European Agricultural Fund for Rural Development

Development Plan for Rural Areas of Brandenburg and Berlin 2007-13 (EPLR)

Mid - Term Evaluation Report

SUMMARY

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A. Description of the Rural Development Programme and Status of Implementation

The development plan for rural areas of Brandenburg / Berlin, 2007 – 2013 (Entwicklungsplan für den ländlichen Raum Brandenburgs und Berlins – EPLR) concerns the entire territory of the German "Länder" of Brandenburg and Berlin. The entire territory of Brandenburg falls under the convergence objective, while Berlin is a non-convergence region.

A.1 Socio-economic situation

The Brandenburg region is one of the five so-called "New Länder" of Germany and encircles the capital city of Berlin. The region is located in the North-East of the country and has a direct border with Poland. Given that relatively little support is being devoted to the rural areas of Berlin, both "Länder" are implementing jointly a common rural development programme, based on an Inter-Governmental Contract on Agriculture signed in 2003.

Brandenburg covers about 29 500 km², corresponding to about 9% of the total area of Germany. About 1.3 million ha are used as agricultural land and about 1.1 million ha are forests. By contrast, the territory of Berlin has a size of only 889 km², but about 3.5 million inhabitants - substantially more than Brandenburg, which has about 2.6 million inhabitants. The decline of population of Brandenburg after reunification in 1990 was moderate due to a population growth in the areas directly adjacent to Berlin. The districts near to Berlin are home to about 40% of Brandenburg's total population and during the past two decades their population increased significantly, while in more remote areas population declined constantly. Projections are indicating that in future immigration to districts adjacent to Berlin will level off, while the population decline in the outer regions of Brandenburg is expected to continue, resulting in an expected overall decline of about 7% by 2020. Further, the age-structure of the region is changing dramatically and projections are ranking Brandenburg in 2020 as one of the ten "oldest regions" amongst the 281 EU NUTS 2 regions.

In terms of economic development, Brandenburg is still lagging behind the average of EU-25. In 2006 Gross Value Added (GVA) per inhabitant of the region Brandenburg was reaching 78% of the EU-25 average. However, there are significant economic development gaps between the sub-regions. In 2006 GVA per inhabitant reached in Brandenburg North-East 72% and in Brandenburg South-West 82% of the EU-25 average. The latter has been earmarked as "Phasing-out-Region". In 2006 Berlin as non-convergence region GVA per inhabitant has reached 94% of the average. According to this, the development plan envisions only four measures to be implemented in the region of Berlin: code 121 (modernisation of agricultural holdings), code 212 (payments to farmers in areas with handicaps), code 213 (Natura 2000 payments) and code 214 (agri-environmental payments) with a total budget of up to 3.7 Mil. € public expenditures.

The structure of the economy in Brandenburg and Berlin is dominated by the services sector which produces about 70% of GVA even in rural areas. This is being seen as one of the causes of achieving regional GVA growth rates below national average up to 2008 but being less affected by the global financial crises since 2009. Finally, economic crisis in 2009 reduced in terms of GVA the divergence between Brandenburg/Berlin and the national average. During the last decade the total number of employed people increased steadily and in 2008 the overall employment rate reached 71,2%. Even in 2009 a reduction of employment could be avoided. The unemployment rate of Brandenburg declined during the period 2005 - 2009 from 18,2% to 12,3% (Berlin: 19,0% to 14,1%) and in 2009, at a first time, the unemployment rate of women (11,7%) was less than on regional average. However, unemployment is still relatively high in comparison to the national average (Germany 2009: 8,2%) and unemployment among young people is one of the most serious social problems, in particular, in rural areas.

The continuous structural change of many rural areas had a worsening impact on the rural economy and the quality of life. In particular, the more peripheral regions with low population density have still significant adjustment problems. The objective of ensuring equal living conditions in all areas of Brandenburg has lead to introduce an ambitious region – wide integrated rural development approach. In order to create sufficient alternative employment op-
opportunities the EPLR is supporting local governance structures and moderating further reducing of infrastructure deficits. In general, agricultural and horticultural enterprises of the region are very efficient, and the framework-conditions for production of renewable energies is favourable. Despite large consumer markets in the neighbourhood the potential for regional marketing has not yet been sufficiently exploited. Processing of local goods as well as further developments in tourism are being seen as a key to rural economic development. The region-wide integrated rural development approach is based on 14 sub-regional (district) development strategies, prepared and implemented by Local Action Groups (LAGs) employing LEADER – method. As in particular the German National Strategy Plan has already noted that one of the characteristics of the "new Länder" is a significant and long-lasting population decline, the EPLR of Brandenburg/Berlin has taken demographic trends into account. Part of all rural project planning is a "demography check" and based on it the sustainability of any supported investment has to be verified. This includes for any public investment project to estimate the number of expected users.

