

Summary of the
Ex Post Evaluation
on
Rural Development
Programme (RRDP)
2000-2006



GIUNTA REGIONALE
DIREZIONE GENERALE AGRICOLTURA, ECONOMIA ITTICA, ATTIVITÀ
FAUNISTICO-VENATORIE
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AGRICONSULTING

GRAFIC REVISION:

PAOLO PIRANI (DIREZIONE GENERALE AGRICOLTURA, ECONOMIA ITTICA, ATTIVITÀ FAUNISTICO-VENATORIE
REGIONE EMILIA-ROMAGNA)

MARILÙ D'ALOIA (POSTAZIONE REGIONALE RETE RURALE)



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The Rural Development Programme

The Ex Post Evaluation Report of the Emilia-Romagna Regional Rural Development Programme 2000-2006 - compiled by Agriconsulting Spa on request from the Emilia-Romagna Regional Government - follows the common structure recommended by the EU guidelines ⁽¹⁾ and supplements the findings of the analyses conducted in the course of the full evaluation process ⁽²⁾.

In the Introduction the Report outlines the Programme in general terms (objectives, Measures, planned and used financial resources) and provides an initial evaluation of the relevance of objectives to the evolution of regional issues and potentials in the years 2000-2006.

The *demographic situation* was marked by a slight increase of the total population in 2000-2005 (+ 3.7%), as a consequence of the considerable rise in the migration balance, which compensated for a negative natural balance. The depopulation and population ageing phenomena in the most peripheral mountainous areas were confirmed although an increase of residents was identified in the hilly and first mountain belt areas neighbouring urban areas. A widening of the age pyramid base was observed following the increase in the number of births and immigrants (with a clear rise in the age group 30 to 45). The average regional ageing index has been on the decline over the last few years, with appreciable differences between rural areas "with development problems" and other regional areas.


The analysis of the evolution of the *economic and social situation* has confirmed the satisfactory performance of the region terms of income, employment and general growth. However, the factors behind the *agricultural sector* crisis have worsened owing to a significant increase in production costs and the observed price reduction trend. The declining added value in agriculture has shifted the focus back to issues of distribution of margins along the full food chain. In the period 2000-2005, there was a significant 24% reduction in the number of small-sized farms, and a nearly 8% fall in the UAA (Utilised Agricultural Area).

The average farm size increased in terms of UAA and standard gross income expressed in European Size Units (ESUs) and labour intensity per unit area was down. The reduction in the number of farms had a differentiated effect and the cereal farms and other arable farms, fruit growers and bovine breeders were hardest hit. Among the main problems of regional agriculture is the low generational turnover. The restructuring and downsizing of the sector has determined a reduction in the number of rural wage earners who were down 16.6% in 2006 compared to 2000. The full agri-food system however continued to have a by no means secondary role in regional economy. The growth of added value attributable to the *food industry* in the period 2000 to 2006 both in aggregate terms (+2.9%) and by labour unit (+2.9%) exceeded the growth of the manufacturing industry as a whole.

The analysis of the main components characterising relations between agricultural/forestry ventures and the environment confirms a complex *environmental situation* at regional level with profound differences in territorial terms and in relation to current trends. On the

⁽¹⁾ Ref. Information note "Ex post evaluation of rural development programmes 2000 – 2006" Annex II "The recommended common structure for the ex post evaluation reports" (AGRI G4/D(2008)3683).

⁽²⁾ Process started at the end of 2002, inclusive of the first Evaluation Report of 2003, its subsequent update of 2005, and the last ex post evaluation phase.



one hand, the negative dynamics revealed by the initial analysis were confirmed and, in some cases, found to be more pronounced; but, on the other hand, positive behaviours and “responses” were observed in the farm management.

Negative dynamics were evident in the already high and even occasionally growing levels of pressure on available resources (water, land and air) exercised by the most intensive and specialised components of regional agriculture or even by the discontinuance of farming activities in the most peripheral mountainous areas (with negative effects on biodiversity, landscape and hydro geological balance).

