Annual cost per annual output |
| Greece | <ul style="list-style-type: none"> • Change of AWU farm size of assisted holdings • Change in gross output of assisted farms • Change in financial viability of assisted farms |
| Portugal | <ul style="list-style-type: none"> • Variation of GVAfc/AWU • Variation of Gross Margin/AWU |
| Spain | <ul style="list-style-type: none"> • % of beneficiaries answering that productivity has increased or costs have decreased after the investment (direct use of the criteria but not of the specific indicators 1.2.1.1, 1.2.1.2 & 1.2.1.3) • Costs reductions considered by beneficiary farmers (%) • Improvement in gross profit (average %) • Improvement in net profit (average %) • Increase in production per hectare • Increases in production per FTE • Plans aimed to reduce costs or increase productivity |

- Qualitative assessment about this criteria but without specific use of the indicators I.1.2.1, I.2.1.1, I.2.1.2, I.2.1.3

CEQ I.3: To what extent have supported investments contributed to the reorientation of farming activities?

- | | |
|----------|---|
| Belgium | <ul style="list-style-type: none"> • Number of enterprises created/extended • Million of EUR to support productive investments |
| Greece | <ul style="list-style-type: none"> • Change in the productive orientation of assisted farms • Sources of income for assisted farmers |
| Portugal | <ul style="list-style-type: none"> • Number and area of holdings taking up processing and marketing of own farm products • Number and share of holdings investing in diversification TEO activities |
| Spain | <ul style="list-style-type: none"> • Plans implying changes from "surplus product" to "non-surplus product" (%) • Qualitative assessment about this criteria but without specific use of the indicators I.3.1.1, I.3.2.1 • Description of alternative activities introduced in assisted holdings |

CEQ I.4: To what extent have supported investments improved the quality of farm products?

- | | |
|---------|---|
| Germany | <ul style="list-style-type: none"> • Share of holdings with objective "quality improvement" as % of assisted holdings |
| Ireland | <ul style="list-style-type: none"> • Total bacterial count • Total somatic cell count |
| Spain | <ul style="list-style-type: none"> • % of beneficiaries answering that quality of their products has increased after the investment (direct use of the criteria but not of the specific indicators 1.4.1.1 & 1.4.1.2) • Evidence of improvements in the quality of products (description) • Evidence of increase in the quality of products (description) • Increase in the average prices of products (%) • Plans aimed to incorporate European quality standards and/or geographical indications (%) • Description of products sold under quality labels after the investments • Schemes adopted to increase the quality (description) |

CEQ I.5: To what extent has the diversification of on-farm activities originating from supported alternative activities helped maintain employment?

-
- | | |
|---------|---|
| Belgium | • Jobs created |
| Greece | • Change in employment in assisted farms |
| Spain | • Jobs maintained or created thanks to the assistance for alternative activities (description) |
| | • Number jobs maintained or created thanks to the assistance + qualitative assessment about this criteria |
| Greece | • Change in AWU in assisted farms |
| | • Change of AWU farm size in assisted holdings |
| | • Impacts on family farm-employment |
| | • Jobs created in terms of AWU |
| | • Share of women in assisted farmers |
| | • Share of young farmers in assisted farmers |
| | • Utilised AWU of family farm labour |

CEQ 1.6: To what extent have supported investments facilitated environmentally friendly farming?

- | | |
|---------|--|
| Germany | • Created storage capacity |
| | • Induced decrease of ammonium-emission |
| Ireland | • Storage capacity grant aided |
| Spain | • Beneficiaries introducing environmental improvements thanks to supported actions (description) |
| | • Plans aimed to introduce environmental improvements (%) |

CEQ 1.7: To what extent have supported investments improved production conditions in terms of better working conditions and animal welfare?

