S1. Executive summary

The Directorate-General for Agriculture requested a study to carry out a pan-EU meta-evaluation of the measures under Council Regulation (EC) No 950/97 on improving the efficiency of agricultural structures (henceforth referred to as Regulation 950/97). This research was carried out by Agra CEAS Consulting Ltd. at the Centre for European Agricultural Studies, Imperial College at Wye and in Brussels between September 2002 and July 2003.

S1.1. Regulatory framework

The measures under Regulation 950/97, which are the subject of this ex-post evaluation, are part of a group of horizontal measures within Objective 5a of the Structural Funds which aim to promote rural development by speeding up the adjustment of agricultural structures in the framework of the reform of the Common Agricultural Policy (CAP)[1]. Adoption of the measures under Regulation 950/97 was voluntary at the national level and Member States were also able to adapt the measures to suit national situations within the framework of the EU legislation. Measures under Regulation 950/97 were co-financed by the EU. The need for Member State co-financing of the measure will almost certainly have influenced the overall level of uptake of the measure. The overall objectives of the Regulation are set out below.

Objectives of Regulation 950/97

- to help restore the balance between production and market capacity;
- to help improve the efficiency of farms by developing and reorganising their structures and by promoting supplementary activities;
- to maintain a viable agricultural community and thus help develop the social fabric of rural areas by ensuring a fair standard of living for farmers and by offsetting the effects of natural handicaps in less-favoured areas; and,
- to contribute to the safeguarding of the environment and the preservation of the countryside, including the long-term conservation of natural farming resources.

The Regulation contained eight measures, of which the following three were applied more widely:

[1] The other measures of Objective 5a are Council Regulation (EC) No 951/97 (for improving the processing and marketing of agricultural products) and Council Regulation (EC) No 952/97 (on producer groups and associations thereof).

Principal measures applied under Regulation 950/97

- Aid for investments in agricultural holdings ('FI Scheme' or 'Farm Investment Scheme');
- Setting up aid for young farmers ('YF Scheme' or 'Young Farmers Scheme'); and
- Compensatory allowances in Less Favoured Areas ('LFA Scheme').

Financial data on these three main schemes under Regulation 950/97 was only available between 1994 – 1996 at the time of writing this report[2]. Part of the reason for this is that programmes had not been fully closed by July 2003. For the three major schemes, overall EU expenditure amounted to €2,583 million in 1995 (excluding Austria, Finland, Italy and Sweden) and to €2,530 million in 1996 (excluding Denmark, Finland, Italy, and Sweden). If expenditure during these years can be taken as representative for the whole programming period total expenditure on these programmes would amount to at least €15.5 billion.

In terms of relative expenditure volumes on average between 1994 and 1996, the weight of the LFA Scheme was highest at just over half (52%) of total expenditure. The Farm Investment Scheme absorbed a further third of funds, while the Young Farmers Scheme absorbed the lowest proportion of total funds (15%). Annual EU expenditure for compensatory allowances in LFAs ranged from €510.5 million in Germany in 1996 to €3.4 million in the Netherlands in 1994. For the Farm Investment Scheme, most EU spending occurred in Germany in 1996 (€283.4 million) and the smallest amount was spent in the UK in 1996 (€1.0 million). For the setting up of young farmers, annual EU expenditure was highest in France in 1996 (€235.6 million) and lowest in Luxembourg in 1995 (€2.1 million).

The measures under Regulation 950/97 are now incorporated under the Rural Development Programmes (see Council Regulation (EC) No 1257/99), as are the other two Regulations on which Objective 5a is based.

S1.2. Objectives and scope of the evaluation

The objective of this research project is to provide a meta-evaluation of the implementation of Regulation 950/97 across the EU over the period 1994 to 1999 based on national ex-post evaluations. It was not within the scope of the evaluation to undertake these national ex-post evaluations where they did not exist.

[2] Expenditure data relating to the minor schemes does not exist. It is, however, known that they accounted for very small proportions of the total expenditure under the Regulation (for example, 5% in Spain over the entire programming period).

S1.3. Evaluation methodology and constraints

This meta-evaluation was carried out primarily by means of an analysis and synthesis of evaluations for each Member State carried out by Agra CEAS' sub-contractors, consisting of experts from most EU countries. These analyses in turn were primarily based on ex-ante, mid-term and ex-post evaluations conducted by the national authorities and the data contained in these reports was supplemented by discussions with implementing authorities, farmers unions and other stakeholders, as well as with analysis of other reports relating to the schemes and statistical data. Similarly, where ex-post evaluations were not available, discussions with implementing authorities and other key stakeholders were used to obtain the information necessary to address the evaluation questions set out in the Terms of Reference for this study.