Positive trends were chiefly determined by the development of management and regulatory instruments (e.g. the Nitrates Directive, Natura 2000 etc...) and the strengthening of agricultural production and stockbreeding systems marked by a higher level of environmental sustainability. Such process is at least partly favoured by the RDP 2000-2006 and seems instrumental in the overall development strategy of the regional agricultural system.

An analysis of the evolution of the context *confirms the validity of the Programme strategy*, whose general objective is “*the maintenance and improvement of the rural-mountainous development system*” through three main areas of intervention: underpinning undertakings’ competitiveness (Axis 1), promotion of sustainable development (Axis 2), integrated local development (Axis 3).

The overall policy framework is marked by the introduction and subsequent application of three innovative “strands”, which link up the different Intervention Measures and consequently guide their implementation: *quality* of products, holdings, production processes, the territory and administrative action; *administrative decentralisation*, with the delegation the full responsibility for the implementation of Territorial Measures to Local Authorities, and the use of instruments for their adaptation to local priorities.

The financial resources earmarked to the Programme (as per European Commission decision C (2004) 401) are equal to 836.7 million euros as a whole (EU financing was equal to 380.4 million euros) with the opportunity to cover an estimated total (public + private) expenditure of 1,250.75 million euros. Total public resources were allocated (based on the redeployment of resources for 2004) in the proportion of 52% to Axis 2, 37% to Axis 1 and 10% to Axis 3.

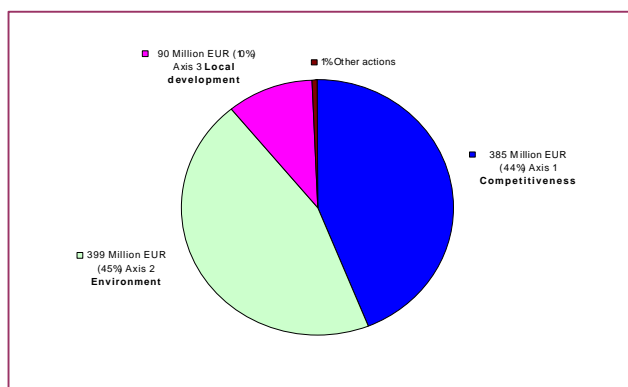
On the conclusion of the programming period 2000-2006, the total value of disbursed public resources was equal to 878,57 million euros (of which the EU share was equal to 397.34 million euros) which correspond to 105% of the financial resources reprogrammed in 2004.

The ability to use programmed resources is high for Axis 1 but below forecasts in Axis 2; the spending capacity observed in Axis 3 as a whole was in line with the average Programme spending capacity.

The final picture of the level of actual utilisation of programmed public resources showed a distribution per Axis which departed from the initial forecasts, with a substantial financial balance between Axes 1 and 2, which absorbed 44% and 45% of the total expenditure respectively, against financial appropriations (in 2004) equal to 37% and 52% respectively; on the other hand the total expenditure absorbed by Axis 3 was consistent with forecasts (10%).

The Regional Rural Development Plan supported on the whole 15,561 beneficiaries: the 87% (13,566) consisted of farms, which are mainly set up as sole traders (75% of farms).

Public expenditure distribution by Axis



The RRDP implementing procedures foresaw a system of priorities and funding schemes which determined a relatively high quota of young people among the beneficiaries. Young farm holders supported, age less than 40 years old, are 3,900, the 39% of sole traders farm supported.

Looking at the gender priorities, the RRDP supported 2,489 farms held by women, the 25% of sole traders farm supported. Supported public bodies with administrative functions are 193 (Municipalities, Comunità Montane ⁽³⁾ and others) whereas public bodies with associative functions are 112.