- | | |
|----------|---|
| Germany | • No. of assisted holdings with the objective to improve working conditions |
| | • No. of assisted holdings with the objective to improve animal welfare |
| Portugal | • Share of supported holdings in which the quality of the production process was improved through buying of small machinery and equipment, substitution of obsolete machinery and equipment or improvement of livestock holdings' hygiene |
| Spain | • % of beneficiaries answering that working conditions at the holding have improved after the investment (direct use of the criteria but not of the specific indicators 1.7.1.1) |
| | • % of beneficiaries answering that animal welfare at the farm has improved after the investment (direct use of the criteria but not of the specific indicators 1.7.2.1) |

- Beneficiary farmers considering that their working conditions have improved after the investment (%)
- Qualitative assessment about this criteria but without specific use of the indicator I.7.1.1
- Type of improvement in the working conditions (%)
- Evidence of improvements in animals welfare thanks to assisted investments (description)
- Plans aimed to improve animal welfare or hygienic conditions

A4.2.2. Chapter II: Young farmers

CEQ II.2: To what extent has the setting-up aid contributed to the earlier transfer of farms (to relatives versus non-relatives)?

- | | |
|---------|---|
| Belgium | • Installation of young farmers (number) |
| Spain | • Qualitative assessment about this criteria (the mid term evaluation justifies the difficulties to use the specific indicators II.2.1.1, II.2.2.1) |

CEQ II.2.A: To what extent has the setting-up aid contributed to the earlier transfer of farms (to relatives versus non-relatives)...in particular, how significant was the synergy with the aid for early retirement in achieving such an earlier transfer?

- | | |
|---------|--|
| Ireland | • Proportion of transferees in Early Retirement Scheme also taking up Installation Aid |
| Italy | • Changes in the number of farms conducted by young farmers |

CEQ II.3: To what extent has the aid influenced the number of young farmers of either sex setting up?

- | | |
|---------|---|
| Finland | • Share of men and women in the group of assisted young farmers under the age of 30 (instead of absolute numbers) |
| France | • Number of young farmers available
• Gender impact indicator (negative/neutral/positive) |
| Greece | • Ratio of assisted young farmers to total farm labour under 45 years |

CEQ II.4: To what extent has the setting up of young farmers contributed to safeguarding employment?

- | | |
|---------|---|
| Greece | • Jobs created thanks to the assistance |
| Finland | • Significance of setting-up aid in the decisions of young farmers to |

take over the business (survey results)

A4.2.3. Chapter III: Vocational training

CEQ III.1: To what extent are the assisted training courses in accordance with needs and coherent with other measures of the programme?

- | | |
|---------|--|
| Finland | <ul style="list-style-type: none"> • Number of assisted trainees by area of training (quality issues, environment, animal welfare, hygienic conditions, business, forestry management, other) |
| Germany | <ul style="list-style-type: none"> • Number of courses corresponding to the identified objectives • Number of female participants |
| UK | <ul style="list-style-type: none"> • Gender and age profile of participants • Qualitative evidence in place of quantitative |

CEQ III.2: To what extent have the acquired skills/competence helped improve the situation of the trainees and of the agricultural/forestry sector?

- | | |
|---------|--|
| France | <ul style="list-style-type: none"> • Sketchy information on training standards |
| Germany | <ul style="list-style-type: none"> • Share of participants in courses who estimate the acquired skills as useful • Share of enterprises who estimate the training for their employees as necessary |
| Spain | <ul style="list-style-type: none"> • Qualitative assessment about this criteria but without specific use of the indicator III.2.1.1 |

A4.2.4. Chapter VII: Investments in processing and marketing

CEQ VII.1: To what extent have the supported investments helped to increase the competitiveness of agricultural products through improved and rationalised processing and marketing of agricultural products?

- | | |
|----------|--|
| Belgium | <ul style="list-style-type: none"> • Share of turn-over coming from diversification |
| Greece | <ul style="list-style-type: none"> • Modernised capacity in assisted lines • Capacity modernised (tonnes/year) |
| Italy | <ul style="list-style-type: none"> • total capacity utilised by the firms of the projects • Differences among typologies of firms (coop. Spa,...) |
| Portugal | <ul style="list-style-type: none"> • Variation of GAV |
| Spain | <ul style="list-style-type: none"> • Qualitative assessment about this question based on the investment plans (the mid term evaluation justifies that the corresponding indicators cannot be used as investments are still not completed) • % of investments supported devoted to a better use of production factors |

- Capacity-use in assisted processing & marketing lines (description)
 - Holdings adapting their production to current market requirements (%)
 - % of investments supported devoted to reduce production costs
 - Evidence of the change in processing/marketing costs per unit of basic product thanks to assistance (description)
 - Holdings: a) Reducing costs, b) Modernising installations, c) Diversifying production
 - Evidence of the change in processing/marketing costs per unit of basic product thanks to assistance (description)
 - % of beneficiaries answering that the investment has helped to rationalise processing procedures
 - Number of beneficiaries surveyed affirming to have incorporated quality criteria in their management procedures
- UK
- SMEs with new practices and processes

CEQ VII.2: To what extent have the supported investments helped to increase the added value and competitiveness of agricultural products by improving their quality?

