



Thematic Working Group 1
Targeting territorial specificities and needs in Rural
Development Programmes
Final Report - Annex 3

EN RD Contact Point
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Connecting Rural Europe

The Thematic Working Group 1

The EN RD has established Thematic Working Groups (TWGs) which carry out specific analysis on the basis of the current rural development programmes focusing on specific thematic priorities. Working on the basis of a specific mandate they provide in-depth analysis of the EU Rural Development policy implementation and contribute to the understanding and diffusion of 'know-how' and experiences and improvement of its effectiveness. As of October 2010, TWGs have been established on the following topics:

- TWG1: Targeting territorial specificities and needs in Rural Development Programmes
- TWG2: Agriculture and the wider rural economy
- TWG3: Public goods and public intervention
- TWG4: Delivery mechanisms of EU Rural Development Policy

The overall objective of **TWG1** is to contribute, through relevant analysis and the diffusion of results, to an efficient targeting of territorial specificities and needs in Rural Development Programmes (RDPs) and to a more balanced development of rural areas across Europe.

Based on a predefined workplan the Group conducted its analytical work in 3 steps:

Step 1 analysed how EU Member States have defined or targeted rural areas in their RDPs for the 2007-2013 programming period, and what kind of indicators and definitions they have used for this purpose.

Step 2 addressed the issue of demarcation and complementarity between the different European Union and national funds in terms of meeting the development needs of rural areas and the targeting of specific territories for the application of measures and resources to meet identified areas.

Step 3 which is the final output of the analytical work, involves the production of an overall report bringing together the various elements (including significant commonalities and variations) with respect to:

- national approaches to the definition of rural areas;
- the analysis of territorial specificities and needs;
- the targeting of measures in relation to these specificities and needs;
- strategies for demarcation and complementarity between RDPs and other Community and national instruments.

Informed by the above, the Step 3 Report concludes by providing draft building blocks for a revised typology of rural areas, and a revised set of baseline indicators.

From autumn 2010 onwards a number of "products" based on the analysis and outcomes of the analytical work are being developed for widespread dissemination and discussion among EN RD stakeholders.

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Annex 3 Case Studies focused on Territories, Needs and Measures

The Annex contains summaries of the 19 case studies which were undertaken in order to throw light on how selected Member States or regions have defined specific territories within their Rural Development Programmes, how they have assessed the relevant needs of those territories, and how they have applied measures and resources to meet those needs.

The case studies fall within 6 types of territory, and are presented within those types, as follows:

- A. Less Favoured Mountain areas** – Valle d’Aosta (Italy); Slovenia
- B. Other Less Favoured Areas** – Bulgaria; Netherlands; Hungary
- C. Natura 2000 and environmentally valuable farmland** – Portugal; Czech Republic; Wales (UK)
- D Specific development areas** – Greece; Malta; Sardegna (Italy)
- E. Rural areas eligible for Axis 3 measures** – Finland; Languedoc-Roussillon (France); Hessen (Germany)
- F. LAG areas** – Ireland; Denmark; Estonia; Andalucia (Spain); Slovakia.

The first of these categories, Mountain LFAs, includes a summary of relevant finding from the Mountain Areas study previously completed by the ENRD Contact Point.

Each case study, and also the Mountain Areas general summary, follows the same sequence, dealing in turn with what is stated in the RDP related to:

- **Definition** of rural areas in general, and of these territories in particular
- **Needs or objectives**, related to the particular territories
- **Measures** which are applied to meet these needs or objectives
- **Resources**, from the RDP budget, which are provided to serve these measures
- The **beneficiaries** of these measures, and any conditions that are applied to funding
- The **targets** applied to the measures
- **Other funding** which may apply to these territories from outside the RDP e.g. from other EU or national funds
- The degree of **coherence** that appears within this whole sequence of ideas
- Any elements of **relevant practice** which may merit further study.

A. Less Favoured Mountain Areas

A.1 Mountain LFAs – overview

Introduction. Mountain LFAs are a major category of disadvantaged rural territory, identified within the EAFRD Regulation and the focus of a specific measures, 211. In addition to the research for the present report, we have been able to draw upon findings from an ENRD Draft Working Paper, ‘Mountain Areas / Mountain farming NSP and RDP Screening Results’. This report presents a summary of the results of an analytical review, conducted by the ENRD Contact Point, of Member States’ support for mountain areas under EAFRD (2007-2013). The main purpose of the review was to provide an overview of the different RD support measures available in mountain rural areas, and to assess how these measures have been

applied by different Member States. The study covered 17 National Strategic Plans (NSP's) and 62 Rural Development Programmes (RDP's).

Definition. Article 18 of EC Regulation 1257/99 defines Mountain LFAs as areas characterised by considerable limitations, due to high altitude, steep slopes, or a combination of these two factors. Areas north of the 62nd Parallel and certain adjacent areas are also included.

Extent. Mountain LFAs are found in 17 EU countries – Austria, Bulgaria, Cyprus, Czech Republic, Finland, France, Germany, Greece, Italy, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom. Excluding the figures for Finland and the United Kingdom, Mountain LFAs cover 16.4% of the Utilised Agricultural Area of the EU, plus significant areas of forest.

Needs and objectives. 14 of the NSPs contain explicit references to mountain areas and/or mountain farms, and the problems that they face. These problems include demographic decline; remoteness and poor accessibility; abandonment or degradation of land, including erosion and deforestation; and lack of farm competitiveness. Opportunities identified include support for animal husbandry; protection of landscapes; development of agri-tourism; and diversification of farm activities. Objectives stated include actions to assist disadvantaged or handicapped areas; to counter depopulation of remote or peripheral areas; to improve the economic and social opportunities; to protect biodiversity; and to enhance the rural heritage.

Measures. All the 62 RDPs in the study apply to their Mountain LFAs the measure which is specific to those LFAs, namely Measure 211 Payments to farmers in Mountain areas. About half of them also apply Measure 212 Payments to farmers in areas with handicaps.

Many other Measures within the EAFRD are also applied to the Mountain LFAs. The mixture of measures (within a total menu of 30 measures) varies greatly from one RDP to another. The Measures most frequently used are shown below:

- 112 Setting up of young farmers, used in 21 RDPs
- 121 Modernisation of agricultural holdings, used in 27 RDPs
- 122 Improvement of the economic value of forests, used in 17 RDPs
- 125 Improving and developing infrastructure, related to the development and adaptation of agriculture and forestry, used in 16 RDPs
- 214 Agri-environment payments, used in 35 RDPs
- 221 First afforestation of agricultural land, used in 15 RDPs
- 226 Restoring forestry potential and introducing prevention actions, used in 26 RDPs
- 227 Support to non-productive investments in forestry areas, used in 22 RDPs
- 311 Diversification into non-agricultural activities, used in 19 RDPs.

As may be expected, these measures are mainly focused on support for and strengthening of agriculture and forestry, including a strong emphasis on agri-environment payments: but there is some emphasis also on diversification into non-agricultural activities and support for non-productive investments in forestry areas. Other Axis 3 measures are applied within a minority of RDPs.

Funding. The total funding devoted to Mountain LFAs cannot be assessed by reference only to RDPs, for the reason that most of the measures listed above also apply outside the LFAs and the budgets for them are not sub-divided. But the total resources applied through the EAFRD are certainly significant. Measure 211 alone brings 5.5 billion euros to Mountain LFAs (EU27, excluding Finland), with some Member States

devoting more than a fifth of their RDP budget to that Measure alone (Slovenia 21.1%, Austria 21.3%, France 25.4%).

Beneficiaries. We do not have a full picture of the eligibility criteria for Measures applied to mountain areas. For Measures 211 & 212, the criteria, and the levels of payment, vary greatly between states. However, results indicate that the eligibility criteria used for measure 211 (in addition to altitude, and degree of slope) are more sophisticated where there is a higher proportion of mountain areas within a region, reflecting what appears to be an underlying objective to improve targeting of the measure.

Other funding. We have no systematic information on the resources that are devoted to mountain areas from outside the RDPs.

Coherence. The NSPs in the study vary greatly in the detail and clarity of their analysis of the problems, constraints and opportunities in mountain areas, and the strategic priorities, approaches and methods of supporting these areas. This is then reflected in the degree of coherence found, within the RDPs, as between needs, objectives, measures and resources applied. Most NSPs and RDPs acknowledge the challenges facing the mountain areas: some RDPs prescribe a rich and relevant set of measures: others use a narrower range of measures, not fully related to the range of problems that are described. We have no systematic information on the resources that are devoted to mountain areas from outside the RDPs, so it is not possible to judge the adequacy of the total response to the problems and needs identified in the NSPs and RDPs.

These findings enable us to conclude that the current menu of EAFRD Rural Development measures (and sub-measures) available to respond to the needs of mountain areas seems to provide a sufficiently broad and flexible range of support options. It also underlines the critical role that Member States and regional administrations have in developing well-targeted RDPs which ensure optimal balance in the selection, use and application of relevant policies and measures to meet the needs of specific mountain areas. These programming choices and their implementation are most likely to determine the effectiveness and overall impact of rural development measures in mountain areas.

A.2 Italy and Valle d'Aosta

The ENRD Draft Working Paper, 'Mountain Areas / Mountain farming NSP and RDP Screening Results', from which the above text on Mountain LFAs was drawn, includes a more detailed analysis of Mountain LFAs in Italy. Our own research for the present study supplements this by a specific look at the RDP for Valle d'Aosta, one of the most mountainous regions in Italy. This case study draws on material from both these sources.

Definition. As explained in our Step 1 report, **Italy** (when defining rural areas for the general purpose of its RDP) decided that the OECD methodology, if used alone, would not adequately reflect the diversity of its territory. So, it revised the methodology by reference to altitude (plain, hill and mountain) and to the presence of urban poles or specialised intensive agriculture. The outcome was a distinction between four types of zone, namely:

- Urban Poles
- Rural Areas with Specialised Intensive Agriculture
- Intermediate Rural Areas
- Rural Areas with Complex Problems of Development.

This classification was defined in the NSP and adopted also in the National Strategy Framework in order to identify the priority of the Cohesion Policies. Regions may adopt a more detailed articulation of the territory, provided that this reflects one of the above types of zone.

Over 54% of the national territory in **Italy** is defined as mountain areas, clustered into three main zones, namely the Alps in the North, the Apennine in the Centre, and several mountains in the regions of Southern Italy.

Valle d'Aosta region endorsed the Italian definition of rural areas. Its RDP states that the entire regional territory, apart from the urban settlement of Aosta, is a 'Rural Area with Complex Problems of Development'. Moreover, almost all the regional territory is Mountain LFA, defined by reference to altitude, physical disadvantage (steep slopes, poor soil quality), low agricultural productivity, extensive farming, and a strong diffusion of multi-activity models (with many part-time farmers). The Mountain areas are defined in text and on maps, in a detailed and convincing way.

Objectives. The NSP for **Italy** highlights some of the major problems affecting mountain areas. It cites the lack of adequate strategic forestry planning and management; the strong fragmentation of property in mountain areas; the increased abandonment of mountain areas and of mountain farming/pastoral activities, which leads to a spontaneous return to nature/forest landscape patterns, and diminishing biodiversity values; and the high risk of fire and of soil erosion in many mountain areas. To address these issues, the NSP proposes interventions focused mainly on maintaining farming activities in LFAs, preservation of biodiversity (particularly high value agro-forestry systems) and restoration of natural habitats.

The RDP for **Valle d'Aosta** outlines a vision for mountain areas of integrated and multi-functional rural development, based on protection or revitalisation of the environment (to which 70% of RDP budget is allocated). Within this vision, equal priority is given to maintaining farming activities as a fundamental presence of man in the mountain areas, and as a tool against their abandonment; improving overall conditions for farms, especially in areas with steepest slopes; preserving mountain pastures; improving access and use of linked structures and land; proper management forests, and improving their multi-functional role; and decreasing, through preventive action, the risk of natural hazards.