A number of constraints were encountered during the research:

- ex-post evaluations conducted by the national authorities were not available from all Member States;
- some national authorities' ex-post evaluations were made available to the researchers too late in the life of the project, so that they could not be taken into account fully for the sub-contractors evaluations;
- the quality of the national authorities' ex-post evaluations was variable;
- methodologies and indicators used in the national authorities' ex-post evaluations were not always consistent;
- some Member States were reluctant to provide assistance and in others the time elapsed since the end of the programming period meant that the individuals interviewed were unable to recall as much detail as would have been desirable;
- the evaluation questions appear to have been devised after the Regulation was introduced. The schemes were therefore not implemented with an evaluation in mind and therefore full data to facilitate such evaluations was not being collected;
- no consistent database (number of beneficiaries, money disbursed, etc.) at the EU level for all years was available thus making it impossible to fully compare implementation over the whole period by Member State;
- the incorporation of Regulation 950/97 within Objective 1 Operational Programmes means that there is no ex-post evaluation in these areas relating specifically to Regulation 950/97 measures.

This evaluation also investigated the extent to which the national authorities' evaluations, which were used as a basis of this study, followed the Commission's guidelines to the national authorities for evaluation of measures under Regulation 950/97[3]. It emerged that on average, 90% of the core questions set out in the Commission guidelines were fully or

[3] STAR document VI/7676/98/, available at http://europa.eu.int/comm/agriculture/eval/index_en.htm.

partially answered, but only a small number of the other questions were addressed in the national authorities' evaluations. This is mainly due to the fact that only the core questions were obligatory. In addition there was a lack of data due to the fact that the monitoring systems appear to have primarily been geared to tracking expenditure and progress on implementation rather than collecting data specifically for evaluation purposes. It was also noted that national and regional administrations found some of the evaluation questions too broad (notably those relating to the objectives of the Regulation as a whole), rigid (i.e. strict adherence to evaluation questions alone did not necessarily contribute to a clear understanding of the factors for success or failure), too numerous and complex.

Recommendations on Member State evaluation procedures

- a greater effort is required to ensure that a consistent database on implementation (number of beneficiairies, expenditure by measure and by country) is available to evaluators;
- evaluation data needs to be collected consistently across different regions (Objective 1 /non-Objective1);
- evaluations need to be conducted in a timely fashion to allow results to be used;
- Member States need to be provided with a more concise, clear and comprehensible list of evaluation questions from the start of the programming period. In this context we note that for the evaluation of rural development programmes in the 2000-2006 period the Commission has from the outset (Regulation 1257/1999, Article 48 para.2) provided a set of common evaluation questions including a description of the intervention logic, criteria, indicators, target levels and possible information sources;
- the ultimate objective of the evaluation in terms of providing clear evidence relating to the success or failure of the intervention (and the lessons to be drawn from this) needs to be highlighted so that answering the evaluation questions does not become an end in itself;
- more consideration should be given to the extent to which responses to evaluation questions should be compulsory or voluntary since voluntary questions appear to generate a limited response.

S1.4. Socio-economic context

The key factors affecting the operating environment for producers over the period under review (1994-1999) were as follows:

- Just prior to the start of the period the MacSharry reforms of the CAP introduced a major shift to the management of the CAP by moving support in major sectors away from market price support towards support of farm incomes via direct payments.
- These support price cuts combined with the Uruguay Round Agreement on Agriculture created a degree of uncertainty amongst farmers concerning the future direction of policy.
- The sector faced increased concentration downstream in the processing and distribution sectors.
- The 1990s were characterised by external shocks (BSE) and increasing consumer concern about food safety, animal welfare and the general environmental impacts of agricultural policy.
- The macro-economic context was characterised by relatively strong growth, falling unemployment and declining interest rates.