Brandenburg has a great diversity of landscapes and a relatively high proportion of forests. About 68% of the agricultural land is arable land and about 29% is pasture land. The majority of agricultural land in Brandenburg has relatively low soil fertility in comparison with other regions in Germany. Therefore, three quarters of all agricultural land of Brandenburg has been classified as a less favoured area.

Brandenburg is characterised by a large number of landscapes and biotopes with high natural value, including some 3,000 lakes larger than 1 ha. 7.5% of Brandenburg's total territory are nature protection areas. About 32% of Brandenburg's territory are part of the region's "Large Scale Protection Areas", with Natura 2000 sites making up about 26% of the territory. Of the 200 habitats classified under European nature protection rules, 34 are to be found in Brandenburg. About 45% of the animal and plant species in Brandenburg are endangered and are on the "red list". Brandenburg is trying to counteract the threat of a decline in biodiversity by having registered 22% of its total territory as bird protection area (SPA) and about 11% as FFH area (SAC). These sites are mostly part of the "Large Scale Protection Areas". There are also specific sites in Brandenburg which are important for individual animal and/or plant species. As for Berlin, at present 7.1% of its territory is registered as Natura 2000 area, thereof 6.1% as FFH area and 5.6% as SPA area.

A.2 Strategy chosen and status of implementation

Brandenburg's adopted strategy for rural development in 2007-13 builds on the National and on the Community Strategic Guidelines (CSG) and is reflected in the design of the regional strategy. The Development Plan for Rural Areas of Brandenburg and Berlin 2007-13 (EPLR) determines medium and long term needs for rural development and provides an analysis of the baseline situation. The EPLR reflects specific needs of the region, outlined in the SWOT analysis, and takes into account the horizontal objectives as outlined in Regulation (EC) No 1698/2005. The general objectives of rural development policies of Brandenburg-Berlin have been chosen according to the priorities defined in the CSG and the National Strategic Plan.

In order to strengthen the creation of value added and improving competitiveness of agricultural production to secure jobs and developing rural areas into a knowledge based economic area six measures are being implemented under Axis 1: Improving the competitiveness of agriculture and forestry. A total of about 37% of the indicative EAFRD funds have been allocated to implement the measures of this axis. More than 20% of the overall financial resources have been budgeted to support investments in the area of improving and developing infrastructure related to the development and adjustment of agriculture and forestry (Code 125) and of restoring the agricultural production potential damaged by natural disasters and introducing appropriate preventive actions (Code 126). Therewith, the development plan focuses more on strengthening economic framework conditions than on direct subsidies to private investments. About 11% of the funds have been allocated to modernise agricultural holdings (Code 121) in order to improve their economic performance. The measures to pro-
mote knowledge and to improve human potential (Code 111) are "low budget" activities, but experienced high acceptance, have an advanced implementation status at mid term and could be verified as high impact activities. However, in general, at mid term the overall execution rate of axis 1 is slightly behind schedule. Considering financial and output indicators for all projects already approved up to end of 2009, about 30% to 35% of the envisaged activities are under implementation.