Measures. Almost all the regional RDPs in **Italy** have used Measure 211 as a major tool for addressing mountain farming/issues, with fairly similar eligibility and payment criteria. Many RDPs also used measures from Axes 1, 2 and 3, including:

- 121 Modernisation of agricultural holdings
- 122 Economic Exploitation of forestry
- 123 Increase in the added value of farm and forestry products
- 124 Cooperation for the development of new products / processes
- 125 Infrastructures linked to the development of farm and forestry
- 214 Agri-environment payments
- 216 Non-productive investments
- 221 First afforestation of agricultural land
- 226 Restoration of forestry potential and preventive interventions
- 227 Support to non-productive investments in forest areas
- 311 Diversification into non-agricultural activities

- 313 Incentives for Tourism activities
- 321 Basic services for rural economy and population
- 323 Conservation and upgrading of the rural heritage.

The RDP for **Valle d'Aosta** applies the following measures to the Mountain Areas:

- 211 Indemnity for mountain farmers: a major element, complementing measures 214 and 215
- 123 Adding value to agricultural and forestry products: a minor element
- 132 Support to farmers participating in quality certification systems: a minor element
- 133 Support to producers' associations for information and promotion about food quality systems: a minor element, but useful for sustaining quality produce
- 214 Agri-Environment payments: significant, complementing other measures
- 215 Payments for animal welfare used to support proper livestock raising methods, complementing measure 214.
- 311 Diversification into non-agricultural activities: a minor element, but useful for income diversification
- 313 Incentives for Tourism activities: a minor element, useful for economic regeneration
- 322 Village development and renewal: an interesting measure with wide potential.

The Axis 3 measures will be mainly delivered through Axis 4, which is stated to command 7.5% of the RDP budget and which will apply to almost the whole regional territory.

Resources. In the regional RDPs in **Italy**, the budget allocated to Measure 211 varies from 0.7% of the RDP budget in Puglia to 21.9% in Valle d'Aosta and Trento. The budget for all Measures applied to Mountain Areas varies from 4.8% (Sicilia) to 89.5% (Trento) of the RDP budget. The Northern regions (Piemonte, Lombardia, Veneto, Trento, Bolzano, Valle d'Aosta) devote far larger resources to mountain-related measures than do other regions with similar amounts of mountain territory.

In **Valle d'Aosta**, 37.6 % of the RDP budget (€44.7 million) is devoted to Measure 211, which also attracts a further €31.5 million of regional funds. Measure 214, agri-environment payments, attracts 24% of RDP funds (€28.7 million), together with a further €20.2 million of regional funds. The other measures named above, taken together attract 23.4 of the RDP budget. Thus the total planned spending on the Mountain Areas over the RDP period is €98.3 Million.

Beneficiaries. Valle d'Aosta. Although each measure has its own distinct beneficiaries, limits to grant size and various types of restriction, all the measures address mountain farming because the entire regional territory is defined as such. Measure 211 is the one that shows more detail in its structure, trying to address the objectives summarised earlier.

Targets. Valle d'Aosta. Targets are stated for each measure. The most significant are:

- Measure 211 – 3,200 beneficiaries; 51,000 ha in the zone for fostering prevention of abandonment or marginalisation of land
- Measure 214 – 2,400 beneficiaries; 4,600 ha involved; 34,000 ha in the zone managed for overall territorial quality
- Measures 311, 313, 322 (taken together) – 5,000 beneficiaries; investment value €15.8 million; 240 jobs created.

Other Funds. Italy. We have no information on the national approach to complementarity between the RDP and other EU Funds, either generally or related specifically to Mountain LFAs.

The RDP for **Valle d'Aosta** refers to the availability of ERDF and ESF funds, stating that these will be complementary to the Axis 3 measures in the RDP. For example, the Employment Programme for the region will fund interventions in the rural economy, except those covered by measure 311. The RDP states that the almost full overlapping of the regional territory with LEADER classification offered the chance of carrying out a series of actions with a greater impact compared to the past, and increased integration with the interventions supported by the Structural Funds. However, the RDP does not show how this integration will be handled, nor does it state the resources that may come from the other Funds into the Mountain areas.

Coherence. The approach taken by the RDP for Valle d'Aosta appears quite coherent, because it analyses the constraints affecting the mountain areas, identifies the major needs, applies appropriate measures to address those needs in a rounded way, and commits a large parts of the RDP budget, plus additional regional funds, to the pursuit of those measures. It also foresees some degree of complementarity between the EARDF and the Structural Funds, and implies that this complementarity will be achieved through the mechanism of LEADER and local development strategies. But it does not explain how much money will come from the Structural Funds, nor precisely how these funds will be deployed.

A.3. Slovenia

Definition. The RDP states that nearly 90 percent of the national territory lies at altitudes exceeding 300 m; 86% of the territory lies within Less Favoured areas; and 72% is defined as Mountain LFAs. The Mountain areas, shown brown on the map over page, include the Julian Alps, the Kamnisko-Savinjske Alps, Karavanke, Pohorje and also hilly areas in central and southern Slovenia which are mainly undulating karst territory with limited areas of good soil and much forest or birch woodland. They are characterised by high or medium altitude, the physical disadvantage posed by steep slopes, and the economic disadvantage of low agricultural productivity. They are defined by text and on maps, but in a rough but convincing way.

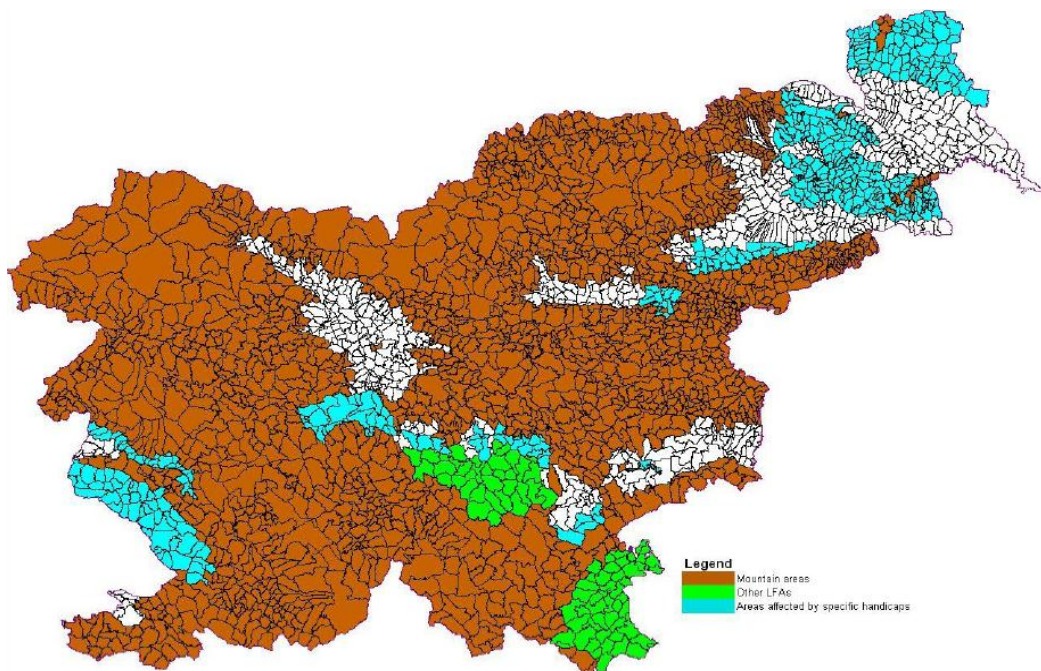


Figure 2: Less favoured areas

Objectives. In the SWOT analysis related to the Mountain LFAs, the RDP refers to problems of soil erosion, remoteness and poor accessibility, small size and lack of competitiveness of farms, and deforestation. It refers to the need to protect biodiversity and of landscape; to halt depopulation and the abandonment of land; to conserve and improve forests; and to enhance the quality of life for rural people in the mountain areas. The stated objectives of the Axis 2 measures include "Preserving agriculture in less favoured areas, through compensatory allowances to farmers in less favoured areas" and "Enhancing nature friendly agricultural practices, through agri-environmental payments".

Measures. To meet these objectives in the Mountain areas, Slovenia applies the following measure:

211 LFA payments

121 Modernisation of agricultural holdings

122 Improving the economic value of forests

214 Agri-Environment payments - see comment under **Beneficiaries** below

Funding. The funding for these measures includes €236.9 million (21.1% of RDP budget) for Measure 211, wholly attributable to Mountain LFA's; and the following figures, of which only an unstated part applies to those LFAs, for other Measures - €82.3 million (7.3%) for Measure 121, €24.9 million (2%) for Measure 122, and €305.2 million (27%) for Measure 214.

Beneficiaries. For Measure 211, all mountain farmers appear to be eligible: the payments per hectare are cut by 50% for holdings of over 100 hectares.

For Measure 214, 6 sub-measures out of the 22 envisaged seem to be directly addressing mountain farming. These are: Mountain pastures without herdsmen; Mountain pastures with herdsmen; Mowing of Steep slopes with inclination 35-50%; Mowing of steep slopes with inclination over 50%; Animal husbandry in areas which are the main habitat of large carnivores; and Sustainable rearing of domestic animals. Each sub-measure has a different maximum amount of payment/ha: all of them entail compliance with conditionality requirements. In overall terms, all of these sub-measures are expected to involve some 95,000 ha.

The beneficiaries for other measures are not stated.

Targets. The RDP states the aim to assist 33,000 farmers through compensatory payments; to protect biodiversity on a total of 226,000 hectares, and to protect 300,000 hectares from land abandonment.

Other funds. The RDP states that rural areas generally may benefit from funding from the ERDF, CF, ESF, EFF, LIFE+ programme and national funds other than the RDP. However, there is no indication of whether, and to what extent, these funds can benefit the Mountain LFAs.

Coherence. The RDP offers such limited information on the aspects summarised above that it is hard to judge the coherence of its approach to the needs of Mountain LFAs, which form a large part of the national territory. The needs and priorities are not fully described; the range of measures applied is narrow, and does not appear to address one of the stated objectives, namely improving the quality of life of those who live in mountain areas; the proportion of the RDP budget applied to these areas is unclear, except in relation to Measure 211; and no funds from other EU-supported programmes appear to go into the areas.

B. Other Less Favoured Areas

B.1 Bulgaria

Definition. For the general purposes of Bulgaria's RDP, 'rural areas' are those municipalities (LAU1) in which no settlement has a population of more than 30,000. 231 out of Bulgaria's total of 264 municipalities are classified as rural.

The **Less Favoured Areas (other than mountain)**, which are the subject of this case study, are defined on a quite different basis, namely by reference to poor land productivity. Those settlements in which land productivity is assessed to be no more than 80% of the national average, and which fall outside the Mountain LFAs, are designated as 'Other LFAs'. These cover about 11,000 km² (c.10% of the national territory).

Objectives. These LFAs are not stated as a priority in the RDP. However, their objectives include the promotion of rational use of land, conservation of biodiversity and sustainable development of the land and other natural resources, the prevention of land abandonment and soil erosion, the maintenance of the attractiveness of the countryside and the reduction of depopulation. These objectives may be taken as a proxy for **needs**: no priority is stated among them, nor is any quantification offered.

RDP measures and resources. Only two **measures** are mentioned – 121 modernisation of farm holdings, which attracts higher levels of aid in LFAs than elsewhere; and 214 agri-environment payments. These measures are assumed to meet the objectives stated earlier.

Funding. For these measures over the whole programme period is €572.3 million for Measure 121 and €38.9 million for Measure 212, respectively 13.4% and 0.91% of the RDP budget.

Beneficiaries. For Measure 121, the beneficiaries must be individual agricultural producers or groups of them, subject to certain criteria. They must produce a business plan, showing how the project will improve the overall performance of the holding(s).