Plan beneficiaries

<i>Total</i>	15.561	100%
Farm holdings	13.566	87%
Public bodies	193	1%
Consortium Cooperatives, Associations	112	1%
Other	1690	11%

Young and women beneficiaries

<i>Supported farm holdings</i>	13.566	100%
Sole traders farm supported	10.129	75%
older of sole traders	3.900	39%
holder of sole traders	2.489	25%

⁽³⁾ Comunità Montana is a public sub regional body which aggregates municipalities located in mountainous or partially mountainous areas. Main tasks of the CM consist of the valorisation of the territory throughout the associated implementation of a common action plan.

PRESENTATION AND ANALYSIS OF THE COLLECTED INFORMATION AND DATA

The methodological approach of the evaluation was developed based on the indications received from the European Commission Services⁽⁴⁾, and the analytical process was suitably fine-tuned to reflect the specific and common transversal evaluation questions, through the assessment of criteria and the quantification of common and supplementary indicators.

The main sources of information used for the collection of secondary data included the regional monitoring system of the Regional Rural Development Programme, the different technical and administrative document related to financed projects, and the other official statistical sources (ISTAT, EUROSTAT, ISMEA, archives of Chambers of Commerce, etc.). Several, wide-ranging surveys were conducted for the Evaluator's and the Emilia Romagna Regional Government's collection of primary data and included sample surveys conducted with beneficiaries (and non-beneficiaries), individual interviews, structured debates between experts, and development of case studies.

In this part the Report shows the results of the evaluation analysis on the different Measures of the Regional Programme. For each Measure, objectives and strategy are covered with a description of the implementation process, characteristics of implemented interventions and finally the effects of such interventions, in reply to the *Specific Evaluation Questions* proposed by the EU methodology. Below is a short summary structured in accordance with the three Axes of the RDP.

The general objective of *AXIS 1 (SUPPORT OF HOLDINGS COMPETITIVENESS)*, i.e. "*enhancing the competitiveness of the system of undertakings and favouring a differentiated evolution of the agricultural environment*" was pursued throughout the regional territory by interventions fine-tuned to the different types of undertakings and geographical areas and intended for both the production structure and the professional profiles of the personnel active in agricultural and forestry activities.

The intervention strategy was designed to strengthen the productivity, typicality and environmental friendliness of specialised intensive agriculture – which is common in plains – as well as of typical crops of great environmental significance and interest – which are commonly found in the hilly and mountainous areas of Emilia-Romagna. In such strengthening process, the selection of projects designed for the enhancement of agricultural products and related to social, economic and environmental requirements was vital.

A close link between interventions in the production system and the territory was facilitated by the involvement of provincial governments and the administrative authorities of mountain communities, which adapted the devised strategy to local needs by defining priorities. However, the regional production system has had to come to terms with the more recent changes in international competition, the general decline in product prices at origin and the increased unit costs of production means. Such external factors have indeed reduced the positive effects of subsidised interventions in terms of generational turnover, employment, labour conditions, professional qualification, sustainable use of natural

(4) "Evaluation of rural development programmes 2000-2006 supported from the European Agricultural Guidance and Guarantee Fund – Guidelines" (VI/8865/99), "Common Evaluation Questions with Criteria and Indicators" (VI/12004/00), "Guidelines for the mid term evaluation" (VI/43517/02).

resources, structural innovation, qualitative improvement of production and, therefore, improvement of farmers' incomes.

Measure 1.a (*Investments in agricultural holdings*) was specifically designed to "improve agricultural incomes as well as living, working and production conditions in farms by encouraging their modernisation and restructuring". It financed 3,701 applications for aid for an overall investment of 470,563,253 euros and a public contribution of 181,550,135 euros (38.6% of total investments). The effects of subsidised investments in the beneficiary farms were as a whole positive. The net farm income grew nearly 22%, employment grew 12.5% and the profit earning capacity of agricultural workers was up 15.7%.

The growth of production costs exceeded the growth of revenues, thereby limiting the effectiveness of investments measured through marginal profitability indicators for both revenues and labour. Only breeding farms behaved differently from this general trend. Here investments made were designed for a rational use of technical means of production and a streamlined performance of breeding operations, which reduced the incidence of costs on revenues.