- Belgium
- Increase in the agricultural sector added-value at regional level
- Italy
- Change in the Marketed products with multi-annual contracts
- Spain
- Qualitative assessment about this question based on the investment plans (the mid term evaluation justifies that the corresponding indicators cannot be used as investments are still not completed)
 - % of investments supported devoted to increase intrinsic quality
 - Agricultural basic products contained in processed/marketed products with improved intrinsic quality from assisted processing/marketing lines: (description)
 - % of investments supported devoted to uptake quality labels
 - Holdings considering that selling production under a quality label increases market value
 - Marketed products from assisted processing/marketing lines sold under quality labels (description)
 - Qualitative assessment about this criteria but without specific use of the indicator VII.2.2.1
 - Evidence of the added value in assisted processing & marketing lines due to improved quality
 - Holdings interested in the security of the quality of their products
- UK
- Qualitative in place of quantitative

CEQ VII.3: To what extent have the supported investments improved the situation of the basic agricultural production sector?

- Germany
- Export rate
- Spain
- % of beneficiaries answering that the investment has implied higher demand for basic agricultural products increasing their prices (direct use of the criteria but not of the specific indicators VII.3.1.1)
 - Industries buying basic agricultural products in their own localities
 - Industries demanding higher quality basic agricultural products due to the investments
 - Trends in purchases of raw materials by assisted production/marketing lines
 - Share (within area of programme) of gross sales of basic agricultural products that are sold to outlets safeguarded or created thanks to the assistance (description)
 - Evidence of the basic products to beneficiary producers (processing) or marketers that depends on multi-annual contracts or equivalent instruments
 - [description of] Activities related to significant changes in sector
- UK
- Qualitative in place of quantitative

CEQ VII.4: To what extent have the supported investments improved health and welfare?

- Spain
- Assisted investments in processing and marketing related to health and welfare (description)
 - Share of assisted investments aimed to improve workplace conditions
 - Actions to improve the quality of final products (description)
- UK
- Qualitative in place of quantitative

CEQ VII.5: To what extent have the supported investments protected the environment?

- Spain
- % of beneficiaries considering environmental objectives when deciding to undertake the investment
 - Holdings: a) Reducing wastes, b) Reducing the consumption of energy, c) Reducing the consumption of water
 - Qualitative assessment about this criteria but without specific use of the indicators VII.5.1.1, VII.5.2.1
 - % of beneficiaries answering that the investment has reduced the total amount of waste

- Beneficiaries introducing environmental improvements thanks to supported actions (description)
- UK
- Qualitative in place of quantitative

A4.2.5. Chapter VIII: Forestry

CEQ VIII.1.A: To what extent are forest resources being maintained and enhanced through the programme...particularly by influencing land-use and the structure and quality of growing stock?

- Germany
- Capacity-use of the renewable wood potential
- Spain
- Qualitative assessment about this criteria but without specific use of the indicators VIII.1.A.2.1, VIII.1A.1.1, VIII.1A
- Greece
- Forest area maintained

CEQ VIII.2.A: To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development...by maintenance and encouragement of the productive functions on forests holdings?

- Germany
- Amount of investment in harvesting machinery
 - Km built forest tracks
 - Ha of forest made accessible by new tracks
 - Saved transport expenses because of new tracks
 - No. of assisted associations of forest holders
 - Amount of investment in energetic use of wood
- Spain
- Qualitative assessment about this criteria but without specific use of the indicators VIII.2.A.1.1, VIII.2.A.1.2

CEQ VIII.2.B: To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development...by maintenance and development of employment and other socio-economic functions and conditions?