According to the second strategic priority of securing and improving the natural potential; support for the development of a strategy to reduce the climate change risk; securing agricultural production in all parts of the region in order to preserve the specific cultural landscapes, five measures have been designed under Axis 2: Improving the environment and the countryside. A total of 30% of the indicative EAFRD funds for the development plan have been devoted to implement this priority. In order to attain the overall objectives of the programme, the measures are being carried out to preserve and/or enhance the status and diversity of natural habitats, to foster sustainable processing methods in agriculture and forestry, and to compensate the agriculture and forestry enterprises for processing restrictions imposed for environmental reasons. The measures have been designed in order to enhance and protect biodiversity, to protect and develop further high nature value areas, and to secure and enhance water quality and climate protection. Concerning the strategy defined, a strong focus has been laid on providing support to area-specific non-productive investments to ensure sustainable use of land. The support for high nature value areas should further assist to protect the cultural heritage and support the endeavour to foster balanced regional development. Agri-environmental measures should help secure biodiversity and at the same time support farms. The schemes have been designed also to reduce negative emissions, and adverse effects on soil, water and air. At mid term, on average, axis 2 measures are showing a relatively high implementation status. In terms of output indicators about 90% of the target area is covered and approximately 100% of the envisaged beneficiaries (the participating agricultural holdings) have been reached. Considering financial indicators based on all projects approved up to end of 2009 about 60% of the financial resources have already been used.

The Development Plan for Rural Areas of Brandenburg and Berlin 2007-13 combines the support for the creation of employment outside agriculture; stabilisation of population development by improving quality of life in rural areas which is being addressed by Axis 3: The quality of life in rural areas and diversification of the rural economy with Axis 4: LEADER in a particular comprehensive integrated rural development approach based on enhancing governance capacities and opening up the endogenous development potential of the region as a whole. About 29% of the indicative EAFRD funds for the development plan have been allocated to implement these two axes. The overall objectives of this integrated rural development approach are being pursued by means of seven measures under axis 3 and the three measures of axis 4. Up to a vast extent identification and implementation of the projects is based on 14 area-based local development strategies covering all rural areas of Brandenburg. The LEADER strategies have been designed in a bottom-up process by local action groups in which civil society was taking the lead. The strategies are creating a close conceptual link between all measures of axis 3 and 4, identify the specific sub-regional strengths and weaknesses, and activate the endogenous development potential by supporting regional cooperation capacities, public-private partnerships and innovative approaches. All LEADER strategies are particular focussing on the aim to contribute to the overall EU priority of creating jobs and fostering growth as prerequisites to maintain the attractiveness of rural areas for future generations and to enhance quality of life. Accordingly social and economic services provision in rural communities and the recreational value of rural areas has to be improved while at the same time the natural and cultural heritage has to be sustained. A particular focus is laid on stimulating revitalisation of villages and support for rural tourism. An important element in reaching above objectives is the provision of support for small and medium-sized enterprises in non-agricultural sectors and tourism. Furthermore, qualification and capacity building measures are implemented as a key to maintain successful rural development. An important impact of the LEADER group activities is their contribution to impor-
tant crosscutting objectives such as improving gender equality and assuring sustainability. According to financial indicators, at mid term the execution rate of about 30% on the average for both axes seems to be rather low. However, it has to be taken into account that it took some time during the first two years of EPLR implementation to build up the local governance capacities and to prepare the local strategies. Considering all projects and activities already approved and under preparation at end of 2009 more than 70% of the financial resources have already been drawn by the local action groups.

B. Results, Impacts and Recommendations

As already mentioned above, the EPLR is focussing coherently on the Community's priorities. Planning and implementation of all interventions is carried out in partnership and with high participation of all economic and social partners and potential beneficiaries. Quality of implementation is further profiting of an extraordinary public relations concept. Both a.m. characteristics of the EPLR implementation could be seen as best-practice.

The MTE has assessed the outputs, results and impacts of the Development Plan for Rural Areas of Brandenburg and Berlin 2007-13 according to the horizontal and measure specific evaluation questions as laid down in the CMEF. A brief summary of the findings and recommendations is being provided in the following.

B.1 Contribution of EPLR Brandenburg / Berlin to promoting a strong and dynamic European agrifood sector

With reference to CMEF the impact indicator "labour productivity" is seen as a key indicator to measure competitiveness development of the agricultural sector. Up to mid-term of programme implementation the major contribution to improve the labour productivity derived from the two measures "Modernisation of agricultural holdings" (code 121) and "Vocational training and information actions" (code 111). In particular, the financial resources devoted to support farm holding investments had a significant leverage effect with an additional impact on labour productivity. In the years 2008 and 2009 the disbursed 37 mil € of public expenditures induced an amount of about 136.5 mil € capital investment of farm holdings. Up to 2009 this increased capital endowment of farm holdings raised the average labour productivity in the agricultural sector of Brandenburg by app. 400 € per FTE (full time employed) or avoided a respective reduction of labour productivity. With regard to the leverage effect of the investment support and the effective implementation of vocational training measures strengthening human capital development, the recommendation is made to focus remaining financial resources of axis 1 on these particular two EPLR measures. In addition, for farm holding investment applications, options to simplify administrative procedures should be assessed. Further, vocational training measures should be made more attractive for women and young people.