The study also uses socio-economic data to develop a regional typology for the Farm Investment Scheme. This provides a characterisation of the EU regions into four broad categories and is detailed in the main body of the report. It should be noted that while such a typology enables some useful insights, during the period under review EU agricultural and rural development policy was implemented nationally in most Member States (with some notable exceptions including Belgium, Germany, Italy and Spain). In addition, in order to use such a typology for the analysis and judgement of the impacts of the schemes and their efficiency and effectiveness, it is necessary that data and information used in the evaluation is available at the same geographical level as the typology. However, this meta-evaluation is predominantly based on national evaluation reports, and information at regional level was not generally available. This means that most evaluative comments must ultimately be framed with reference to Member States rather than specific regions within them. **In order to be able to address this issue more satisfactorily in future it is recommended that further work is undertaken on developing robust socio-economic regional typologies which can be used for future evaluations.**

S1.5. Farm Investment Scheme

Evaluation of Farm Investment Scheme

The impact of the Farm Investment Scheme varies substantially in line with the way in which it was implemented at the national level. Using the typology above provides a framework within which it is possible to provide a judgement on the scheme.

- In countries which predominantly have Type I regions (small farms with low intensity and a high proportion of permanent crops) the scheme was essentially used to increase intensity and generally accelerate the pace of structural change along the path on which it had already been developing. These countries typically have farms with a small physical and economic size and sought consolidation and economic intensification.

- Member States with a predominance of Type II regions have a high proportion of relatively small and medium sized farms in areas with relatively low agricultural productivity and a high proportion of farms with grazing livestock. In these regions the Farm Investment Scheme was often used to encourage development in terms of adding value to products and addressing issues such as animal welfare. The Farm Investment Scheme was relevant to these aims, as it was to countries with a predominance of Type IV regions which are characterised by small, but nonetheless intensive farms in areas having highly productive agricultural systems and which partly used the scheme for traditional investments and partly to address environmental concerns.

- Member States which predominantly have Type III regions have generally large farms in highly productive agricultural areas. The Farm Investment Scheme was probably least relevant for this category.

The impact of the scheme in terms of restructuring is likely to have been offset by a number of constraining factors. These include:

- the operation of the land market;
- the prevalence of relatively low interest rates in many EU countries over the period;
- low funding thresholds for eligibility leading to a dilution of funding;
- focus on environment and animal welfare; and
- the relatively limited financial weight of the scheme in the overall sectoral context (representing less than 10% of gross fixed capital formation in the sector in a typical year).

As has been set out in a review of the intervention logic/history of the scheme's evolution the nature of the policymaking process has meant that the Farm Investment Scheme was focused on a wide range of objectives. This has the advantage that it effectively allows Member States to flexibly choose which items on the 'menu' i.e. which objectives, they wish to prioritise. It has the potential drawback that since Member States are free to in effect choose what objectives they wish to give particular weight to, there may be a lack of coherence for the EU as a whole in that, historically at least, pursuing structural improvements may not be fully compatible with environmental objectives. Ideally even if the Member State/regions focus is on improving efficiency on farms, the environmental objective of the Regulation should act as a restrictive factor to ensure that an increase in efficiency does not take place at the expense of the environment. This cannot, however be demonstrated conclusively for this programming period. **We would therefore recommend that, if the measure is continued in its present form, in order to ensure that the multiple objectives of the Regulation are being fully met more explicit cross-compliance conditions (with respect to environment, animal welfare etc.) are attached to aid recipients in future.** We note that this forms a part of the condition for the receipt of direct payments under the recently agreed Mid-Term Review of the CAP.

More generally, for the scheme under review, each Member State or region first had to consider whether the scheme should primarily be used to address economic, social or environmental goals although we recognise that these are not necessarily exclusive of one another.

Recommendations on Farm Investment Scheme

- Consideration should be given to concentrate the focus on improving economic efficiency in those regions of the EU where this is a priority. Environmental goals could then be addressed more directly through other schemes. An economic focus would have the additional benefit of providing some indirect social benefits in terms of contributing to maintaining farm viability and employment. This would mean that the scheme would be particularly targeted to areas of the EU with structural problems, predominantly Member States with a predominance of Type I and Type II regions.

- Payments should be tied to cross compliance conditions in respect of the environment and animal welfare.

- In terms of the form of assistance offered, during periods of low interest rates it might be appropriate to channel more support farms through capital grants as interest rate subsidies tend to be of lesser benefit in such times. This would also make the scheme more accessible for smaller farm businesses where access to loans may not be straightforward.

S1.6. Young Farmers Scheme

The evaluation found that the Young Farmers Scheme is highly relevant given the small proportion of young farmers in the EU in the overall farming population, the increasing difficulty of attracting young people into the agricultural sector and the fact that due to their relatively larger size (and corresponding economies of scale) young farmers' holdings tend to be more efficient.