In addition, our evaluation analysis found that, following subsidised investments in farms, nearly 70% of beneficiary farms under measure 1.a introduced environmental improvements, i.e. mainly reductions in pollutant emissions and/or energy consumption, adoption of environment-friendly agricultural practices or systems and improvement of wastewater management systems in breeding farms.

Another aspect considered in the Measures bolstering investments in farms pertained to the improvement of working conditions, whose effects were considered fairly/highly positive by 79% of beneficiary farms, as well as of production conditions. Similarly, the impact of investments on the improvement of animal welfare in farms – through the adoption of more restrictive standards than the applicable ones – was extremely high for all of the species considered.

Investments in agricultural holdings: income, employment and integration of environmental improvements

<i>Indicators</i>	<i>Results</i>
Increase of 'Gross farm income' of assisted holdings	+18.8%
Number of full-time equivalent jobs maintained or created	3.1 FTE/ farm
Share of beneficiary holdings introducing environmental improvements thanks to the co-financing	69.4%

The specific objective of fostering generational turnover by providing incentives to the settlement of young skilled farmers as well as to the structural improvement of farms run by young farmers was pursued in Measure 1.b (*Setting up of young farmers*) and concerned 6,318 beneficiaries, with a decisively positive impact on the age composition of the rural population. Moreover, financial assistance for the settlement of young farmers

resulted in a considerable increase in the number of young farmers having recently enrolled in the Agriculture section of the Chambers of Commerce, with clear effects in terms of acquisition of farm ownership and structural improvement of the farms in which young people settle. In particular, the survey directly conducted on a sample of beneficiaries confirmed their higher propensity to invest and start business development processes. After acquiring ownership, the large majority of new settlers make investments in structural adaptations/improvements and consequently attract financial resources that are 3 times higher than public funds received. Therefore farms run by young farmers were found to be prospectively more vital not merely in relation to the age of their tenants but equally because they recorded higher rates of efficiency in the use of production factors and higher levels of rural labour profitability.

Setting up of young farmers: reduction of average age of farms holder, employment and investments

<i>Indicators</i>	<i>Results</i>
Reduction of average age in assisted setting up (average age of transferee - average age of transferors)	-32 years (30 – 62 years)
Number of full-time equivalent jobs maintained or created	2 FTE / farm
Share of beneficiary young farmers realizing investments in agricultural holdings	83%

Measure 1.c (*Training*) – designed to “improve the professional know-how and skills of farmers and other persons involved in farming and forestry ventures and in their reconversion” – financed the training of 6,365 farmers, family workers and wage earners of agricultural and forestry holdings and 2,384 farm and forestry technicians. The effects in terms of improvement of professional know-how and skills were positive in the working experience of the trainees and favoured the improvement of current activities and labour conditions. More specifically, courses were instrumental in the introduction and application of environmentally friendly methods and practices, management improvement and added value growth in existing ventures, as well as in the reorganisation and reconversion of farms.

Training: employment conditions improvement and adaptation to change in agriculture and forestry

<i>Indicators</i>	<i>Results</i>
Share of assisted trainees experiencing job improvements related to the training	74.3%
Share of holdings with an assisted trainee, initiating conversion/ reorientation/ improvement related to the assisted training	91.8%

Measure 1.g (*Improving processing and marketing of agricultural products*) financed 168 applications for aid amounting to a total investment of 294.7 million euros and public funding worth 107.8 million euros (36.6% of total investments). Interventions primarily resulted in the marked tendency towards the rationalisation of production processes by beneficiary farms through the implementation of voluntary certification systems.

As for processing/marketing unit costs, the data collected have shown a general loss of competitiveness in the sectors reviewed. On the other hand, economic efficiency measured through the index of return on sales (ROS) showed results that varied depending on the sectors considered: it grew in dairy farms and wineries, while efficiency losses were recorded among meat producers, cereal growers and fruit/vegetable growers.