- Greece
- Jobs created from assistance
 - Forest roads established (Km)
 - Forest roads improved (Km)
 - Ratio of beneficiaries to total sectoral employment
- Spain
- Qualitative assessment about this criteria but without specific use of the indicators
 - Employment created on supported holdings due to the investments (number)
 - Qualitative assessment about created or maintained employment on

- supported holdings
- Employment in the short/medium term off-holdings directly or indirectly depending on assisted actions (number)
- UK
- % reporting increase in income
 - extent to which scheme participation influenced income change
 - % indicating amount of time required to undertake assisted actions

CEQ VIII.2.C: To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development...by maintenance and appropriate enhancement of protective functions of forest management?

- Germany
- Maintained or created jobs
 - Employed persons*hours/year for the total of assisted actions
- Greece
- Area afforested to forest-area damaged
 - Area protected from erosion
 - Fire-proofing forest zones
 - Forest area cleared - protected from fire
 - Ratio of afforested to damaged forest land
- Spain
- Qualitative assessment under this criteria but without specific use of the indicators
 - % of area planted/managed with commercial purposes
 - Qualitative assessment about quality wood parameters

CEQ VIII.3.A: To what extent have the assisted actions contributed to the ecological functions of forests...by maintenance, conservation and appropriate enhancement of biological diversity?

- Greece
- Forest area planted, re-generated, managed for protection purposes
- Spain
- Qualitative assessment about this criteria but without specific use of the indicators
 - Qualitative assessment of critical sites maintained/improved due to assistance (description)
 - % of hectares planted using indigenous species
- UK
- No. beneficiaries planting native trees
 - Increase in area of native woodlands

CEQ VIII.3.B: To what extent have the assisted actions contributed to the ecological functions of forests...by maintenance of their health and vitality?

- | | |
|--------|--|
| Greece | <ul style="list-style-type: none"> • Forest area maintained • Anti-erosion projects • Forest area protected |
| Spain | <ul style="list-style-type: none"> • Qualitative assessment about this criteria but without specific use of the indicators • Qualitative assessment of the growing stock subject to reduced damage thanks to assisted equipment or infrastructure (hectares) |

A4.2.6. Chapter IX: Promoting the adaptation and development of rural areas

CEQ IX.1: To what extent has the income of the rural population been maintained or improved?

- | | |
|---------|--|
| Belgium | <ul style="list-style-type: none"> • Number of persons concerned by actions targeted at improving the living framework |
| Finland | <ul style="list-style-type: none"> • The absolute and relative changes of gross farm income • The composition of gross farm income by origin (income subsidies, agriculture, forestry, off-farm) • The changes of gross farm income by production branches (dairy, beef, pork, other meat, eggs, cereals, other crops.) • Amount of public funds, number of projects and total turnover of "linked enterprises" (a linked enterprise is an off-farm beneficiary of the scheme, who has contracts of production, sales, purchase or other type with a farm) • Ratio of fixed costs to turnover • Coefficient of profitability $\{=\text{family farm income}/(\text{wage demand}+\text{interest demand on equity})\}$ for dairy farms, where national average of profitability coefficients for dairy farms is the reference figure • Number of projects and total turnover of linked enterprises, of which concerning tourism |
| Germany | <ul style="list-style-type: none"> • Development of income • No. of cases with income generation |
| Italy | <ul style="list-style-type: none"> • Change of net farm income |
| Spain | <ul style="list-style-type: none"> • Qualitative assessment about this criteria but without specific use of the indicators IX.1.1.1, IX.1.2.1 |
| UK | <ul style="list-style-type: none"> • Increases/decreases in costs |

- Value added
- Sales

CEQ IX.2: To what extent have the living conditions and welfare of the rural population been maintained as a result of social and cultural activities, better amenities or by the alleviation of remoteness?

- | | |
|----------|--|
| Germany | <ul style="list-style-type: none"> • No. of accessible computer terminals • The km of new lanes or streets • The total number of restored or created community centres, village places or shops and the km of constructed/improved streets or lanes or the frequentation of a new street • The no. of population with access to sociocultural centres • No. of assistance cases • Amount of investment |
| Italy | <ul style="list-style-type: none"> • Some regions propose specific indicators for rural streets and transport and evaluation from the results by monitoring report |
| Portugal | <ul style="list-style-type: none"> • Number or % of holdings and agricultural area benefiting from improved accessibility. |
| Spain | <ul style="list-style-type: none"> • Qualitative assessment about this criteria but without specific use of indicators |
| Greece | <ul style="list-style-type: none"> • Electrification of farm holdings • Improved agricultural roads (Km) • Improved agricultural roads (No.) |

CEQ IX.3: To what extent has employment in rural areas been maintained?