The updated socioeconomic analysis has shown evidence that the food processing and marketing sector of Brandenburg has already reached an economic development level guaranteeing competitiveness without further support e.g. subsidies. Therefore, the MTE is recommending to suspend further financial support provided under the measure "Adding value to agricultural and forestry products" (code 123).

In Brandenburg, the measure "Cooperation for development of new products, processes and technologies in the agriculture, food and forestry sector" (code 124) has been managed and carried out highly effective. As a prominent factor of success could be identified the impact of pro-active and partnership based operations to perform public relations and to design adequate services. It is being recommended to continue the implementation of this particular measure as programmed.
The operations to improve the rural infrastructure under the measure "Improving and developing infrastructure related to the development and adaptation of agriculture and forestry" (code 125) are strengthening the conducive framework conditions for farm holding investments by establishing legal certainty as a prerequisite for further development of land holdings, by an improved farm site and land development management and by enhancing sustainable use of water supply sources. Concerning labour productivity measured by GVA per FTE of agriculture and forestry the overall impact of the measure is expected to be lower than in the "old" federal states. The execution rate of the measure is according to plan and there is a continues need and demand for further financial support. Considering the high impact of the measure and with particular reference to improving quality of life in rural areas, the MTE is recommending to extend the budget of the measure if during ongoing programme implementation the overall demand for financial support will exceed the originally devoted financial resources. In view of the forthcoming EAFRD regulation the MTE is recommending to affiliate rural infrastructure measures to axis 3 as they will have in future a stronger focus on enhancing quality of life and attractiveness of rural areas as on strengthening competitiveness of agriculture.

In the year 2009, at a first time since beginning of the present programme implementation period, first flood protection operations were carried out and up to end of 2009 only 14 mil € of the devoted financial resources were disbursed. The measure "Restoring agricultural production potential damaged by natural disasters and introducing appropriate preventive actions" (code 126) should provide an important contribution to preserve the agricultural production potential, including safeguarding agricultural and other enterprises, their employees and the endangered population. However, up to mid – term the impact of the measure is rather limited. The MTE is recommending to substantially improve monitoring of the measure execution and the targeting of the operations. In particular, the monitoring should provide making of a more precise distinction between cost for planning and preparing projects on one side and the cost for construction works on the other side. As in general a significant part of the axis 1 budget has actually not a strong focus on the Community's priority of promoting a strong and dynamic European agrifood sector, the MTE is recommending to consider other than EAFRD financial sources or funds to support flood protection operations.

B.2 The contribution of EPLR Brandenburg / Berlin to promoting Community’s priorities for protecting and enhancing natural resources and landscapes in rural areas

The contribution of the EPLR to achieve Community’s environmental priorities (and the "Göteborg targets") is mainly pursued by the measures of axis 2. In general, at mid – term measures related to environment protection are characterised by a relatively high implementation or execution rate. However, the MTE is recommending a more precise definition of federal state and programme specific targets for biodiversity, water and climate protection in order to facilitate a more programme specific impact monitoring and a targeted implementation management of operations. In order to enhance acceptance and impact of the respective measures more accompanying management and implementation advisory (e.g. supported by code 331) seems to be recommendable.