For Measure 212, the beneficiaries are registered farmers with at least 1 hectare of land in hand: payment is at €50/ha for the first 50 ha, €20/ha for the next 50 ha, nothing above that, with a maximum of €3,500 per farm.

Targets. Measure 121 aims to support 5,300 holdings, of which 3,700 will introduce new products or techniques, and to generate a total volume of investment of €958 million. Measure 212 aims to support 10,000 holdings over the programme period, with an average 5% improvement in soil quality and 15% avoidance of marginalization and land abandonment. Impact indicators are stated relating to economic growth, labour productivity, protection of waters against nitrate pollution, organic farm production and generation of renewable energy.

Other funds. No funds from sources other than the RDP are anticipated.

Coherence. There is a coherent relationship between the defined territories, the stated objectives and the measures applied, and they appear to fit well within the overall approach to the RDP. However, the funding under Measure 212, at less than 1% of the RDP budget, appears small when applied to about 10% of the national territory. Measure 121, offering higher than normal rates of support to modernisation of farm holdings, looks like a coherent response to the needs of farmers in the LFAs.

B.2 Netherlands

Definition. For the general purposes of the RDP, the Netherlands define 'rural areas' as those that lie outside urban centres that have more than 30,000 inhabitants. These areas qualify for measures under

axes 3 and 4. Measures under Axis 2 apply to areas specially designated for those measures: this includes the **Less Favoured Areas**, which are the subject of this case study and which all fall within the rural areas in the overall definition.

The RDP states that 'The Netherlands makes limited and highly critical use of the LFA designation, which is only used if the agricultural sector genuinely faces a competitive disadvantage due to external circumstances beyond the control of the farms themselves and if the area possesses qualities of European importance that need to be preserved'. LFAs are stated to be in four categories of land with specific handicaps – deep marshy pasturelands; flood plains (between rivers and embankments); stream valleys and valley flats (flood plains); and hill slopes. The total area designated is 252,796 ha, about 10% of the national territory. The areas are defined on maps, in a detailed and convincing way.

Objectives. The LFAs are not given priority in the RDP, but they reflect some of its objectives, including sustainable management of Natura 2000 areas, strengthening biodiversity, conservation and strengthening of valuable landscapes, extension of forests on agricultural land, sustainable and multi-functional management of forests, restoration of water systems, good quality of ground- and surface water, and combating desiccation of nature and agricultural land.

Objectives specific to the LFAs include to prevent farmers from moving out of the areas, to preserve and improve valuable man-made landscapes, to protect and improve biodiversity, to combat climate change, to ensure improved soil quality change, to guarantee space for water storage, to protect the coastal areas against flooding, and to maintain/ develop the areas attractive for recreation and tourism. The first two of these objectives – to prevent farmers from moving out of the areas, to preserve and improve valuable man-made landscapes – have highest priority.

This statement of objectives very neatly reflects the long-established Dutch tradition of detailed and multi-purpose management of the land, brought right up-to-date by the reference to combating climate change.

RDP measures and resources. To pursue these multiple objectives, the RDP applies five **measures** from Axes 1 and 2 on the LFAs - 121 modernisation of agricultural enterprises, with focus on (a) young farmers and (b) sustainability; 124 cooperation for development of new products, processes and technologies in the farming, food and forestry sectors; 212 payments to farmers in areas with handicaps; 214 agri-environment payments; and 221 first afforestation of farmland.

Funding. For the Axis 2 measures over the whole programme period is €76.9 million (3.5% of the RDP budget) for Measure 212; €412.2 million (18.7%) for Measure 214; and € 20.4 million (0.92%) for Measure 221. The money for measures 212 and 214 includes €236.6 million of top-up national funding, over and above the co-financing of the EAFRD money. Of these sums, only those for Measure 212 are definitely attributable to the LFAs: those for the other Measures apply also to other territories, and the share for LFAs is not explained in the RDP. No separate budget for the LFAs is stated for the Axis 1 measures.

Beneficiaries. For Measure 212, the beneficiaries are farmers with at least 0.5 hectares in the support scheme. Funding cannot exceed €150 per hectare, and is subject to conditions that farming must continue for at least 5 years, cross-compliance conditions must be observed, and (in most LFAs) farmers must commit themselves to an agri-environment contract under measure 214.

For Measure 214, the beneficiaries are farmers, who must comply with nature/landscape management contracts which fit the objectives for the specific area.

For Measure 221, the beneficiaries are entrepreneurs, who must meet cross-compliance conditions. Support for first afforestation is 80% of real costs, with a maximum of €7,000: the acreage has to be maintained for at least 5 years, and there are other conditions.

For Measure 121 and 124, higher maximum payments are made in the LFAs than elsewhere. For Measure 121, the beneficiaries are farmers, and there are restrictions on the costs that can be subsidised: the total support per farm in the LFAs cannot exceed €500,000 in a period of 3 years.

For Measure 124, the beneficiaries are (a) individual entrepreneurs participating in a cooperation project focussed on innovation activities, or (b) a cooperative of group of entrepreneurs: the total support per enterprise in the LFAs cannot exceed € 500,000 in a period of 3 years.

Targets. Measure 212 aims to support 6,780 holdings over the programme period, affecting 117,000 ha. Measure 221 has the target to plant about 1,880 ha of new forest, which will contribute c. 10,058 kton CO₂ to climate-change targets. For Axis 2 generally, the aims include to halt the decline of biodiversity from 2010 onwards, so that the index for the population of farmland birds stays at the same level; and to maintain the current level of HNV farm and forest land at 2% of the national UAA.

Other funds. No funds from EU sources other than the RDP are anticipated. However, the LFAs will benefit from the national Investment Budget for 'rural' areas (ILG). This budget is composed of a range of national budgets, linked to programmes of different ministries, and is intended for land purchase, planning and management in 'rural' areas. Included are programmes for landscape management, biodiversity, water management, and climate. Implementation of the programmes is carried out at provincial level.

Coherence. There is a coherent relationship between the defined territories, the stated objectives and the measures applied, and they appear to fit well within the overall approach to the RDP. Particularly impressive, and offering the potential of **elements of relevant practice**, are:

- the combination of multiple objectives in integrated land management programmes;
- the use of conditions to secure cross-compliance and commitments to agri-environmental measures (though it not clear whether these conditions discourage farmers from taking part);
- the very substantial funding that is applied not only through the main EAFRD programme funds but also from top-up national resources, and specifically the national Investment Budget for rural areas.

B.3 Hungary

Definition. For the general purposes of the RDP, Hungary has created its own classification of territory, with three main categories of micro-regions - urban micro-regions; rural micro-regions with urban centres; and predominantly rural micro-regions. The second and third of these categories count as 'rural': they occupy 87% of the national territory, with 47% of the national population.

The **Less Favoured Areas (other than mountain)**, which are the subject of this case study, are defined by reference to Article 19 and 20 of the EAFRD Regulation. They include:

- areas with poor productivity, difficult land use, lower than average production, low density of population with high share of agricultural workers (Article 19): they total 395,402 ha, which is 4.25% of the national territory and 6.3% of the total utilized agricultural area (UAA);
- areas with special disadvantages, including severe soil acidity, severe soil salinity, extreme soil water management conditions and extreme physical soil characteristics, where farming shall continue in order to conserve and improve the environment, maintain the area and keep the

tourism potential of that territory (Article 20): they total 488,156 ha, which is 5.24% of the national territory and 7.77% of the UAA.

So, the total area of LFAs is 883,558 ha, 9.5% of the national total territory and 14% of the UAA. These areas are defined by text in the RDP, in a rough but convincing way.

Objectives. There is no direct reference to *needs* in the RDP, and a reference to the “good environmental conditions experienced on LFA territories” suggests that the need may not be great. However, the **objectives** of the LFAs are stated to be “to improve the environment and the countryside by supporting landscape management ... and to preserve LFA territories and the traditional agricultural landscape.” More detailed objectives are also stated - to keep land under cultivation in areas with unfavourable conditions; to promote extensive cultures in environmentally sensitive areas; to enhance environmentally conscious farming; and to protect biodiversity. No priority is stated among them, nor is any quantification offered, except that a total of 170,000 ha of land may be affected by the measures.

RDP measures and resources. To pursue these objectives, the RDP targets LFA in three **measures** from Axes 1 and 2 – 121 modernisation of agricultural holdings; 122 improving the economic value of forests; and 212 payments to farmers in areas with handicaps. Two other measures - 214a agri-environment payments; and 214b preservation of the genetic resources of native and endangered farm animal breeds – may also apply.

Funding. For these measures over the whole programme period is €23.6 million for Measure 212, wholly attributable to LFAs; and the following sums for the other measures, both within and outside the LFAs – €1,559.4 million for Measure 121; €12.3 million for Measure 122; and €1,137.1 million for Measure 214 a and b combined. We do not know the proportion of these sums that is attributable to the LFAs.

Beneficiaries. For Measure 121, the beneficiaries are farmers.

For Measure 122, beneficiaries are forest holders who – based on a forest management plan – legally run forest farming on at least 50 hectares (for silvicultural measures, at least 20 hectares) of forest owned by private persons or municipalities, or any partnership of these two, and have been registered as a forest holder by the forestry authorities: support is in the form of capital grant.

For Measure 212, beneficiaries are registered agricultural producers, with at least 1 ha of pasture or arable land: no payment can be made if certain specified crops are grown.

For Measure 214a, beneficiaries are any registered natural or legal entities with at least 1 ha. of arable land grassland or reed-bed, or at least 0.3 ha of plantation, marsh, or moss: assessment of schemes takes account of the environmental sensitivity of the area and the role the area plays in the regions affected by landscape transition.

For Measure 214b, beneficiaries are farmers committed to preservation, through breeding, of the genetic resources of native and endangered farm animals.

Targets. Three of the measures – 121, 122 and 214 – apply both within and outside the LFAs, so it is impossible to understand from the RDP what targets apply specifically to the LFAs. For measure 212, the targets are to benefit 3,800 farmers in areas with handicap, across a total area of 170,000 ha; to avoid abandonment of 70,000 ha, by use of compensatory payments; and to support an increase of 65,000 livestock units over the programme period.

Other funds. Some funding may be applied through the national Operational Programme for Environment and Energy, using Structural funds. The amount of money is not stated.

Coherence. All the stated measures are designed to support farmers or foresters in their effort to continue their activities in areas with unfavourable conditions, to avoid land abandonment and to maintain

environmental qualities. So, the RDP addresses the issue appropriately. However, it is impossible to judge whether resources are being applied on a scale that is proportionate to the need. The emphasis on protecting the genetic resources of native and endangered farm animals (such as the famous white horned cattle of the Hortobágy plain) is an interesting specialist aspect of agri-environment support.

C. Natura 2000 and environmentally valuable farm land

The sample of three countries was chosen to provide a variety of emphases within this broad issue. Portugal offers 'integrated territorial intervention', Czech Republic a tight focus on Natura 2000 areas, and Wales a broader look at agri-environment schemes.

C.1 Portugal

Definition. For the general purposes of the RDP, Portugal applied the OECD density criterion, but at the level of municipalities (LAU 1), rather than at NUTS 2 or 3, because municipalities are very heterogeneous and can include both urban and rural areas within a single administrative boundary.

The areas that merited '**Integrated Territorial intervention**' (ITI), which are the subject of this case study, are specific territories classified by their natural, landscape and/or heritage values. They include the Demarcated Region of the Douro River, and eight other distinct areas which form the Natura 2000 Network and which contain Special Protected Areas and National or Nature Parks. They contain a wide variety of natural and man-made habitats. Their extent is quite clearly defined by text and by reference to administrative and other boundaries. They have no direct relationship with the overall definition of rural areas.

Objectives. The RDP implies that the main needs or objectives of the ITI areas are:

- To make people aware that these areas have an additional value;
- To sustain natural and landscape values and agricultural traditional systems in Natura 2000 areas;
- To encourage environmental behaviour with additional positive effects.