- | | |
|---------|---|
| Finland | <ul style="list-style-type: none"> • All created/maintained jobs minus created/maintained jobs as the effects of "Investment Holdings" (I) and "Young Farmers" (II) schemes." |
| Germany | <ul style="list-style-type: none"> • The maintained or created FTE • The maintained or created FTE not as an effect of diversification, but the temporary employment primarily in the construction business |
| Greece | <ul style="list-style-type: none"> • Jobs created from public infrastructure projects (irrigation, etc.) • Jobs created thanks to the assistance • Jobs maintained thanks to the assistance |
| Spain | <ul style="list-style-type: none"> • Qualitative assessment about this criteria but without specific use of the indicator |

CEQ IX.4: To what extent have the structural characteristics of the rural economy been maintained or improved?

- | | |
|---------|--|
| Finland | <ul style="list-style-type: none">• The number and % of created co-operation networks (in comparison to the number of planned ones), of which have permanent juridical form• The number and % of agricultural holdings and members involved in created co-operation networks |
| Germany | <ul style="list-style-type: none">• No. of land parcels before/after• The overall reparcelling area in ha• No. of quality• Number of users of a marketing web site• Investment amount• Population growth in the community in relation to the region• Development of the land price |
| Greece | <ul style="list-style-type: none">• Share and area of land with improved irrigation• Ratio {improved} to {total irrigation network}• Agricultural area covered by irrigation networks• Restored crop capital and farm buildings• Establishment of support units• Area of land reparcelling• Area of land improvement• Farms electrified• Capacity of dams• Number of agricultural infrastructure projects• Restored crop capital |
| Italy | <ul style="list-style-type: none">• Change in the average size of farms• Number of consortium to control quality• Change in the agri-tourism |
| Spain | <ul style="list-style-type: none">• % of beneficiaries and stakeholders interviewed considering that investments supported improve productive structures through different ways• Number of hectares enjoying improvements thanks to assisted actions• % of administration officers interviewed affirming to have approved investments aimed to protect/restore regarding natural hazards• Qualitative assessment about this criteria but without specific use of the indicator IX.4.1.1 |

CEQ IX.5: To what extent has the rural environment been protected or improved?

-
- | | |
|----------|--|
| Finland | <ul style="list-style-type: none"> • The amount of assigned public funding (EU plus national together) for waste/sewage collected/treated |
| Germany | <ul style="list-style-type: none"> • Ha of improved land • No. of rehabilitated lakes and watercourses and % of sewage canalisation connection • The "type of investment" sewage collection and the corresponding investment amount • No. of restored swamps and countryside ponds • The area of restored vineyard walls, maintained hedges and enlarged countryside orchards • The unsealed and biotope area and the length of improved water courses |
| Greece | <ul style="list-style-type: none"> • Establishment and responsibilities of rural development support units • Area with improved irrigation • Ratio of {agricultural area upgraded in terms of irrigation} to {total agriculture area} • Area of land improvement • Establishment of support units and consultation instruments • Anti-flooding protection (ha) • Enriched underground water basins (m³ of water per annum) • Km of water supply systems built or improved • Length of improved irrigation network (Km) • Management plans of environmentally sensitive areas • Number of dams • Number of anti-flooding projects • Restored agricultural buildings • Restored vineyards and kiwi trees • Water savers (m³) • Water savers (number) • Water-supply network built and improved (Km) |
| Portugal | <ul style="list-style-type: none"> • Number and capacity (m³) of irrigation infrastructures |
| Spain | <ul style="list-style-type: none"> • Qualitative assessment about this criteria but without specific use of indicators • % of administration officers interviewed affirming to have approved investments aimed to prevent pollution/emissions • Environmental aspects where the measure have not present positive effects |

A4.2.7. Cross cutting

CEQ Transv.1: To what extent has the programme helped stabilising the rural population?