Most of the farms' growth in turnover (67,5%) was attributable to the sale of quality products; similarly, equally in the purchases of agricultural raw materials (+ 27% in value), a growth in the incidence of quality products was observed. Implementing measures have favoured qualitative improvements by directing investments to the farms involved in the production of quality products. In addition.

Our evaluation analysis found that the prices of agricultural raw materials paid by beneficiaries increased on average in the meat and cereals sectors and remained stable in the milk, wine and fruit and vegetable sectors.

Finally, 50% of beneficiaries made investments with positive effects on the environment. What is more, the evaluation analysis has shown a special focus on organic products by the beneficiary processing and marketing holdings (32%) which was found to be well above that of non-beneficiary holdings (4%).

Processing and marketing of agricultural products improvements: quality systems, demand of agricultural products, health and welfare

<i>Indicators</i>	<i>Results</i>
(Demand of basic agricultural products) Trend in purchases of raw materials by assisted production/ marketing lines	+27% in terms of quantity
Share of marketed products from assisted processing/ marketing lines sold with quality label	60.3%
Share of assisted investments in processing and marketing related to health and welfare (nutritive and hygiene quality of products for human consumption and workplace safety)	37%

The general objective of *AXIS 2 (ENVIRONMENT)* to "*promote sustainable development*" was pursued through forms of assistance that were substantially unchanged from the previous programming period: agri-environmental actions (Measure 2.f), afforestation of agricultural land (Measure 2.h) and other actions in the forestry sector (Measure 2.i), and compensatory allowances for farmers in disadvantaged areas (Measure 2.e).

As a whole, the interventions of Axis 2 used 45% of public resources made available with the Programme and involved an overall agricultural land area of 129,000 hectares, i.e. 11,5% of the total regional UAA. Measure 2.f only (i.e. agri-environmental actions) covered a total agricultural surface of nearly 120,000 hectares, nearly exclusively resulting from “new commitments”, with a predominance of commitments related to Actions 2 (organic farming) and 1 (integrated farming); the former type of farming grew in the intervening time between the two programming periods, the latter fell partly as a consequence of the priority or incentive mechanisms adopted in implementing measures.

A significant territorial distribution was observed for Action 8 (grassland and grass farming). Forestry interventions were quantitatively more limited.

The beneficiaries of the Measure named “disadvantaged areas” were nearly 1,600 on an annual average, i.e. 4% of the total of farms located in such areas, which amounted to a committed UAA of nearly 38,000 hectares.


The performed evaluation analyses confirmed the clear causality between the interventions planned and implemented within Axis 2 (more specifically agro-environmental and forestry interventions) and the expected environmental effects – which interventions were structured consistently with the questions and evaluation criteria defined in the EU reference methodology and suitably adapted to the specific regional context.

*Less-favoured areas and areas with environmental restrictions:
offsetting the high production costs and low production potential, agricultural land use continued and promoting sustainable farming*

<i>Indicators</i>	<i>Results</i>
Ratio of {premium} to {higher production costs + reduction in value of farm output}	2%
Change in Utilised Agricultural Area (UAA) in LFAs	- 7%
Share of UAA under environmentally benign farming systems	11.6%

In the first place, the positive impact of agri-environmental and forestry interventions on the *soil quality* was confirmed, specifically as regards the reduction of soil erosion arising out of or in relation to farming.

The overall impact in territorial terms was influenced by the “physical” dimension of interventions (the regional UAA concerned was nearly 13% of total), which impact grew 26% in mountainous and hilly areas. The effects of the Axis interventions on the protection of the *quality of surface waters and deep waters* were confirmed.



In the agricultural surfaces covered by agri-environmental commitments (equal to nearly 114,000 hectares, i.e. 12.5 % of the regional UAA), a reduction of *total unit loads* of - 48% for nitrogen and -58% for phosphorus was recorded.