RDP measures and resources. To pursue these objectives, the RDP focuses five **measures** - 214 Agri-environmental payments; 216 Non-productive investments in agriculture; 225 Forest environment payments; 227 Non-productive investments in forestry; and 323 Conservation of the rural heritage. In each ITI, these measures are aggregated into a single measure, called "2.4. Integrated Territorial Interventions". This has 11 sub-measures, of which two are general – support for ITI management, and management programmes – and the other 9 each relate to one of the nine ITIs. These nine specific sub-measures each draw down four of the normal RDP measures 214, 216, 225 and 227, except that the Douro area only uses the first two of these measures. Each ITI is promoted by a Local Support Structure which is different from LEADER LAGs. However, the ITI territories may fall partly within LAG areas, which implement Axis 3 measures. This brings Measure 323 into play, and also means that the ITI areas can benefit from local-based initiatives, with local development plans and strong participation of all partners in the local development process.

Funding. For these measures over the whole programme period is €110.1 million (1.71% of total RDP budget) for Measure 214; €4.2 million (0.06%) for Measure 216; €14.1 million (0.22%) for Measure 225; €9.9 million (0.15%) for Measure 227; and €6,7 million (0.1%) for Measure 323.

Beneficiaries. Restrictions, related to the beneficiaries and the type and size of grant, are stated in the RDP.

Targets. Measures 214 and 216, both within and outside the ITIs, aim at a total of 25,200 contracts with up to 21,000 farmers, affecting up to 200,000 ha of land, with a total investment value of €4.2 million. Measure 225 aims to support up to 1,000 forest holdings, covering up to 6,000 ha. Measures 227 and 323 aim at total investment values of €9.8 million and €6.7 million, respectively.

Other funds. Some funding may be applied through the European Social Fund to support land register and mapping of conservation values; and through the LIFE+ programme. The amount of money is not stated.

Coherence. The Integrated Territorial Intervention territories and their needs and purposes are clearly defined. The integrated approach through local management plans and implementation packages for each ITI area is coherent, and well focused on environmental needs. However, it is not clear how the aim of raising public awareness is addressed. Also unclear is the amount, and the use, of funds from outside the RDP budget. The packaging of RDP measures into local development programmes for each ITI area may merit further examination as an example of elements of relevant practice in addressing the needs of specific territories.

C.2 Czech Republic

Definition. For the general purpose of its RDP, the Czech Republic defines as rural those municipalities (LAU2) with less than 2,000 inhabitants. Within this overall concept, rural areas are classified as suburban, intermediate or remote.

Natura 2000 areas, which are the subject of this case study and which are stated as a priority in the RDP, were delimited by individual Government Decrees. These areas cover 13.5% of the national territory. About one quarter of the total Natura 2000 area is used for agriculture, and the rest is mainly forest. The areas are delimited by maps and by administrative or other boundaries, in a rough but convincing way. The definition bears no relationship to that used to define rural areas generally.

Objectives. The RDP states objectives related to Natura 2000 sites as to protect biodiversity; to support special farming practices on protected sites; and to keep land under cultivation, in the face of the threat of land abandonment due to increased costs.

RDP measures and resources. To pursue these objectives, the RDP focuses four **measures** – 121 Modernisation of agricultural holdings; 122 Improvement of the economic value of forests; 213 Payments within Natura 2000 agricultural areas; 224 Payments within Natura 2000 forest areas.

Funding. For these measures over the whole programme period includes €6.4 million (0.18% of the RDP budget) for Measure 213; and €12.2 million (0.34%) for Measure 224. Figures for the other two measures, which are only partly applicable to Natura 2000 areas, are not available.

Beneficiaries. Grant levels under measures 121 and 124 carry an additional 10% in Natura 2000 areas. Within these areas, payments under Measures 213 and 224 are confined to zones of National Parks and Protected Landscape Areas. Measure 213 offers 5-year contracts to farmers with at least 1 ha of UAA. Measure 224 is focused on 20-year contracts to support re-planting forest in the original composition (before logging), in order to save habitats.

Targets. Measure 121 aims to support, each year, 8 farms. No target is stated for measure 122. Measure 213 aims to support, each year, a total of 300 farms, affecting 4,000 ha. Measure 224 aims to support, each year, a total of 450 forest holdings, affecting 37,000 ha.

Other funds. The RDP states that the Cohesion Fund may support investment in water or sewage treatment plants, which could benefit the Natura 2000 areas: no budget is stated for this. Otherwise, the

RDP records that there is a clear geographic or other demarcation that precludes other EU instruments or national programmes being applied to meeting the needs of these defined territories.

Coherence. In respect to Natura 2000, the national approach relies on regulatory (legal) measures, including the obligatory land management plans which are required for all Natura 2000 areas, while incentive-based measures encourage farmers and foresters to continue their activities. From this point of view, the RDP addresses appropriately the problems associated with farming and development in general in Natura 2000 areas.

C.3 Wales

Definition. In defining rural areas for the RDP for Wales, the government drew a distinction between areas eligible under Axis 1 and 2, and those eligible under Axes 3 and 4. For Axis 1 and 2, it used the OECD definition of areas where the population density is below 150 inhabitants/km²: this covers the whole of Wales apart from the major population centres of Cardiff, Newport and Swansea. For Axis 3 and 4, it uses a more complex "Rural Definition", reflecting the type of settlement and the geographic context: this leads to recognition as rural, for this purpose, of areas defined by the smallest statistical unit, namely 'Output Areas', each of which includes an average of 125 households.

The **agri-environment areas**, which are the focus of this case study, are not defined by reference to territory, in that the agri-environment schemes are available to farmers throughout Wales on a voluntary basis. However, a degree of priority, in applying them, is given to farmers within Natura 2000 areas, which themselves comprise the Special Protection Areas and Special Areas of Conservation, as designated by the European Commission on recommendation by the UK government. These areas are delimited on maps and by reference to administrative or other boundaries.

Objectives. The government states, as one of the three priorities of the RDP, "To maintain and protect the environment and rural heritage": the importance of this is shown by the fact that 75% of the RDP budget is focused on Axis 2. Emphasis is given to "contributing to sustainable development by protecting landscapes, enhancing habitats and managing diffuse pollution"; and the RDP states that "within Wales, the environment underpins substantial economic activity".

This link between environment and sustainable development is then reflected in the more detailed objectives related to the agri-environment schemes. These objectives include - to increase biodiversity; to enhance local and regional landscapes; to develop niche, green and sustainable tourism; to diversify the economy into service and other sectors; and to generate employment associated with environmental management. The text of the RDP includes the following justification for the link between environmental conservation and economic well-being.

"Whilst environmental management helps to improve quality of life, it also sustains a vital tourism industry. Rural tourism makes a significant economic contribution to Welsh rural communities as a major source of employment (some 12%) and economic activity. Wales Tourist Board statistics show that rural tourism is worth around £350 million each year to rural communities.

"The employment associated with environmental management is particularly important to rural communities, since jobs tend to be dispersed across a wide area rather than concentrated on a single site. Furthermore, the nature of the work means that much of the revenue that is generated tends to stay within rural communities rather than leaking out into the wider economy. For example, between 2000 and 2003, the multiplier effect meant that £14m of direct spending on capital works under the Tir Gofal agri-environment scheme supported some 385 full-time job equivalents. Over 94% of this spending was retained within the Welsh economy".

RDP measures and resources. To pursue these objectives, the RDP focuses five **measures** – 214 agri-environment payments; 216 support for non-productive investments; 311 diversification into non-agricultural activities; 312 support for business creation and development; and 313 encouragement of tourism activities.

Funding. For these measures over the whole programme period is €408.9 million (41.1% of the RDP budget) for Measure 214; €102 Million (10.3%) for Measure 216; €3.3 million (0.3%) for Measure 311; €14.6 million (1.5%) for Measure 312; and €20.6 million (2.1%) for Measure 313. The budgets for the Axis 3 measures are totals for spending within and outside the areas or farms which benefit from the agri-environment schemes.

Beneficiaries. The beneficiaries are, *for* Measure 214, owners or tenants of agricultural property; for measure 216, all farmers and other agricultural land owners in Wales who, on a voluntary basis, have entered all their land into 5 year agri-environment commitments; for Measure 311, the members of farm households who diversify into non-agricultural activities; for Measure 312, micro-enterprises with less than 10 workers and less than €2 million of turnover; and for Measure 313, all who live in those parts of Wales identified as rural under the "Rural Definition".

Targets. The agri-environment measures, as a whole, aim to support 21,173 holdings, affecting 2,852,435 ha. This will secure protection for widely varied habitats throughout Wales, and also of 1,750 Scheduled Ancient and 28,000 other historic features. It will sustain or create public access to 215,000 ha of open country and 11,500km of public rights of way. No specific targets are given for creation of jobs or other economic benefits.

Other funds. The RDP states that ERDF and ESF may support environmental enhancement where it is undertaken for a clear economic outcome, for example the use of innovative technologies to address the challenges of clean energy generation. No budget is stated for such work.

Coherence. There is a high degree of coherence between the different elements. The approach in Wales relies on incentive-based measures to encourage farmers to adopt and maintain environmental management activities. Measures 214 and 216, which are very well funded, will certainly stimulate action by farmers to protect wildlife habitats and landscape features: much of the money will go into the pockets of farmers or local contractors, and will thus sustain and possibly create employment in the rural areas. This may merit recognition as **elements of relevant practice**. It is less clear whether the complementary measures from Axis 3, with very modest funding, will have a significant impact.

D. Specific Development Areas

D.1 Greece

Definition. Greece uses the OECD definition to define its rural areas. Within this broad definition, it has distinguished three categories of rural area:

- *Dynamic rural areas* - located in plains, easily accessible to the cities, constituting the heart of agricultural production and exports;
- *Mountainous, disadvantaged or problematic rural areas*;
- *Island rural areas*: these are highly varied, by size, topography, degree of tourism development etc. They are all affected, to greater or lesser degree, by distance from mainland Greece and resulting high transport costs, ecological impacts, scarcity of resources, competitive use of land for tourism or agricultural activities, high irrigation needs, and high importance of coastal and off-shore fishing.

The **small Aegean islands**, which are the subject of this case study, fall within the third category above, which is itself a subset of the overall definition of rural areas. They are referred to as a distinct sub-category at certain points in the RDP, but are not clearly defined by text or in maps.

Objectives. For all island areas (i.e. not only for small Aegean islands), the RDP states or implies the following objectives - to halt the abandonment of farmland, and the desertification and erosion which arise from it; to provide the necessary infrastructure for transport, health, education and culture; to support the introduction of new information technologies, for which those who live in island areas are priority beneficiaries; to add value locally to farm and forest products; and to reduce the isolation of small Aegean islands. These objectives are not quantified by reference to small Aegean islands, nor are they given high priority in the RDP.

RDP measures and resources. The following **measures** from Axes 1 and 2 are applied to the pursuit of these objectives:

- 121(a) Modernisation of agricultural holdings, to improve their competitiveness.
- 121(b) Modernisation of agricultural holdings, through the use of information and communication technologies.
- 123(a) Adding value to the products of micro-enterprises and SMEs by supporting them in the field of innovation and technological equipment and improvement of quality, health and safety of their products.
- 212 Support to disadvantaged areas other than mountains, with a focus on the promotion of sustainable production systems to address the isolation disadvantage of the islands.
- 214 Two sub-measures for:
 - the maintenance of the traditional vineyard of South Thira
 - the maintenance of extensive crops that are under threat of genetic erosion: this includes some crop varieties found in small Aegean islands.

We assume also, though it is not stated in the RDP, that these islands can also benefit from measures under Axis 3.