Evaluation of Young Farmers Scheme

- Aid to young farmers under Regulation 950/97 represented an element of financial security during the sensitive setting up phase. The aid at this point in time contributed to ensuring economic/financial viability of the beneficiaries' holdings and thereby made a clear albeit limited contribution to their sustainability. This particularly holds for the Additional Investment Aid under which farmers were obliged to draw up a Material Improvement Plan and thereby to plan their business carefully and for the long-term.

- The existence of the aid scheme acted as one incentive among others to set up. However, it was not the main factor influencing the decision to set up as farmers. Other variables such as national inheritance laws, interest rates and taxation, the nature of opportunities outside agriculture, traditional social structures, and the granting of additional milk quota to young farmers in some Member States have more explanatory power. This factor also explains why in spite of the existence of the scheme there was virtually no aggregate change in the overall farmer age structure observed at EU level (although of course the scheme may well have brought forward the date at which transfers occurred and as is evidenced by the fact that some improvement in age structure was observed in seven Member States the scheme may have helped to maintain the proportion of young farmers in the overall farm population). In four Member States, it was considered that a majority of beneficiaries would have set up without the aid granted under the Young Farmers Scheme. This suggests that if the real objective of the scheme was to encourage the setting up of young farmers there was a significant degree of deadweight. However, as was noted by a number of sub-contractors the scheme had an important symbolic social and political value in terms of demonstrating support for young agricultural entrepreneurs.

On the basis of the above judgement of the scheme we would recommend the following (see box below).

Recommendations on Young Farmers Scheme

The targeting of the Young Farmers Scheme could be improved in order to assist those individuals or regions that need it most and to increase effectiveness. This increased targeting could be achieved by focusing on some of the following groups:

- New entrants to the sector that do not inherit a holding from relatives. Frequently these face the greatest difficulties in entering the agricultural sector and as an alternative to greater direct support via the scheme consideration could also be given to granting such new entrants premium/direct payment rights, dairy quota or water usage rights.

- Young farmers who start in alternative sectors or who focus on alternative activities, or who use environmentally friendly production methods. The scheme would then support risk capital towards innovative agricultural development, rather than being a standard subsidy that nearly every farmer starting in the business receives and would support those farmers more focused on providing public goods.

We recommend that existing training schemes be reviewed in order to tailor them more to the specific needs of young farmers. In addition sustainability is likely to be improved if the scheme is linked directly to a training requirement.

The question future evaluations should address is not whether the scheme encouraged the setting up (since a large variety of other factors influenced the young persons in their decision to set up), but whether it made a qualitative difference in the way the farm was set up (i.e. contributed to the sustainability of the enterprise).

S1.7. Less Favoured Areas Scheme

Evaluation of LFA Scheme

- The LFA Scheme has been in operation across most of the EU for many years and thus there were very few innovative features to its design and implementation.

- The LFA Scheme as a whole is clearly relevant to the objective of compensating for the effect of natural disadvantage on production costs.

- While it is to a certain extent relevant to the objective of preventing a decline in the farming population as well as preventing land abandonment in such areas, overall population growth or decline is clearly driven by a range of factors other than the farming activity itself.

- More generally, it is not clear whether the scheme of itself is fully relevant to the objective of protecting and maintaining the countryside and rural environment since it is not specifically targeted at this objective. This having been said, it clearly plays an indirect role in maintaining traditional farming systems in areas of high nature value. Conversely the scheme has been criticised from an environmental perspective in that it is considered to have led to overstocking and overgrazing in certain areas. The scheme, while imposing a ceiling on the stocking density in terms of the number of animals which would receive support, did not actually impose a ceiling in terms of stocking densities actually allowed. In this context the move to a partially decoupled area based payment system as has occurred under Agenda 2000 and the move to largely decoupled single farm payments under the Mid-Term Review should address this particular issue.

- On the major issue of how effectively it meets the objective of cost compensation the conclusion here depends on the weight of the scheme in different countries and regions and the proportion of income loss compensated for. This varies greatly from country to country and between regions within countries. Generally one can conclude that the scheme offset a significant but not precisely measurable proportion of the disadvantage incurred in a large number of Member States although this will generally have been lower in Mediterranean Member States where more weight was given to other structural objectives than in northern Member States. The degree to which increased costs have been compensated for cannot, however, be quantified with any precision.