Considering the actual incidence of such surfaces on the total UAA, the aggregate reduction in the territory was equal to -3.2% for nitrogen and -6.4% for phosphorus; in flat areas, higher unit reductions were recorded (limited to the surfaces covered by the interventions) than those measured in the hilly and mountainous areas and, conversely, aggregate reductions were lower than those in the hilly and mountainous areas, given the lesser incidence of agri-environmental surfaces on the total UAA.

The reduced presence of pesticides and other plant protection products in total loads, weighted in accordance with their toxicity, has shown a similar performance as that of nutrients although a reduction was observed equally in product classes that are particularly toxic for the environment and the health of farm workers; particularly interesting results in such respect were obtained in hilly areas.

The Measures of Axis 2 exhibited good results equally in relation to the objective of *biodiversity protection*.

In the afforestation of agricultural areas, native species were widely used; mainly intercropped quality broadleaves were planted (to increase vegetable biodiversity); in addition, such interventions determined a positive break in the monotony of the agricultural landscape (i.e. a pleasant visual effect) and a diversification of habitats with positive ecologic effects on the fauna biodiversity.

A positive territorial combination between afforestation and agri-environmental interventions (Actions 9 and 10) was reported in many areas, with consequent synergetic effects in terms of creation/protection of ecological areas or "corridors" for the wind fauna and flora, which strengthened and qualified the Emilia-Romagna ecological network.

The positive effects of agri-environmental interventions on the biodiversity of agricultural land resulted from a reduced (or different) use of plant protection products or weed-killers – which tend to harm the wild fauna – following the adoption of sustainable farming systems (Actions 1 and 2), the protection or dissemination of crop systems and land uses constituting favourable habitats (crop rotation, cover-crops, meadows or grazing meadows), and the creation or restoration of real "ecological infrastructures" (hedges, tree clusters, etc.) mainly implemented through Actions 9 and 10.

In this case too, the effectiveness of such interventions was favourably influenced by their combined application and their "concentration" in areas that are most sensitive to that effect (i.e. Protected Natural Areas or areas of the Natura 2000 Network).

Agri–environment: natural resources protected in terms of soil quality, water quality, biodiversity and landscapes

<i>Indicators</i>	<i>Results</i>
Farmland under agreements preventing/ reducing soil loss	Hectares 11,760
Area subject to actions of agricultural inputs reduction potentially water contaminating	Hectares 112,631
High nature-value farmland habitats that have been protected by supported actions	Hectares 72,435
Farmland under agreement contributing to coherence with the natural/ biophysical characteristics of the zone	Hectares 42,423
Farmland under agreement contributing to perceptive/ cognitive, in particular visual, differentiation (homogeneity/ diversity) in the landscape	Hectares 40,169
Farmland under agreement contributing to the maintenance/ enhancement of cultural/ historical characteristics of the zone	Hectares 4,712


Finally, the overall positive effects of agro-environmental and forestry measures in view of *landscape conservation and enhancement* were clear considering the intrinsic (or relative) “landscape value” of the Programme interventions in relation to consistency, differentiation and crop-identity criteria.

The general objective of improving the living and working conditions of rural populations, increasing/supplementing agricultural income through the diversification of farm activities, enhancing the potentials of the rural space in terms of quality of life, cultural values and recreational opportunities was pursued through *AXIS 3 (INTEGRATED LOCAL DEVELOPMENT)*.

The rural development policy promoted by the Regional Government with Axis 3 used 10% of the resources earmarked for the Regional Rural Development Programme through the implementation of 1,540 interventions under the 5 Measures envisaged.

The decentralisation of Programme enforcement powers to Provinces contributed to improve the ability to identify key requirements and effectively target the beneficiaries of the envisaged forms of assistance. The applied system of priorities favoured disadvantaged/mountainous areas in the earmarking of resources, specifically in the case of interventions intended to improve the quality of life of local inhabitants.