Funding. For the Axis 1 and 2 measures over the whole programme period is €430 million (8.47% of the RDP budget) for Measure 121(a); €20 million (0.39%) for Measure 121(b); €300 million (5.91%) for Measure 123(a); €80 million (1.58%) for Measure 212; and for Measure 214, €3 million (0.06%) for support for South Thira Vineyards and €5 million (0.1%) for protecting genetic resources. Of the above measures and budgets, only 212 and 214 are specific to small Aegean islands: the others refer to all island areas.

Beneficiaries. The beneficiaries for these measures are:

- Measure 121(a) - farmers on small Aegean islands receive the maximum subsidy (75%), as opposed to mountainous areas (60%) and other disadvantaged areas (up to 50%).
- Measure 123(a) - all enterprises, irrespective of size, and they enjoy the maximum support (65%). Some requirements are more relaxed for farmers in these islands, taking into account the difficult conditions for producing and commercialising their products (e.g. small size of enterprises, arid land, distance from mainland Greece). Upper ceilings for support for adding value to forestry products can increase by 20% for micro-enterprises located in the Southern Aegean region (includes small Aegean islands).

- Measure 212 - these islands enjoy special levels of support during the period 2007 to 2009.
- Measure 214 - owners of vineyards on South Thira, provided they maintain traditional pruning and do not use chemicals.

Targets. The RDP does not state targets specific to the small Aegean islands.

Other funds. The RDP states that ESF may support people on the small Aegean islands through its life-long learning programme, but does not state the budget for this activity

Coherence. The evidence of the RDP, taken alone, suggests a low level of coherence in the relationship between objectives and measures. The objectives imply the need to diversify the local economies of the islands and to enhance the quality of life of people in these remote places, yet there is no specific mention of Axis 3 measures. Also surprising, in relation to islands of which some have fishing activity, is the absence of any mention of the Fisheries Fund being applied. As for the measures that are mentioned, the absence of budgets or targets specific to these islands makes it hard to judge whether the programme is likely to be efficient in meeting the objectives.

D.2 Malta

Definition. Malta takes the view that an international definition of rurality (such as that offered by the OECD) is unsuited to a small island nation, in which "all areas constitute a continuum from urban to rural and the activities associated with each other occur side by side. "Accordingly, they have developed their own definition of rural areas, namely those which have population density lower than 5,000 persons/km², at least 10% of the land in agriculture, and at least 35% of the area lying outside the designated Development Zone. On this basis, 47 municipalities (33 in Malta, 14 in Gozo), out of a national total of 68, are defined as rural: they contain 91% of the islands' territory, and 64% of the total population.

This case study is focused on **the whole rural area**, defined as stated above. This is clearly defined by text and on maps.

Objectives. The overall objective of Malta's rural development policy is to promote multifunctional agriculture within a wider framework of integrated rural development, so as to achieve the sustainable development of rural Malta. More specific objectives for the whole rural area are identified within the SWOT analysis in the RDP, under three broad headings – Agriculture; Agro-processing; Environment and Rural Areas. They are:

Agriculture

- To provoke a change in farmers' complacent attitude and to instill a strategic attitude
- To support investment in agricultural holdings that lead to increased productivity and competitiveness in a sustainable manner
- To provide focused training targeted to operators in the sector
- To provide advisory services
- To promote cooperative marketing techniques amongst producers
- To exploit the distinctive product attributes in order to develop quality products, possibly through collaboration between primary producers and agro-processors
- To improve marketing structures
- To encourage the transition to organic farming

- To promote diversification into niche production, in order to overcome the inability to compete in large scale production
- To promote increased collaboration between cooperatives or producer organizations, the Ministry for Rural Affairs and the Environment and academic institutions in order to tackle the gaps in the sector
- To formulate a national action plan to tackle land fragmentation
- To promote the rational use of water
- To promote sustainable agricultural practices, which care for the environment and landscape, and which create a link with artisan methodologies and traditional delicacies

Agro-processing

- To promote the long-term viability of the sector either by matching lower prices of imported products or by targeting up-market segments through production of niche products
- To promote innovation and development of value-added quality products and branding of Maltese products
- To promote Research and Development
- To exploit traditional Mediterranean ingredients and recipes as a marketing tool, and the development of new product lines to cater for evolving lifestyles

Environment

- Sustainable management of natural resources and preservation and conservation of natural habitats and rural landscapes
- Mitigation and adaptation strategies
- Increased harvesting of surface runoff and uses of TSE, and halting of uncontrolled groundwater abstraction
- Reduction of pesticide/fertiliser use and improved management of farm waste
- Educational and awareness programmes, and training concerning sustainable practices and climate change mitigation
- Completion of management and action plans to halt loss of biodiversity
- Collection of baseline and trend data on habitats and species, complemented by ongoing monitoring
- Enforcement of legislation affording protection of environment.

Rural areas:

- To conserve and upgrade the natural environment, and preserve and rehabilitate built and cultural heritage, as well as the distinct character of rural villages
- To manage tourism and recreational activities in a sustainable manner
- To keep alive rural crafts and traditional skills, not just as museum exhibits, but as activities that potentially render an economic return
- To provide open access to the countryside and more managed recreational sites

- To involve local councils and other rural stakeholders in the development of their locality
- To promote public awareness, communication and educational activities/campaigns to generate greater appreciation of natural and cultural heritage and to discourage malpractices
- To encourage the continuation of agricultural activity and enhance farmers' role as environmental stewards

RDP measures and resources. The following **measures** are applied to the pursuit of these objectives.

111 Vocational training and information actions

114 Use of advisory services

115 Setting up of advisory services

121 Modernisation of agricultural holdings, with three sub-measures:

- General modernisation and improvement of agricultural holdings
- Environmental investments
- On-farm investments in order to comply with newly introduced Community standards

123 Adding value to agricultural products

124 Cooperation for development of new products, processes and technologies in the agriculture and food sector

125 Infrastructure related to the development and adaptation of agriculture2 priorities - water scarcity, and farm accessibility.

132 Participation of farmers in food quality schemes

133 Information and promotion activities on food quality schemes

142 Setting up of producers' groups

212 Natural handicap payments in other areas with handicap

313 Encouragement of tourism activities

323 Conservation and upgrading of the rural heritage

341 Skills acquisition, animation and implementation

41 [411,412,413] Implementation of local development strategies

421 Inter-territorial and trans-national cooperation

431 Running costs, acquisition of skills, animation

Note: Measure 214, though in theory focused on the whole of Malta, has been excluded for the reason that it contains several sub-measures with a more specific and partly territorial focus (e.g. dry agricultural land; orchards or vineyards; support for organic farming; conservation of endangered breeds etc).

Resources. Funding for these measures over the whole programme period is shown below:

Measure No.	Public funding over whole programme period, €	% of RDP budget
111	1.160.000	1.206
114	3.000.000	3.12
115	600.000	0.624
121	13.460.000	13.996
123	7.000.000	7.279
124	1.000.000	1.097
125	5.200.000	5.407
132	1.200.000	1.248
133	670.000	0.697
142	990.000	1.029
212	14.500.000	15.078
313	11.536.667	11.996
323	21.000.000	21.837
341	450.000	0.468
411	780.000	0.811
412	520.000	0.541
413	1.300.000	1.352
421	500.000	0.520
431	775.000	0.806

Beneficiaries. The beneficiaries for these measures are:

- *Measure 111* - adult persons who are engaged in activities related to agriculture and food, including public officers having a regulatory function. The food sector training is limited to managers or owners of micro-enterprises only (not employees, who are eligible for ESF training) and to "training of trainers".
- *Measure 114* - farmers who make use of advisory services offered by farm advisory consultants or of companies that have been included in the register of farm advisory consultants and companies. Priority is given to farmers who receive more than €15.000 in direct aid. Support I limited to 80% of the eligible cost and will not exceed €1500 per farmer/service.
- *Measure 115* - private legal entities recognised as farm advisory services, so that the final beneficiaries are farmers who use these services. The rate of support shall be maximum 100% of the total eligible cost, up to a threshold not exceeding €100.000 over a 5-year period. Support will be reduced by 20% every year.
- *Measure 121* - farmers and enterprises involved in agricultural production. Farmers must be registered as part- or full-time self-employed with Employment and Training Corporation: agricultural enterprises must be registered as legal entities. Grant level for all sub-measures is normally 50% of the eligible expenditure (up to €150.000); but, for actions related to the Nitrate Directive, 75% for application approved before 30 April 2008, and 50% for applications approved thereafter.

- *Measure 123* - micro- small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC. Enterprises not covered by Article 2(1) of that recommendation, but with less than 750 employees or with a turnover of less than EUR 200 million, are also eligible but the aid intensity will be halved. Support is granted only to actions that, in addition to enabling the agro-food sector to become more competitive, bring tangible benefit to the primary production sector and are oriented to exploit or enhance the intrinsic character of primary products.
- *Measure 124* - Support for actions implemented through cooperation between primary producers, with a focus on 'New products, new processes, new technology'. Maximum duration of project 3 years. There are restrictions on partners: at least 1 entrepreneur must be involved in primary production: only 1 holding or enterprise can act as applicant. Rate of support maximum 60% of the total eligible cost. Limit €120.000 per project over a maximum of 3 years.
- *Measure 125* - legal entities forming part of central or local government, including ministries, authorities, corporations and local councils, legally constituted farmers' groups and associations, and non-governmental organisations. Support will be given to actions which increase the harvesting of rainwater for irrigation from collection systems such as river valley dams and public cisterns and reservoirs; or increase the use of treated sewage effluent for irrigation; or increase accessibility to agricultural holdings by farmers including the upgrading of existing farm access roads and passageways (this third category will be implemented by LAGs).
- *Measure 132* - primary producers or farmers participating in European Community or National Quality Schemes. Support, within each scheme, of up to €3000 per holding per year, for no more than 5 years.
- *Measure 133* - producer groups which produce agricultural products intended for human consumption and are certified as organic products under Council Regulation (EC) no 2091/91. Maximum rate of support 70% of the eligible cost.
- *Measure 142* - producer groups or producers' organisations recognized by the Director of Agriculture in accordance with the provisions of Article 19 of the Producers Organizations Act.
- *Measure 212* - farmers who have at least 1 tumolo (0.1124 ha) of utilisable agricultural land in all the territory of Malta. Farmers receiving support shall commit to farm the area covered by the compensatory payment for a minimum of five years following the first payment. Level of support based on the eligible UAA, payments €250/ha: no limit to the total areas that can be claimed for. All agricultural land in Malta is considered to be affected by some natural handicaps
- *Measure 313* - natural persons, public and private entities. Projects under this measure, which supports actions encouraging tourist activities in rural areas, must show how they build upon the rural dimension and the physical setting in which they will be located. Preference will be given to integrated projects, applying more than one action under this measure or Measure 323, and to projects which demonstrate how the tourism product of rural areas will be visibly enhanced through their investment.
- *Measure 323* – public entities, local government as well as non-governmental organizations and foundations whose primary interest, as stipulated in their statute, is the conservation of the environment and cultural heritage. The projects to be supported must have a public interest and must not incorporate a commercial purpose. These may include (i) the drawing up of studies and plans for the conservation, restoration, rehabilitation, protection and management of Natura 2000 sites and other areas of high natural value; (ii) environmental awareness and educational actions and events; and (iii) investments associated with the conservation, restoration and upgrading of

the natural and man-made rural heritage. This third type may include specific actions that have been recommended as part of the management, conservation or rehabilitation plans; and also stand-alone actions, that do not necessarily emanate from approved conservation and management plans, which are implemented on a regional basis through local councils. Levels of support 100 % for type (i) projects, 90% for the others.