- | | |
|---------|---|
| Belgium | <ul style="list-style-type: none"> • Number of jobs created • Increase of the population in the local area |
| Spain | <ul style="list-style-type: none"> • Qualitative assessment about this criteria but without specific use of the indicator • Young persons working on supported farm/forest holdings (number) • Qualitative assessment about trends in farming population |

CEQ Transv.2: To what extent has the programme been conducive to securing employment both on and off holdings?

- | | |
|--------|---|
| Greece | <ul style="list-style-type: none"> • Ratio of {assisted young farmers} to {total farm labour under 45 years} • Change in farm family labour |
| Spain | <ul style="list-style-type: none"> • Employment maintained/created on directly/indirectly supported farming/forestry holdings (number) • Qualitative assessment about this criteria but without specific use of the indicator • Qualitative assessment of the employment maintained/created on directly/indirectly supported farming/forestry holdings (description) • Diversification activities by farmers • Employment maintained/created in directly/indirectly supported enterprises (other than farms) (number) • Qualitative assessment of the employment maintained/created in directly/indirectly supported enterprises (other than farms) (description) |

CEQ Transv.3: To what extent has the programme been conducive to maintaining or improving the income level of the rural community?

- | | |
|--------|---|
| Greece | <ul style="list-style-type: none"> • Change in family farm income (by AWU) • Change in farm labour remuneration |
| Spain | <ul style="list-style-type: none"> • Evidence of higher income of directly/indirectly assisted farming population (description) • Measures with incidence on the income of the non-farming population • Qualitative assessment about this criteria but without specific use of the indicator |

CEQ Transv.4: To what extent has the programme improved the market situation for basic agricultural/forestry products?

- | | |
|---------|--|
| Finland | <ul style="list-style-type: none"> • Ratio of fixed costs to turnover • Coefficient of profitability $\{=\text{family farm income}/(\text{wage demand}+\text{interest demand on equity})\}$ for dairy farms, where national average of profitability coefficients for dairy farms is the reference figure • Results of input-output models |
| Greece | <ul style="list-style-type: none"> • Modernised capacity in assisted lines • Share of assisted products sold with quality label |
| Spain | <ul style="list-style-type: none"> • Qualitative assessment of the evidence that productivity has improved and/or costs reduced • Evidence of the basic agricultural product had being subject to quality improvement at any level along benefiting production chains (filières) thanks to programme (description) |

CEQ Transv.5: To what extent has the programme been conducive to the protection and improvement of the environment?

- | | |
|---------|--|
| Germany | <ul style="list-style-type: none"> • Ha with beneficial land-use changes related to the programme • No. of rehabilitated lakes and watercourses • Investment amount for sewage collection • No. of restored swamps and countryside ponds • Area of restored vineyard walls, maintained hedges and enlarged countryside orchards • Unsealed and biotope area • Km of improved water courses |
| Greece | <ul style="list-style-type: none"> • Programme actions with positive environmental spin-offs (no.; expenditure) • Land area (with low cover) afforested |
| Spain | <ul style="list-style-type: none"> • Qualitative assessment about supported actions focusing on production and development aspects generating positive environmental spin-offs (description) • Qualitative assessment about beneficial (or prevented negative) land-use changes related to the programme • Qualitative assessment about this criteria but without specific use of the indicators Transv.5.1.1, Transv.5.2.1 • Qualitative assessment of supported actions /mainly intended for environmental protection or enhancement (description) • Qualitative assessment about changes in the use of water resources |

thanks to the programme (description)

- Qualitative assessment about water resources subject to reduced/stabilised pollution levels thanks to programme (description)
- Qualitative assessment about beneficial (or prevented negative) landscape effects (description)
- Area covered by the programme with beneficial (or prevented negative) landscape effects (description)
- Projects generating positive environmental effects (description)

CEQ Transv.6: To what extent have the implementing arrangements contributed to maximising the intended effects of the programme?

- Spain
- Frequency of groups/combinations of actions/projects, from within and/or between chapters, targeting rural development problems/opportunities (description)
 - Qualitative assessment about this criteria but without specific use of the indicators Transv.6-2.1, Transv.6-2.2, Transv.6-3.1
 - Types of beneficiaries (description)
 - Maximum aid per beneficiary (description)

A4.3. National/regional questions

Additional national/regional questions are presented below on a Chapter by Chapter basis. Some questions are very general and do not have defined criteria or indicators. Our convention is that questions, criteria and indicators are nested and are in bold, italic and normal text respectively.