- On the major issue of efficiency while it seems clear that implementation took place without an excessive administrative burden being imposed on public authorities or beneficiaries, it needs to be noted that because of the partially political nature of the definition of LFAs, the absence of clear and consistent criteria for defining and adjusting the definition of LFAs and the flat rate nature of the payments, there may well have been an element of under-compensation in the most severely disadvantaged areas (due to poor definition of these areas) and an element of over-compensation in areas where the disadvantage compared to non-LFAs (or other Member States) was minimal or non-existent. Again there is little evidence available in the national authorities' evaluation reports which would allow a quantification of these effects, (and further research on this point would be helpful), but this aspect of the policy has been criticised since at least the late 1980s and has again been the subject of criticism in a recent Court of Auditors report[4].

[4] Court of Auditors Special Report No.4/2003 concerning rural development support for Less Favoured Areas.

Recommendations on LFA Scheme

The objectives of the scheme represent a mixture of economic, social and environmental objectives. The analysis has shown, without a more targeted approach to each of these objectives they are not necessarily achievable simultaneously with the single instrument of a compensatory allowance in areas which have to an extent been defined by political rather than fully objective criteria. We would therefore recommend that to allow better targeting of the measure the criteria for defining LFAs should be harmonised and that their classification be updated on a consistent basis so as to ensure that payments are aligned more closely with natural and other handicaps. This would help to minimise the risk of possible over- and under-compensation.

- We would recommend that cross-compliance be introduced thus ensuring that the payments are conditional on adherence to good farming practice and environmental protection requirements. Under the June 2003 Mid-Term Review reforms this has in fact been occurred.

- More generally, however, we would argue that if provision of public goods in terms of landscape maintenance, maintaining the social fabric of the countryside and environmental protection are sought, these cannot be obtained without the potential for considerable deadweight through what is in effect a payment (in Northern Europe at least) which is largely based on the number of animals held by farmers. We note that the introduction of area rather than headage payments under Regulation 1257/99 and the further extensive decoupling of payments which has been introduced by the June 2003 Mid-Term Review reforms will go some way to addressing this deadweight issue. More generally, however, in order to deliver specific public goods in terms of landscape appearance, biodiversity, etc. it would seem more appropriate to fund this via positive payments for actions delivering such goods rather than via a general support scheme such as LFAs.

- Finally we would note that if the aim is to prevent depopulation of rural areas and to stimulate the rural economy (and maintain the social fabric) this objective must be met by a range of different structural measures influencing <u>all</u> actors in the countryside (such as the LEADER programme). In this sense the significant decoupling and the modulation of market related payments under Agenda 2000 and the Mid-Term Review reforms will potentially allow funds to flow into different sectors of the rural economy.

S1.8. Minor schemes

Minor schemes included Aid for the Introduction of Accounting Practices, Setting up Aid for Groups, Setting up Aid for Farm Relief Services, the Farm Management Services Scheme and a Training Scheme. Uptake of these schemes was very variable with only a minority of Member States/regions implementing these schemes in each case. It was noted that some of these schemes could usefully be merged and that a stronger linkage should be established with the Farm Investment and Young Farmers Schemes in order to increase uptake of the minor schemes and improve performance of the Farm Investment and Young Farmers Schemes.

S1.9. Regulation 950/97

S1.9.1. Judgement on 950/97 as a whole

The overall EU impact of Regulation 950/97 is hard to determine given the fact that it is made up of several different measures, all of which were implemented in line with differing national priorities and with additional national criteria in many Member States. It is not sufficient that each measure was in itself successful in order for the overall Regulation to also be judged a success. The measures within the Regulation must also be coherent and not conflict with one another to ensure this. In this sense the new programming approach adopted for the Rural Development Programmes under Agenda 2000 should provide for greater coherence and synergies and is therefore to be welcomed.

For the period under review, given the origins of the Regulation in a range of separate national and EU policies which were pulled together under one heading, this is, *a priori* at least, not likely. An obvious example of this is the contradiction between the aims of the Less Favoured Area Scheme and the Young Farmers Schemes. One of the main barriers to entry to the agricultural sector is the price of land and support payments such as those under the LFA Scheme are capitalised into the land value thus increasing its price. This argument probably also applies to the Farm Investment Scheme where improvements to facilities are also likely to be capitalised.