In addition to the measures of axis 2, other operations programmed under axis 1, code 125 (e.g. supporting nature-oriented revitalisation of surface water and streams) and the sub-measures of code 323 are also targeted on environment protection. In view of the forthcoming EAFRD regulation the MTE is recommending to affiliate all operations or sub-measures to axis 2 if they are mainly contributing to the objectives of the environment protection axis. Furthermore, it is being recommended to verify affiliation of measures to axis 2 if they are mainly pursuing objectives of one of the other axis, in particular the agricultural compensation scheme (Payments to farmers in areas with handicaps, code 212)

Considering the intended impact of the EPLR to achieve the environmental objectives the Agri-environmental payments (code 214) are playing the most prominent role. Agri-
Environment payments are providing obviously the major contribution towards maintenance of biodiversity. With reference to the size of the area, the major impact derives from an extensive farming on grassland and from nature protecting or organic farming. The payments under measure 214 are partly replenishing payments in Natura 2000 sites and are compensating payments in FFH and bird protection areas (SPA) which are not provided otherwise due to an absence of a respective protection directive (regulation). Therewith, the agricultural landscape and nature conservation programme (KULAP) has a particular responsibility not only for achieving the objectives of the Water Framework Directive but also for achieving the objectives of Natura 2000.

About 40% of the public expenditures had a significant positive impact on maintaining biodiversity and on nearby 20% of the arable land the micro habitat situation for species and biocoenosis could be improved. In addition, the large scale low-intensity cultivated land induced conducive framework conditions for habitat network systems. A fully documented and quantified assessment to provide evidence of the intended impacts will not be available until ex-post evaluation. However, a first impact estimate is providing a significant indication of positive effects on the avifauna.

The MTE had to state certain conceptual deficiencies of implementing forest-environment operations and the maintenance of non-agricultural open land biotopes. Therefore, it is being recommended to extent the opportunities to support biotopes outside the arable land and to identify the need for forest-environment operations, in particular on Natura 2000 sites, based on results of the FFH management planning and to channel implementation mainly to these areas. (sustainable cultivation of forest sites areas under measure code 227 and accordingly, old and dead wood support under measure 323 – natural heritage).

The population growth of farmland birds, used as an indicator to measure development of biodiversity in Brandenburg, was effected during the past years by a loss of fallow land areas due to the discontinuation of mandatory land set-aside. Targeted measures to secure or to re-establish respective structures of the agrarian landscape are so far missing. In order to compensate the effects of lost fallow land and to flank the extension of energy maize growing a respective set of KULAP operations is under preparation. The MTE appreciates the introduction of these operations geared to support fallow land.

The EPLR is providing a significant contribution towards preserving of agro- and forestal systems with a high nature value (HNV) by enhancing low-intensity farming on open land biotopes. A quantifiable impact monitoring is due to the further ongoing evaluation process.

With regard to preserving environmental friendly farmed landscape the programme specific result indicator "area under successful land management" summarises the respective contributions of the various measures of axis 2. Up to end of 2009 about 97% of the target land area of 120,800 ha was covered by funded operations.

The contribution of the EPLR towards preserving water resources and improving water quality focused up to mid – term mainly on a reduction of nitrogen pollutant inputs. The adopted target to reduce the gross nitrogen input balance by 1 kg N/ha has been achieved already by a successful implementation of agri-environment measures. With reference to the recently launched sub-measure "Voluntary Water Preservation" (from 2010 onwards) the eligible sites and water bodies with particular nitrogen pollutant risks have been defined and a significant future impact on improving water quality is being assumed. However, the overall reduction of nitrogen pollutant inputs will not be sufficient to reach the targets of the Water Framework Directive. Considering the execution rate of operations improving water body structures the impact on water quality is assumed to be marginal.

The impact of the EPLR towards supporting climate protection could be illustrated by the reduced greenhouse-gas emission (CO₂-eq). Based on a conservative estimation, the greenhouse-gas emission induced by agri-environment measures (code 214) amounts up to 56,000 t CO₂-eq per year with reference to a supported area of more than 213,000 ha in fiscal year 2008/2009. The contribution of the other EPLR measures is estimated to be marginal. In comparison to the overall greenhouse-gas emissions, the effected reduction due to
the EPLR intervention could generally be classified as being marginal. As in particular a part of the agri- and forest-environment measures as well as the measures of flood protection and the operations to improve the landscape water balance are strengthening the adaptation to climate change, the EPLR provides a substantial contribution to promoting Community's environmental priorities.

The MTE has drafted a multiplicity of detailed recommendations to improve the various sub-measures of the agr-environment measure which cannot be outlined in the present summary.