- *Measure 341* – support for studies of the area concerned; measures to provide information about the area and the local development strategy; training of staff involved in the preparation and implementation of a local development strategy; and promotional events and the training of leaders.
- *Measure 41* (with sub-measures 411, 412,413) is subject to conditions related to the formation of LAGs, namely:
 - A minimum of eight Local Councils must be involved in the public private partnership.
 - The number of inhabitants in the partnership must not exceed the 150,000. The only exception, although this is to be avoided, is in the case where only 1 LAG is established to cover all rural regions in Malta (foreseen are 3 LAGs - 2 in Malta, 1 in Gozo).
 - All the rural localities, as defined in the National Rural Strategy Plan, can participate in the Leader initiative, hence there can be 100% participation of rural areas.
 - The Local Development Strategy must be built on local public-private partnership, reflect the bottom-up approach adopted in decision-making, and have an integrated multi-sectoral approach
 - The Local Councils involved in the group must pertain exclusively to the rural territory covered by the proposed LAG
 - At least 51% of decision-making body must consist of representatives of the. The private or civil-society sectors
 - Only one action group per territory is allowed, and no overlapping of localities is permitted.

The local development strategies supported through this measure will define measures and outline the actions that the LAG will implement in its territory. This may include some types of action under Measures 125, 313 and 323. For example, Measure 313 may support the setting up of trails that interlink various sites of tourist value, or the provision and one-time restoration of small-scale recreational amenities, such as leisure parks; and measure 323 may support investments associated with conservation, restoration and upgrading of the natural and man-made rural heritage.

LAGs may decide whether to include *Measure 421* in the local development strategies, and how much of the budget they will allocate to it.

- *Measure 431* will be mostly geared to the training of leaders (members of the LAG decision-making body) and of staff involved in the implementation of the strategy, the organization of promotional events, and the ongoing implementation of the local development strategy.

Targets. Targets are stated for all the measures, in a manner too detailed to reproduce here.

Other funds. The RDP states that ERDF, ESF, CF and LIFE+ may all contribute support to rural areas. There is a clear statement that an integrated approach should be implemented, but the scale of resources for these other Funds is not stated.

Coherence. It is difficult to judge the coherence based only on screening the RDP. The overall objective of Malta's rural development policy is to promote multifunctional agriculture within a wider framework of integrated rural development, so as to achieve the sustainable development of rural Malta. It seems to be focusing on integrated activities throughout; and it provides for local development strategies, to be developed by LAGs, towards prioritising local needs. The RDP budget is almost equally divided between Axis 1, 33.5%; Axis 2, 26.1%; and Axis 3, 32.3%. However, the allocation to measures is less balanced, in that the Axis 1 funding is allocated to 10 measures, whereas in each of Axes 2 and 3 only three measures are supported. There is very substantial funding under Axis 3, but limits to the scope of that axis in supporting diversification of the rural economy, apart from action under Measures 313 and 323 to support tourism and cultural heritage. Moreover, very few measures are implemented through LAGs; and Axis 4 has the smallest amount of funding, for the reason that there was no previous experience with LEADER and it was seen as a novelty. There is no indication of how much resource from the other EU Funds is allocated to the rural areas.

An overall judgment, based on the RDP alone, may be that there is a fair measure of coherence, but that the case study does not provide any clear-cut examples of **elements of relevant practice**.

D.3 Sardegna (Italy)

Definition. Italy, with its extremely diversified territory, decided that the OECD basis for defining rural areas had to be adapted for its purpose. In defining rural areas for the general purpose of its RDP, it therefore classified municipalities (LAU2) according to the altitude zone (plain, hill and mountain) at province level. Taking this and other factors into account, it distinguished four types of zone, namely:

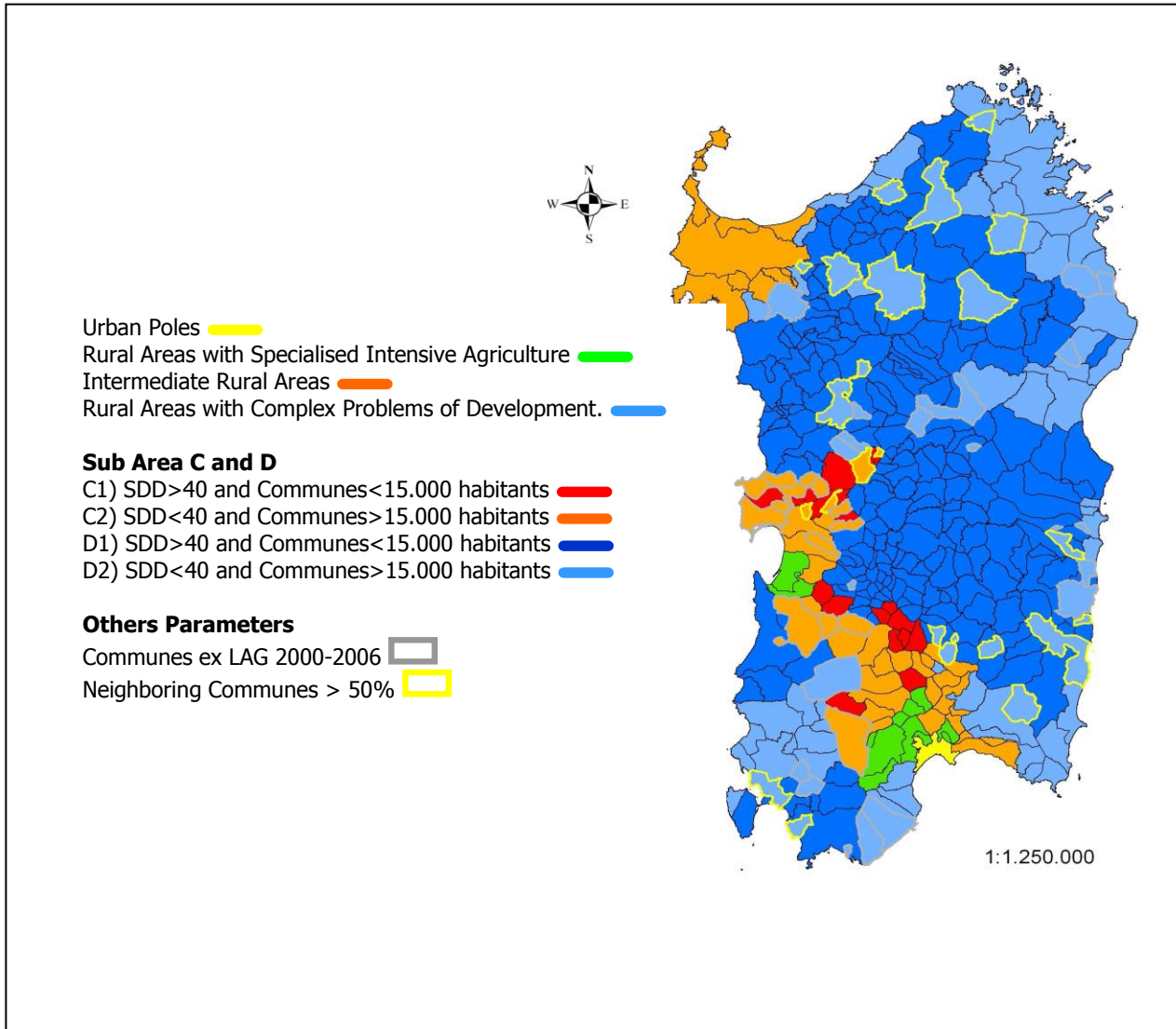
- A. Urban Poles
- B. Rural Areas with Specialised Intensive Agriculture
- C. Intermediate Rural Areas
- D. Rural Areas with Complex Problems of Development.

Zones B, C and D together constitute the Rural areas, for the general purposes of the RDPs. This classification was defined in the NSP and adopted also in the National Strategy Framework in order to identify the priority for Cohesion Policies.

This case study is focused on the fourth type of zone, **Rural Areas with Complex Problems of Development**. Sardegna was chosen for this case study, because a high proportion of its territory falls within that zone. Regional Councils, which have the responsibility for preparing RDPs, are required to start from the national zoning pattern, but may adopt a more detailed articulation of the territory. In the RDP of Sardegna, in order to reflect the specific character of the region, Zones C and D are each divided into two parts by reference to an assessment of 'demographic malaise'. This assessment takes account of factors including loss of population over the period since 1951; the index of births over deaths in the ten year up to 2001; the indices of ageing and of dependence index; and the % of the population that was aged 65 or more, or less than 5 years old, in 2001. The outcome is a four-part zoning, with the following elements:

- C1 Intermediate rural areas with high levels of demographic malaise
- C2 Intermediate rural areas with good or moderate levels of demographic malaise
- D1 Rural areas with complex development problems with high levels of demographic malaise
- D2 Rural areas with complex development problems with good or moderate levels of demographic malaise.

The two zones with high levels of demographic malaise – C1 and D1 – are located mainly in mountain and hilly inland areas, and have an average population per commune of less than 3,000. All the Communes with high level of demographic malaise total 164, which is 45% of all the communes in Sardegna. They are defined in a detailed and convincing way by text and by reference to maps and administrative boundaries.



Objectives

Within the NSP, the rural areas with complex development problems are defined as “less dense populated areas of the country, characterized by low presence of local development processes in all sectors and by abandonment”. With extensive agriculture and a great variety of natural habitats, they contain much land with high natural value, which largely falls within the Protected Areas of Italy. Most of the population is employed in farming, while the other sectors, such as handcrafts and tourism, are less dynamic. Agriculture does not have a strong future, because the land is of low productivity. The process of abandonment of land is intense. The social-economic base is fragile, with high rates of unemployment, low levels of income and of saving, and gaps in rural services compared to other parts of Italy, and an

ageing index higher than the national average. The infrastructure of schools is below the national average, with consequent impact on the quality of life and on social-economic vitality.

The RDP for Sardegna builds on this national diagnosis by stating the following objectives related to the areas that are the subject of this case study - to improve the attractiveness of the rural territories for people and for enterprises; to revitalise the productive tissue and to maintain vital and dynamic local communities; to halt depopulation; to maintain existing, and create new, job opportunities; to increase employment among women and young people; to sustain the occupation, and the productivity, of the farm holdings; and to reduce social isolation and exclusion.

RDP measures and resources

To pursue these objectives, the following **measures** will be used:

- 311 Diversification towards non-agricultural activities
- 312 Support for creation and development of micro-enterprises
- 313 Stimulation of touristic activities
- 321 Basic services for the economy and rural population
- 322 Development and renewal of villages
- 323 Protection and beneficial use of the rural heritage
- 341 Acquisition of competences, animation and implementation
- 41 Implementing cooperation projects

Measures 311, 323 and 341 are partly by implemented by the Regional Council and partly by the LAGs. Measures 312, 313, 321, 322 and 41 are wholly implemented by LAGs. Measure 41 is simply the vehicle through which Measures the Axis 3 measures are mainly implemented. In Sardegna, the Leader approach is only used within C1 and D1 zones.

The RDP shows a gross **budget** for these measures, with €18 million (1.44% of the total RDP budget) for Measures 311, 323 and 341 and €169,9 million (13.56%) for Axis 4 and the other Axis 3 measures. Since the Axis 3 measures will be implemented mainly through Leader groups, and they did not produce their local development strategies and budgets till after the RDP was approved, we cannot tell how this total is allocated between the individual measures.

Beneficiaries

The beneficiaries are as follows:

- Measure 311 - members of farming families
- Measure 312 - micro-enterprises according to the provisions of EC Reg. 169/2005
- Measure 313 - public bodies or their associations, bodies for the management of touristic services and (for action 4) private bodies.
- Measure 321 - public bodies and their associations
- Measure 322 - for action 1, public bodies and their associations; for action 2, private citizens or owners of buildings.
- Measure 323 - public bodies and their associations and for action 30 private persons.
- Measure 341 - Sardinia Regional Council

Targets. Targets are stated for three of the measures:

- Measure 311- increase of €1 million in gross added value of non-agricultural origin in the beneficiary holdings, €20 million of total volume of investments, and 11,400 more tourists
- Measure 323 - €6 million in total volume of investments, and 195,000 people using improved services
- Measure 341 – 4,000 participants in training activity and 1,800 successful completions.