A4.3.1. Chapter II: Young farmers

- Spain
- **In the absence of the measure, would you have got installed anyway? In the same conditions? In the same time? With the same investments?**
 - *Indicator(s):*
 - Young farmers that would not have got installed (%)
 - Beneficiaries that would have not undertake the same investment (%)
 - Young farmers that would have got installed with more reduce investments

A4.3.2. Chapter VII: Investments in processing and marketing

- Portugal
- **To what extent have the supported investments helped maintain or increase employment?**
 - *Indicator(s):*

- Variation in the employment in the units supported (before and after the investment)
- Germany
- **Did the assistance have a positive impact on the rural economy?**
 - *Criteria:*
 - The assistance contributed had a positive effect on the economic activity
 - *Indicator(s):*
 - Development of turnover per FTE in assisted holdings.
 - *Criteria:*
 - The assistance stabilised the output of the assisted enterprises?
 - *Indicator(s):*
 - Number of created and maintained FTE a) for women, b) professional training capacities

A4.3.3. Cross cutting

- Germany
- **Which is the impact of the programme on gender?**
 - *Criteria:*
 - The schemes improved the employment of women
 - *Indicator(s):*
 - number of jobs created / maintained for women, number of set-ups of women
- UK
- **Have the needs of the area, as defined in the Single Programme Document (SPD), changed since the Programme was approved and to what extent is the Programme strategy still relevant?**
 - **What changes, if any, are necessary to the Programme strategy and to the plans for its delivery?**
 - **Have the agreed horizontal priorities – equal opportunities, environment and information society – been integrated successfully into the Programme? And, where relevant, what contribution is being made to the National Action Plan for Employment?**
 - **What progress has been made toward achieving the quantified targets for expenditure, gross outputs and results – with particular reference to the ‘N + 2’ targets.**
 - **What progress is being made toward achieving the planned Programme impacts?**
 - **What progress has been made against the Performance Reserve agreed indicators for effectiveness, management and financial implementation?**
 - **How effective are the processes used to deliver the Programme?**
 - **What has been the added value of the Objective 1 Programme in Cornwall and Scilly, specifically to what extent has the Programme**

contributed to the Regional Economic Strategy?

- Have the needs of the area, as defined in the SPD, changed since the programme was approved and to what extent is the programme strategy still relevant?
- What changes, if any, are necessary to the programme strategy and to the plans for its delivery?
- Have the agreed horizontal priorities – equal opportunities and protection of the environment in particular – been integrated successfully into the programme?
- What contribution is being made to the National Action Plan for Employment (NAP)?
- What progress has been made toward achieving the quantified targets for expenditure, gross outputs and results?
- What progress is being made towards achieving the planned programme impacts?
- What progress has been made against the Performance Reserve agreed indicators for effectiveness, management and financial implementation?
- How effective are the processes used to deliver the programme?
- What has been the added value of the Objective One programme in this region, specifically to what extent has the Programme contributed to the Regional Economic Strategy?
- Is there evidence that the programme's implementation is achieving sustainable development objectives and what changes could be made to better achieve these objectives?
- How have the cross-cutting themes been incorporated into the programme (considering the programme design, negotiation and implementation stages)?
- What partnership structures have been established to develop policies for the cross-cutting themes?
- How have the themes been incorporated into the formal programme systems (appraisal, selection and monitoring)? How have these evolved? How effectively have the cross-cutting themes been embedded into the programme systems?
- What barriers have been encountered and how have they been overcome? (e.g. in the partnerships, in project development, appraisal etc.).
- What remain the most significant barriers to the incorporation of the horizontal themes?
- What is the relationship between the cross-cutting themes and the

RPG, RES and RSDF? How has this relationship been managed and with what effect?

- **What have been the major initiatives developed to advance the cross-cutting themes?**
- **What evidence exists of the implementation of the horizontal themes? How does this reflect against the programme's promises?**
- **How have the horizontal themes contributed to the National Action Plan for Employment?**
- **What evidence is there of mainstreaming in partner organisations?**