The Measures introduced clearly favoured the attractiveness of rural territories. Measure 3.r (*Infrastructure development and improvement*) has met with astounding success, with 531 financed applications (and public expenditure accounting for 38% of the total



expenditure for the Axis). The Measure contributed to improve rural road links and water resources in large rural areas, which in turn considerably improved the living conditions of inhabitants mainly in the mountain villages risking depopulation. 361 interventions on the road system resulted in the improvement of 451 km of roads in total, which impacted favourably on the logistical connection of small villages located in rural areas, the safety of users, the accessibility of workplaces and places of residence and the duration of journeys (which were reduced 50% on average).

For such reasons, the implemented interventions (56% of which were concentrated in mountainous areas) were particularly appreciated by the local population. Numerous interventions were designed to improve the quality of the water supply system (through the building of new sections and tanks and the refurbishment of the pipe system as a whole).

This resulted in higher water saving (with a 24% reduction of leaks on average), and a better service for users (surveyed areas: +8% homes and +28% farms). Measure 3.q (*Management of water resources in agriculture*) has favoured the creation of reservoirs in hills and on the mountains: 13 small artificial lakes were constructed (with a storage capacity of 1.2 million cubic metres) which helped reduce aquifer withdrawals and serve 227 holdings.

-The ultimate benefits of this is that in the future farms will have more constant production levels combined with quality improvement. Measure 3.o (*Renovation of villages*) was intended to intervene in the rural heritage in order to provide locals and non-locals with a new offer of culture and services.

As many as 149 projects for the renovation of rural buildings were instrumental in the creation of places with high social value in small villages and communities – thus favouring socialisation opportunities especially among people in the youngest age groups. Surveys conducted have shown that locals are more and more aware of the value of resources in terms of “identity” and tourist attractiveness (with the consequent development of allied sectors resulting from renewed tourist flows). 37% of public resources intended for Axis 3 were absorbed by Measure 3.m (*Marketing of quality agricultural products*) and by Measure 3.p (*Diversification of activities in the agricultural sector*) and were mainly concentrated (63%) in non-disadvantaged areas. Almost all of these resources were contributed to the 739 interventions financed under Measure 3.p, 67% of which were intended for Action 3 (deployment of tourist activities). Holdings “operating in alternative activities” were 4% of the Programme beneficiaries and accounted for 52% of the authorised tourist farms (in year 2006).

The Programme covered 45% of beds available in the region, and the regional monitoring system identified a 43% increase in the supply of beds as opposed to the initial situation. In the farms of the sample, direct surveys have found overall positive effects on net income (with values between 1,200 and 38,000 euros per annum per farm) and on employment (with 0.11 to 0.73 total labour units per beneficiary). Such positive effects – which vary in relation to the individual farmer’s capacity to activate “virtuous” mechanisms enhancing the offer of farm in broad sense – are clear if a comparison is made with holdings that have not introduced diversification activities, and consequently confirm the important role of rural tourism as a means for supplementing rural income.

Interventions related to demonstration farms (Action 2), which accounted for 19% of the financed projects under the Measure, covered a total of 134 holdings (both sole proprietorships and partnerships) or 47% of the accredited demonstration farms in Emilia-

Romagna. Interventions determined an obvious positive effect on local economies: start-up of alternative ventures differing from traditional farming, attraction of visitors (i.e. the ability to attract tourist flows and to use the number of beds available is higher in the Programme beneficiary holdings than in total regional holdings) and increase of tourist expenditure in these areas.


Measure 3.m was partially overlooked, i.e. a total of 87 projects were financed for a total amount of public resources equal to 25% of the originally planned resources (15.8 million euros). Such poor success is attributable to the type of eligible beneficiaries and the way the public notice was worded, which favoured the perception that the Measure was only intended for the marketing of “well-established” products. In the large majority of cases, projects concerned the fitting or refurbishment of existing sales areas, while a very limited number of projects were focused on new marketing channels or product specifications.