Other funds. The RDP states that ERDF and ESF may bring support to these areas, but does not indicate the scale of resources from these funds.

Coherence. The definition of areas is precise and clear, as well as the identification of the major needs and objectives.

The Axis 3 measures that are devoted to these areas seem to be well-related to the stated objectives, and a substantial amount of money is allocated to them. Moreover, the fact that most of this spending is to be implemented by Local Action Groups, within the framework of local development strategies, suggests an integrated attack on the severe problems that are described. One may assume, but we cannot be certain from the evidence of the RDP alone, that other RDP measures (from Axes 1 and 2), and possibly some resources from ERDF and ESF, will also benefit these areas. So, there is a fair degree of coherence, and certainly a clear effort to analyse the special needs of these troubled territories and to suit the measures to them.

This case study suggests that Italy can offer an example of elements of relevant practice in the two-stage analysis, national and then regional, of the specificities of regions and their needs, and in the focused attack on the needs of these disadvantaged areas.

E. Rural areas eligible for Axis 3 measures

E.1 Finland

Definition. Finland is the most sparsely populated member state of the EU. For this reason, it decided not to use the OECD definition, by which the whole country would be defined as either predominantly or significantly rural. Since the first national rural programme in 1990, Finland has evolved a three-part classification of rural municipalities (LAU2), dividing them into urban-adjacent rural areas, rural heartland areas and sparsely populated rural areas, in order to focus rural policy on specific regional needs and to ensure effective delivery of policy. The RDP shows the following updated classification, based on multi-variable analysis (which was described in our Step 1 report):

- Urban areas – a total of 58 municipalities, which includes the centres of major urban areas, and other urban areas with comparable characteristics and three categories of rural areas, namely:
- Urban-adjacent rural areas – a total of 89 municipalities
- Rural heartland areas – a total of 142 municipalities;
- Sparsely populated rural areas – a total of 143 municipalities.

All three categories of rural area are eligible for Axis 3 measures. But this case study is focused on **sparsely populated areas**, which are distinguished from the other categories through the multi-variate analysis mentioned above. These areas form a clear sub-set of the national definition of rural areas. They are clearly defined by reference to administrative boundaries and on maps. **Figure 3**, on the next page, in which the sparsely populated areas are shown in blue, shows how extensive these areas are.

Objectives. The RDP states, as a priority, the objective 'to slow down the decrease in the population of sparsely populated rural areas and rural heartland areas and to contribute to an improvement in employment at the same pace in the whole country'. The scale of this priority is shown by the statement in the RDP that measures aimed at diversifying the rural economy should have a "minimum of 80% of business financing allocated to rural heartland areas and sparsely populated rural areas, and a maximum of 5% allocated to urban areas." Similarly, measures aimed at improving the quality of life in rural areas should have "at least 70% targeted at rural heartland areas and sparsely populated rural areas."

Turning specifically to **sparsely populated rural areas**, the RDP offers a summary of their weaknesses:

"Sparsely populated rural areas are in a vicious circle: the young move away, services are declining, agriculture decreases, new jobs are too few to offset the loss of traditional jobs, the number of elderly increases and the economic capacity of municipalities cannot cope with the change. The short growing period and other natural conditions restrict the development potential of primary production."

The RDP does not state **needs** as such. The nearest to such a statement is the SWOT analysis, which shows the following characteristics of sparsely populated areas.

Weaknesses and threats:

- Natural conditions restricting agriculture and fragmented farm structure
- Sparse population, distorted age structure, long distances
- Weak profitability of the food industry and SMEs
- Limited employment opportunities especially in sparsely populated rural areas
- Weak development in productivity and capital intensity
- Payments account for large share of farmers' income

Strengths and opportunities:

- Emphasis on the environmental and landscape values of rural areas
- Positive entrepreneurial attitude and commitment to rural development
- Strong local culture
- Extensive expert and training system and good development skills
- Comprehensive communication networks

For the present purpose, we may assume that the **objectives** of the RDP for these areas are to offset the weaknesses, avoid the threats, and build on the strengths and opportunities.

RDP measures and resources. In pursuit of these objectives for the sparsely populated areas, the RDP applies the following **measures** from Axes 1, 3 and 4;

- Vocational training and information actions, including (I) General vocational training and information actions, (2) Improving the competitiveness of agriculture, an (3) Upgrading competence
- 123 Adding value to agricultural and forestry products
- 124 Cooperation for the development of new products, processes and technologies in the agriculture, food and forestry sectors
- 311 Diversification into non-agricultural activities
- 312 Creation and development of micro-enterprises
- 313 Encouragement of tourism activities
- 321 Basic services for the economy and rural population
- 322 Village renewal and development
- 323 Conservation and upgrading of the rural heritage
- 331 Training and information
- 41 Implementing local development strategies
- 421 Inter-territorial and transnational cooperation
- 431 Running the local action group, acquiring skills and animating the territory

Funding. The RDP shows the following budgets for these measures:

Measure No.	Public funding over whole programme period € Million	% of total RDP budget
111	38.5	0.6
123	107.5	1.6
311	170.0	2.6
312	158.0	2.4
313	26.0	0.4
321	38.0	0.6
322	20.0	0.3
323	6.0	0.1
331	15.0	0.2
41	169.0	2.5
421	24.0	0.4
431	40.0	0.6

Measure 41 is the vehicle through which activities eligible for support through the Leader approach are implemented. Of the EAFRD contribution for axis 4, a maximum of 20% is allocated to activation and acquisition of skills at the local level (operational funding) and a maximum of 80% is allocated to the implementation of local development strategies. The budget figure for Measure 41 includes only the funding for Axis 1 and Axis 3 (measures included in this case study) and not funding for Axis 2.

The figures in the table above are not exclusively devoted to sparsely populated areas. For Measures 111 and 123, the figures include sparsely populated areas, urban-adjacent rural areas and rural heartlands areas. For the Axis 3 figures, it is possible to work out what proportion is allocated to rural heartland areas and sparsely populated areas. The RDP states that measures aimed at diversifying the rural economy should have a "minimum of 80% of business financing allocated to rural heartland areas and sparsely populated rural areas", and that measures aimed at improving the quality of life in rural areas "at least 70% should be targeted at rural heartland areas and sparsely populated rural areas." On this basis, we can calculate that funding targeted at rural heartland areas and sparsely populated rural areas includes about €136 million for Measure 311, €126.4 million for Measure 312, €20.8 million for Measure 313, €26.6 million for Measure 321, €16 million for Measure 322, and €4.8 million for Measure 323.

Beneficiaries. The beneficiaries for these measures are:

- Measure 111.1 - Educational institutions, municipalities, associations, organisations, cooperatives and enterprises
- Measure 111.2 - Individuals and businesses engaged in agriculture, development body whose functions or mission include service production for enterprises, municipalities, associations and cooperatives
- Measure 111.3 - Individuals, enterprises and groups of entrepreneurs
- Measure 123 - Agricultural holdings or micro-enterprises and SMEs
- Measure 311 - Members of farm households, municipalities, associations, organisations and cooperatives
- Measure 312 - Rural micro-enterprises, municipalities, associations, organisations and cooperatives
- Measures 313, 321, 322, 323 and 331 - Municipalities, associations, organisations and cooperatives.

Support under these measures is restricted by reference to the **size of grants**, as follows:

- Measure 111 maximum €150,000 per project
- Measure 123 Maximum €500,000 per investment if relates to first-stage processing in agriculture. For other investments, maximum of €200,000 a year for three fiscal years. In projects backed by an action group, maximum €150,000
- Measures 311,312,313,321,322,323 331. For projects backed by an action group, maximum € 150,000
- Measures 321, 322, 323. For coordination projects, maximum €150,000.

Targets. The RDP does not state indicators or targets for these measures as applied specifically to sparsely populated areas. All targets and indicators relate to the whole of the rural areas.

Other Funds. The RDP states that ERDF, ESF and EFF may support activity in the sparsely populated areas. It gives no indication of the scale of resources from these programmes. However, it does state that "... in eastern and northern Finland, where the rural development challenges are the greatest, more funding is available under the European Regional Development Fund (ERDF) and European Social Fund (ESF) than in other regions, which also supports the development work in rural areas." LAGs, which cover the whole of the sparsely populated areas, can negotiate funding from ERDF, ESF or EFF to assist in implementing their local development strategies.

The RDP does not mention other **national** funding, despite the fact that Finland applies – through its Rural Policy, which is wider in scope than the RDP – the concept of ‘broad’ rural development, which relates to coordination between different policies and government funding.

Cohherence. There appears to be a high degree of **coherence** between the different elements. Financial resources are focused on the rural areas (i.e. sparsely populated areas and rural heartland areas) which most need development because of out-migration, limited employment opportunities, poor infrastructure. Even if the total amount seems low, the majority of funding under Axes 3 and 4 is directed at sparsely populated areas and rural heartland areas. All of the measures applied to sparsely populated areas can be implemented through Local Action Groups, which according to the RDP have the duty to “... implement strategic, systematic rural development **driven by local needs** in accordance with the bottom-up principle, which provides each rural area with precise solutions for improving the opportunities for employment and earning a living.....The bottom-up orientation is key to the Leader approach. This approach is founded on **each area and its needs**”. As described earlier, LAGs can enlist the support of ERDF, ESF and EFF in their development work.

The provisions in the RDP appear to be **relevant** to the needs of sparsely populated areas. As to the **efficiency** of measures and resources applied, it is difficult to make a judgment since the budgets refer to **all rural areas**. As to the **balance** of the programme, the 8.8 % of the RDP budget that is committed to Measures 111 and 123 and Axis 3 seems low given the needs of the sparsely populated areas. However, this is difficult to judge without more information on what is being spent in these territories under ERDF, ESF or EFF.

The use of LAGs not only to deliver Axis 3, but also as a means by which resources outside EAFRD are focused on meeting local needs, is an **element of relevant practice** that merits further study.

E.2 Languedoc-Roussillon, France

Definition. In defining rural areas for the general purpose of its mainland RDP, France (only) chose not to use the OECD definition, mainly for the reason that rural areas so defined would exclude significant parts of the peri-urban zone, which includes a third of France’s agricultural land, 35% of its farms and the homes of 39% of the metropolitan population. It developed a concept of “peri-urban and rural crowns”, as the basis for defining rural areas for the RDP. From this starting-point, it defined three categories of space:

- *predominantly urban space*, which is composed of an urban employment pool (defined as having a potential of at least 5000 jobs) and its “peri-urban crown” (composed of communes where at least 40% of working people live in the commune and have a job in the “urban pool”);
- *predominantly rural space*, which is composed of a rural employment pool (defined as having a potential of at least 500 jobs) and the “the crown of the pool” (composed of communes where at least 40% of the population is working in this rural pool);
- *other rural communes*.

The RDP applies to predominantly rural space, other rural communes and peri-urban crowns, but not to the urban employment pools.

The Step 1 fiche on France showed that the RDP identifies a category of ‘Organised rural territories’, which is the focus of this case study. Under national rules, these territories must each have a geographic, cultural and economic cohesion or social cohesion. They include so-called ‘Pays’ or Natural Regional Parks, each of which has an established local partnership and a local strategy focused on environmental protection and related developmental activity.

The application of Axes 3 and 4 of the EAFRD in each region of France is decided by the Prefect of the Region. This case study focuses on the '**Organised rural territories**' in the region of **Languedoc-Roussillon**, in which Axis 3 represents a significant parts of the EAFRD budget. The Prefect has recognised thirteen **Pays** with a range in size of population from the largest (Pays "Garrigues & costières de Nimes") with 240,336 inhabitants in 41 communes and surface area of 929 km² to the smallest with 37,974 inhabitants in 89 communes and surface area of 1426 km². In addition, it has **Natural Regional Parks**, which are set up by groups of communes to pursue the two linked purposes of protecting the environment and heritage, and promoting the socio-economic development of the area. The partners sign a Charter of partnership, which runs for 12 years and may be renewed: this forms the basis for the local development strategy. Many of the Pays or Regional Park partnerships also serve as LAGS under Axis 4 of the EAFRD.