S1.9.2. Contribution to objectives

<u>Contribution to restoring market balance</u>

The Regulation is unlikely to have made a significant contribution to restoring the balance between production and market capacity and may indeed have partially contributed to maintaining imbalances. Although there were specific sector exclusions within the Farm Investment Scheme, these only had a small impact in what was, in the overall context of the CAP, a small measure. The Young Farmers Scheme is not considered to have had any impact on this issue. The LFA Scheme also cannot be considered to have had any significant impact on this issue although to the extent there was an impact it would have tended to exacerbate market imbalances. While the LFA Scheme contributed substantially to farm incomes in some countries and regions these payments were generally far less significant to farmers than the range of direct payments made under market related schemes. Nevertheless it can be argued that to the extent they contributed to the maintenance of some types of production for which the markets were in imbalance (such as beef in the latter half of the 1990s, and butter) the payments will have tended to exacerbate market imbalances.

Improved efficiency of farms

The efficiency of farms is likely to have been improved through the Farm Investment Scheme, especially where this scheme was used to increase economic intensity (particularly Member States with a predominance of Type I regions), through the Young Farmers Scheme (on the grounds that the average farm size of beneficiaries was higher than national averages, there was a requirement to produce a plan and applicants had to have 'adequate' occupational qualifications) and by some of the minor schemes (conceptually Accounting, Farm Management Services and Training Scheme). On the other hand, the relatively untargeted nature of the LFA Scheme is likely to have been viewed more as a subsidy than an incentive to increase production efficiency. On balance, therefore, whilst some aspects of the Regulation may have helped to improve efficiency, this is not likely to have made a substantial impact at the aggregate level due to the relatively low weight of the Regulation in relation to the overall level of subsidy and market returns farmers will have received. It is also possible that whilst the Regulation is likely to have increased efficiency at the micro-level, this may not have been transferred to the macro-level because the Regulation helps to maintain the viability of holdings, some of which, from the sectoral point of view, could usefully have ceased production and been consolidated into larger and more efficient farms.

Maintaining a viable agricultural community and helping to develop the social fabric of rural areas

The maintenance of a viable agricultural community and thereby helping to develop the social fabric of rural areas was assisted through the Regulation, most notably through the LFA and Young Farmers Schemes. The degree to which this occurred will have varied from region to region depending on the level of priority attached to this objective by the relevant authorities. We would also reiterate that a wider approach targeting sectors beyond agriculture is needed if the aim is to prevent depopulation and stimulate the rural economy as a whole. We would also note that this objective highlights the lack of coherence in the Regulation as a whole in that it is primarily a social objective, whereas the desire to increase efficiency is clearly an economic one and the two may not be fully compatible.

Safeguarding the environment

As has been pointed out above, the objective of increasing efficiency may not be fully compatible with the objective of safeguarding the environment. If farmers are economically rational, they will be profit maximising and will therefore be as efficient as they can be given their resource base. Trying to introduce changes to favour the environment implies a potential reduction in economic efficiency, otherwise farmers would already be producing to these standards. That said, the LFA Scheme is likely to have helped to safeguard the environment because of the overlap of LFAs and areas of environmental value. Maintaining farming in these areas helps to ensure the delivery of public goods such as landscape and, through grazing, species rich grasslands which are considered preferable to scrub. While clearly such areas can be maintained through active management the LFA Scheme also ran the risk of contributing to damage from overgrazing by not ensuring that stocking density ceilings relating to all animals held were a requirement for participation in the scheme. Where the Farm Investment Scheme was used to achieve environmental goals, then it is also likely to have made a positive environmental contribution.

Impact on rate of structural change (contribution to Objective 5a)

The only measures under the Regulation which are likely to have had a significant impact on the pace of structural change are the Farm Investment and Young Farmers Schemes. Whilst they both undoubtedly did accelerate change (in the case of the Farm Investment Scheme this depends on the way in which the scheme was implemented, therefore perhaps only in countries within certain typological groups, mainly Member States which predominantly have Type I regions), the weight of the Regulation within the context of the overall support provided by the CAP and market returns is likely to have been insufficient to have made a substantial difference to the overall trends in this regard.

Bearing the above in mind, across the range of schemes evaluated a large number of issues relating to design, implementation, uptake and achievement of desired effects have been raised. These can be broadly summarised as follows:

There is a general need to have a tighter definition of objectives and better targeting of beneficiaries. Regulation 950/97 appears to have been an overarching policy incorporating a range of diffuse and possibly conflicting objectives with little overall internal coherence. Cross-compliance and the programming approach introduced under Agenda 2000 and the recent Mid-Term Review reforms should help to ensure that there is less potential for conflict between individual measures. Better focus of the schemes in terms of eligibility criteria and targeting of beneficiaries as should now be taking place in the Rural Development Programmes would have reduced the scope for deadweight and thus generated a higher achievement of effects at potentially lower cost.