Although most products concerned were already well established, interventions worth noting were those intended for niche products. Generally speaking, although the Programme interventions were concentrated on local projects, they met with the approval of beneficiaries and non-beneficiaries.

Where local actors managed to coordinate interventions, create networks between the parties involved and activate different sources of financing with the ultimate objective of endogenous development (good practice), impacts were enhanced in terms of sustainability of the economic/occupational effects and improvement of living conditions.

Promoting the adaptation and development of rural areas: improving living conditions of the rural population, employment and rural environment

<i>Indicators</i>	<i>Results</i>
Transport/ journeys facilitated due to assisted actions	50% (time saved)
Share of rural accommodation that has improved due to assistance	2%
Farm employment created by assisted actions	+0.42 FTE / farm
Farms enjoying agricultural improvements thanks to assisted actions	No. 227
Reduced water loss from irrigation infrastructure thanks to assistance	-24%



THE IMPACT OF THE INTERVENTIONS DEPLOYED BY THE REGIONAL RURAL DEVELOPMENT PROGRAMME FOR THE GENERAL OBJECTIVES AND PRIORITIES OF THE RURAL DEVELOPMENT POLICY

The effects on *employment in agriculture* determined by subsidised investments mainly pertained to the maintenance of the current employment levels but also to the creation of new employments whereas a downward trend would have been observed in the absence of such interventions. In the beneficiary farms surveyed, the received financial aid helped maintain and, in some cases, increase the level of workers' earned income against a regional situation marked by an increase of costs and an insufficient return on the products sold.

Investment measures in the sector have determined *an improvement of the agricultural commodities market*, as a result of increased productivity and reduced costs, with consequently positive effects on agricultural incomes and on the added value per unit of processed agricultural raw material.

The transversal analysis of the effects of interventions on the competitiveness factors of farms has shown differentiated results. In all of the examined segments, data on the different phases of the production chain point to an increase in production costs, which is more than proportional to turnover increase, which implies losses of farm technical and economical efficiency. The evaluation of market positioning of agri-food subsidised farms has shown a positive variation of the added value per product unit, with the only exception of cereals.


The increase in added value, specifically in the dairy and wine sectors, is attributable to quality products. The regional orientation towards quality is paramount as demonstrated by, among other things, the high number of typical products recognised pursuant to EU and national legislation and the growing availability of such products in the market.

Nearly 48% of the financial resources deployed by the Programme were earmarked to interventions directly designed for *environment protection and improvement*. The most significant effects on the environment were attributable to a reduced incidence in the use and degree of toxicity of potentially polluting chemical products, to the struggle against or at least the containment of surface erosion, and to the protection of biodiversity in agricultural and forest environments.

The *implementing measures* adopted contributed to target aid (i.e. programmed financial resources) towards most specific types of interventions, beneficiaries or locations, in order to ensure a better and more balanced achievement of the Programme objectives through various mechanisms such as eligibility and selection criteria, times and means for public notice publication and informational/promotional activities.

No widespread *criticalities* were found on the time and costs required for technical and administrative formalities and, in the majority of cases (70%), the beneficiaries judged the Programme suitable to meet assistance and development requirements.

The implementing measures however envisaged a number of key, specific mechanisms/criteria intended to favour a combination of various forms of aid and the possible creation of *synergetic effects* resulting from the integration of various interventions.



In the last chapter of the Evaluation Report, a general-purpose analysis is conducted on the degree of transposition and further development, in the new Regional Rural Development Programme 2007-2013, of the recommendations provided in the previous Midterm Evaluation Report (2005) of the 2000-2006 Programme.

Finally, based on such analysis, the main elements of innovation were identified in view of the contents and the implementation process to be envisaged for the new 2007-2013 Programme, on which we believe management efforts should focus and which may be subject to an in-depth analysis in the next evaluation process, more specifically: the application and the effects (i.e. added value) of the territorial approach and the integrated approach, and the improvement and qualification of governance abilities at territorial level.