B.3 Contribution of EPLR Brandenburg / Berlin to promoting the creation of employment opportunities and conditions for growth in rural areas

Brandenburg has to cope every year with a high net migration loss which is particularly effecting rural areas. High unemployment rates and missing employment opportunities are reducing quality of life and attractiveness of rural villages. A potential to create new job opportunities in rural areas is mainly assumed in the secondary and tertiary sector as also in rural areas the economic structure is dominated by the services sector. The EPLR support has a strong focus on agriculture and in particular on environment protection. Therefore, up to a certain extent, the prospective impact of the programme on economic growth and employment in rural areas was assumed to remain limited.

However, the major contribution of the EPLR as a whole creating employment opportunities and strengthening framework conditions for economic growth in rural areas derives from the measures of programme axes 3 and 4 and is based on a particularly effective design of the integrated rural development strategy and the participation of the civil society enhanced by LEADER.

Up to end of 2009 an additional GDP in rural areas of about 154 mil € (0.38% of GDP) has been estimated as the overall potential impact on growth induced by the EPLR intervention. Considering both, the growth of GDP and the reduction of rural population the estimated potential impact of the EPLR support accounts for an increase of about 72 € GDP per capita and of about 192 € GVA per employee. This implies that the EPLR could moderate further increase of territorial divergency between urban and rural areas. Based on an economic analysis of implemented investment projects, the MTE is estimating an EPLR employment creation impact of about 350 additional and about 900 maintained jobs in rural areas up to end of 2009.

Considering effectiveness, efficiency and the high impact of supporting private investment projects under the diversification, micro-enterprises and tourism measures (code 311, 312 and 313) the MTE is recommending to continue the implementation as programmed and to avoid any reduction of devoted public financial resources even in a period of national budget constraints. All three a.m. measures are essential parts of the overall mobilised entrepreneurial initiatives, employment and income generating investment activities, and are strengthening effectively the economic diversification of rural areas. As part of the integrated rural development strategy the private investments are the needed complement to guarantee that a development potential created by infrastructure investments funded under the village renewal and communal facilities measures (code 321 and 322) is being used efficiently and will have a significant impact. The EPLR has effectively guaranteed the integrative aspect and the need orientation of its rural development strategy and all supported investment activities by using the LEADER method region-wide and introducing community-led local development strategies (GLES) for the vast part of axis 3 operations and in almost all rural areas.

Using GLES as a planning framework, the "Support for the creation and development of micro-enterprises" (code 312) and the "Encouragement of tourism activities" (code 312) enhanced a development of a balanced economic structure and an adequate supply goods and social services. In a complementary manner to the communal investments, the private sector activities improved quality of life and attractiveness of the respective rural areas. Furthermore, the two EPLR measures mobilised private actors and increased their vested interest in
a continuous development of their region and in a further participation. Therewith, subsidiarity of development could be successfully extended and sustained.

Within above context, it has to be pointed out, that more than one third of the business start-ups were effected by women. This is being seen as an additional indication of an improved quality of life in rural areas and that a better reconciliation of work and family life could be achieved. The MTE is recommending to boost the support framework for micro-enterprises by introducing additional supporting activities as public relations, "marketing" of the measure etc. In particular, even under present public budget constraints, a provision should be made to extend the devoted financial resources.

All programme support to develop communal infrastructure carried out under the two measures "Basic services for the economy and the rural population" (code 321) and "Village renewal and development" (code 322) is fully integrated into the GLES conceptual approach (LEADER / community-led strategies). Due to the high participation of local action groups the majority of identified and implemented investment projects were explicitly targeted on creating additional jobs and improving the local supply with basic goods and services. Less than a quarter of the investment activities is focussing on traditional communal infrastructures e.g. roads. A prominent number of projects is directly strengthening the attractiveness of villages in particular for young families and the youth by fostering child care, schoolhouses or housing for young families.

Both EPLR measures are essential components of the sustainable economic and social development effort to improve attractiveness and quality of life in the rural areas of Brandenburg. Due to subsidiarity and decision making at local level the integrated approach guaranteed matching of local needs and strengths and led to effectively targeted and adapted investment operations. All projects were designed in a comprehensive manner and contributed significantly to create sustainable infrastructural prerequisites and conducive frameworks for future economic and social development in rural areas. In addition, it has become obvious that these infrastructural prerequisites will have leverage effects and induce subsequent private sector investments, and will enhance additional employment opportunities and increasing revenues. Therefore, the MTE is recommending to continue the implementation of the two measures as designed and programmed and, in particular, to extend the budget for the basic services measure (code 321) due to the high demand for support.

All investment in buildings funded by EPLR has to consider the German regulations on monument preservation. Therefore, all effected village renewal activities have a strong focus on preservation of natural sites of historical interest: In addition, the basic fabric rehabilitation of buildings is vastly covering the class listed buildings in the rural areas. Not least due to the cultural sensitive implementation and the regulatory framework of village renewal and basic services development, the targets of the measure of "Conserving and upgrading rural heritage" (code 323), in particular of the sub-measure to improve cultural features of the villages and regions are already incorporated into the a.m. measures of code 321 and 322. Therefore, the specific demand for funding of operations under code 323 is lower than originally expected and the MTE is recommending to reduce the devoted budget for the benefit of measure code 321.

In general, the a.m. three measures of the EPLR are providing a significant contribution to reversing economic and social decline, and depopulation of the countryside.

Comprehensively to the investment activities in rural areas, all operations carried out in the frame of the measure "Training and information" (code 331), in particular the supported training and information courses and seminars are targeted on relevant rural / local stakeholders. The MTE could assert that the measures have been carried out in an effective and efficient manner but not up to the originally planned financial extent. Due to the low execution rate but significant impact, the MTE is recommending to conduct sensitisation campaign in order to inform a wider public on support opportunities. LEADER action groups could certainly play a key role in this campaign.
B.4 Contribution of EPLR Brandenburg / Berlin to building local capacity for employment and diversification

The resources devoted to axis 4 (LEADER) contributed predominantly to the Community’s priorities of axis three and had, in addition, a significant impact on improving rural governance and on mobilising unemployed endogenous development potentials of the rural areas in Brandenburg. In principle, the success of the EPLR intervention is based on a region-wide utilisation of the LEADER approach for almost all financial resources devoted to axis 3 and 4.

Although not all Local Action Groups (LAG) had similar start-up requisites and had to phase different constraints in building-up management capacity and involving individual stakeholders of civil society, at mid-term, all LAG have accomplished an on-site implementation management capacity guaranteeing further identification and mobilisation of development potentials, participation of relevant civil society structures and to further improve rural governance. Meanwhile more than 1,100 citizen, individuals and representatives of organisations, associations and social partners are involved in LAG activities. The 14 community-led local development strategies (GLES) have established an adequate framework to build-up local partnership capacity, to successfully promote private-public partnerships, to connect people to new ideas and approaches, to promote inclusiveness and the provision of local services, to encourage innovation and entrepreneurship, to foster diversification of the rural economy and, in particular, to ensure consistency in programming.

The MTE verified the LEADER process of Brandenburg as a best practice example of subsidiarity, participation in development and democratic societal capacity building.

A particular feature of Brandenburg’s LAG is the significant high degree of societal self-organisation and networking. It is envisaged to build-up a formalised regional organisational structure in terms of an association. Furthermore, the action groups have developed a certain team spirit to jointly draw-up common rural developing strategies and are jointly forwarding policy postulations to the political decision making level. This is being seen as a clear indication of rural governance capacity building.

A considerable impact on local capacity building is being provided by the Brandenburg Leader Network Office. The annual seminar programme has significantly contributed to the success of the local capacity building process and the network office serves effectively as a forum for discussion and exchange of experience. In addition, the regular discussion workshops guaranteed an effective cooperation between the action groups and the managing authority. This cooperation has induced a dynamic evolution of the integrated rural development policy in Brandenburg.

With reference to the verified impact of the comprehensive conceptual approach to fully link the region-wide implementation of IRD with LEADER, the MTE is recommending not only to continue the intervention as programmed but further to seek for options to continuously extend the adopted strategy for rural development in terms of enlarging responsibility and decision-making authority of local action groups. This will further enhance subsidiarity and local development of civil society. The MTE obtained an indication that an extended responsibility at the decentralised level will also strengthen the gender focus of the local strategies. A prerequisite for expanding management and decision-making tasks of action groups will be to sustain their managerial and administrative capacities based on a secured technical and financial support by the EPLR.