These territories are defined in text, and stated as a priority, in the Regional RDP for Languedoc-Roussillon. They fall within the overall definition of rural areas (except those parts of the largest Pays which may count as urban).

Objectives. The regional RDP states the following general objectives for the rural areas in the region:

- to sustain economic activities to ensure a better repartition of population on the regional territory
- to sustain and valorise the natural and cultural heritage
- to promote local animation of local policies
- to improve the economic and residential attractiveness of rural areas adapted to local strategy and with a structuring effect.
- to create jobs by diversification and creation of new activities.

The articulation of specific objectives for each Pays or Natural Regional Park rests with the local partnership.

RDP measures and resources. To pursue these objectives, the RDP applies the following **measures**:

- Measure 311 Diversification into non-agricultural activities
- Measure 312 Support for sustaining and creating micro-enterprises
- Measure 313 Promotion of tourism activities and enhancing the quality of the structure according to the regional objectives for the territory.
- Measure 321 Basic services for the economy and the local population
- Measure 341.2 Local development strategy. This includes skills acquisition and animation to enable the different actors to focus on an integrated territorial project, embracing social, economic and environmental goals. A priority is also given to commercialisation of the local food supply chain.

Funding. For these measures, related to the whole rural territory of the region, is shown below: the RDP does not indicate the proportion of this that may be applied to the 'Organised rural territories'

Measure No.	Public funding over whole programme period, €	% of total RDP budget
311	13,872,000	3.6
312	4,800,000	6.1
313	25,650,000	6.6
321	4,780,000	1.2
341.2	6,990,000	1.8

Beneficiaries. The beneficiaries and limits for the different measures are as follows:

- Measure 311 - members of farm households. Size of grants between minimum of €5,000 and maximum of €200,000 per year for three years.
- Measure 313 - local authorities (Region, Department) or groups of communes, and also **Pays and Natural Regional Parks** as contracting authorities (*maître d'ouvrage*). Size of grants (within a range of 50 to 80% for public support) between a minimum of €15,000 and maximum of €200,000 a year for three years.
- Measure 321 - local authorities, group of communes, public establishments and associations. Grants (80% of public support) with maximum €100,000 from EAFRD and the possibility of funds from outside the EAFRD.
- Measure 341.2 – **Pays, Natural Regional Parks**, groups of communes, local authorities, cooperatives and collective structures. Grants (80% of public support) with maximum 50% from EAFRD, plus possibility of funds from outside the EAFRD.

Targets. The RDP provides no targets or indicators specific to the 'Organised rural territories'.

Other Funds. The RDP states that ERDF and ESF may apply to the organised rural territories. Two Inter-regional programmes, related to the 'Massif central' and the 'Pyénées', could support the strengthening of the tourism sector. The RDP provides no details, and no indication of funding from these sources.

Each French region has regional programmes, which may provide support to rural areas, including the organised rural territories. These include:

- *Regional plan for Economic Development*, which states a strategy to help the creation and development of enterprises, the mobilisation of human capital, and territorial coherence.
- *Strategic Action Plan of the State in the Region*, of which the objectives are to support the attractiveness of territories, strengthen their competitiveness, reduce their vulnerability, consolidate social cohesion, and focus the resources of the State on the needs of territories
- *Contract of Project State-Region*, which describes the actions applied by the State and Region in the territory: it gives priority to valorisation of human capital by supporting higher education, research in innovation sectors (including ICT) and training, support to enterprise and the agricultural sector especially viticulture, support to the transport infrastructure, and strengthening social cohesion by supporting health and cultural infrastructure.

Only the third of these, the Contract of Project State-Region, provides funding. The RDP does not indicate what resources may flow to the organised rural territories from that Contract.

Coherence. This French approach to local development is interesting in several respects - the choosing, by local authorities and others, of an area which has 'geographic, cultural and economic or social

cohesion'; the creation of a local partnership, with (in the case of the Natural Regional Parks) a 12-year charter or agreement between the partners; the production of a local development strategy; and the close link between the two purposes of protecting the environment and heritage, and promoting the socio-economic development of the area. The word 'Pays' itself, with its sense of the special, local valued place, is evocative of territorial specificity. Also interesting is that the 'Pays' may stretch beyond the defined rural area, in order to benefit from the inter-dependence of two and countryside in particular sub-regions.

Many of the Pays or Regional Park partnerships also serve as LAGs under Axis 4 of the EAFRD. This enable them to focus EAFRD funds on the rural parts of their territories, while bringing in funds from other sources to the whole of their areas, which may be partly urban.

These points give a basic coherence to the concept of organised rural territories. What cannot be judged, simply by reference to the Languedoc-Roussillon RDP, is the adequacy of the measures and resources that are applied, from within and beyond the AEFRD, to address the needs and meet the stated objectives of these territories.

Nevertheless, this case study offers two examples of **elements of relevant practice** which merit further study:

- The '**Pays**', particularly those which embrace significant rural and urban areas.
- The **Natural Regional Parks**, which are already celebrated in the European family of Protected Areas as models of a partnership-based approach to multi-purpose management of fine rural areas where traditional farming and other activities have created remarkable landscapes, ecosystems and cultural heritage, and where the sustaining of that heritage is in symbiosis with the social and economic well-being of the local population.

E.3 Hessen (Germany)

Definition. Rural areas in Germany are extremely heterogeneous; and responsibility for rural development rests with the Länder. For these two reasons, there is no national definition of rural areas for the purpose of rural development. Each region has developed its own definition. In the more densely populated Länder – of which Hessen is one – the regional authorities make use of the definitions in their *Landesentwicklungsprogramm* (State development plan elaborated by the spatial planning authority). Accordingly, rural areas tend to be defined as the areas which lie outside the *Verdichtungsraum* (densely populated area, which is variably defined).

The RDP for Hessen states that Rural areas are defined by reference to "context-related Baseline Indicators 1 and 2", subject to the exclusion of the Rhein-Main urban conglomeration and the city centres of Kassel, Fulda, Marburg, Gießen and Wetzlar.

The focus of this case study is on the **areas which are eligible for Axis 3 measures**, which the RDP calls 'Rural areas defined by reference to population density, structure of the economy and structure of employment'. These areas relate directly to, and form a large part of, the overall rural areas as defined above. They are clearly defined by text and maps, and by reference to administrative boundaries.

Objectives. The RDP states four main objectives for the whole programme. These all apply to the territories which concern us, but Objective 2 is of greatest relevance.

- 1. To decrease regional disparities, with a focus on the northern and middle parts of Hessen.
- 2. To maintain and create value chains, in order to avoid out-migration of rural areas, using measures within Axes 3 and 4.

- 3. To improve the structures of agricultural holdings and food economy for safeguarding competitiveness in a middle and long-term perspective on a growing global market.
- 4. To improve the environmental situation in sub-regions by developing regional agri-environmental programmes well adjusted to the particular needs of the each sub-regions.

RDP measures and resources. To pursue these objectives, the RDP applies the following measures:

- 311 Diversification into non-agricultural activities
- 312 Support for business creation and development
- 313 Encouragement of tourism activities
- 321 Basic services for the economy and rural population
- 322 Village renewal and development
- 323 Conservation and upgrading of the rural heritage
- 331a Training and information measure for economic actors operating in the fields covered by axis 3
- 341a Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
- 413 Measures for improving the diversification of rural economy and improving the quality of life
- 421 Implementing cooperation projects
- 431 Running the local action group, acquiring skills and animating the Territory

Funding. For these measures over the whole programme period is €21 million (3.3% of total RDP budget) for Measure 321; €158 million (23.8%) for Measure 322; €0.7 million (0.1%) for Measure 341; €47 million (7.1%) for Measure 413 (which is the vehicle for implementing Measures 311, 312, 313, 323, and 331); €1.4 million (0.2% for Measure 421; and €2.1 million (0.3%) for Measure 431.

Beneficiaries. The beneficiaries for the different measures are as follows:

- 311 - Agricultural holdings
- 312 - Legal persons
- 313 - Communities, Natural and legal persons, water and soil-board and other equal boards
- 321 - Natural and legal persons
- 322 - public and private bodies of communities and private persons
- 323 and 331 - public and private bodies
- 341 - public and private bodies, including Local Action Groups
- 413 – The same beneficiaries as the Axis 3 measures
- 421 and 431 - Local Action Groups

Targets. Targets are stated but without numbers.

Other funds. Integrated local development strategies are supported in defined LEADER regions via the RDP exclusively. However, individual projects may be supported using resources from the ERDF, ESF and EFF. The RDP provides no indication of the scale of resources from these or other programmes.

Cohherence. The need to counteract out-migration in the northern and middle parts of Hesse is met by the strategic objectives. The rural areas eligible for Axes 3 and 4 measures, however, also cover southern parts of the programme area. In southern parts there exist also the need for increasing gross value added (GVA) through use of these measures, but the out-migration is not as severe as in the northern and middle parts of the region. The provisions in the RDP, notably the focus on maintaining and creating value chains in order to avoid out-migration of rural areas, appear to be relevant to the needs of the defined territories, notably linked to the problems of the northern and middle parts of Hessen. Analysis only of the RDP does not allow any statement on efficiency and balance of the RDP regarding the focus of this case study: it would require an assessment of alternatives to make a judgement on this. The case study does not offer an example of elements of relevant practice.

F. LAG Areas

F.1 Ireland

Definition. In defining rural areas rural areas for the general purpose of their RDP, Ireland chose to include a number of small to medium sized towns: this was justified by the close proximity of these towns to the greater Dublin area, with the consequent threat from urban sprawl, or by their location in key regional areas where a priority is to stabilise the population. With this inclusion, the defined rural areas embrace 59% of the national population. It is sub-divided into five types of rural area:

- “Strong” areas, with settlements that are peri-urban in nature and have the highest population densities among the rural areas
- “Changing” areas, characterised by having the lowest level of self-employment outside agriculture at 13% of the available labour force
- “Weak” areas, where population decline has been significant and those aged 65 and over exceeds 15% of the total population
- “Remote” areas that represent the highest proportion of part-time female workers at 29% of the total female population at work
- “Culturally distinct and highly diversified areas”: these vary across the country.

Areas covered by LAGs, which are the focus of this case study, in fact cover the whole of the defined rural territory. Ireland made very active use of the LEADER Initiative from its beginnings in 1991, and had a well-established pattern of LAGs covering the whole rural territory long before the drafting of the current RDP.

In the current programming period, the LAGs cover all of rural Ireland. Moreover, they are no longer simply partnerships set up to deliver EAFRD measures. They are local development companies, delivering both EAFRD measures and other national and EU-funded programmes. The background to this is that, when the Programmes for 2007-13 were in draft, the government decided that it would make sense to bring together the LAGs, the area partnerships for social inclusions, and the urban partnerships into combined local development companies, some of which run into the urban areas of Dublin, Cork, Limerick and Galway. These companies apply the Axis 3 measures in the defined rural areas, while delivering other types of action in both rural and urban areas.

There is no cross-reference within the RDP between the LAG territories, or the needs and measures described below, and the typology of 5 types of rural area mentioned above. Such cross-references may appear in the local development strategies and business plans of the LAGs, but these are outside the scope of this study.

Objectives. The SWOT identifies the following weaknesses or threats that need to be addressed:

- ICT uptake and broadband usage by rural communities is low
- Out-migration from remoter rural areas to large towns and cities results in rural isolation
- Over-reliance on more traditional employment sectors
- The inward economic pull of 'Gateways' and 'Hubs'
- Community identity has suffered due to increased commuting activity and outward migration
- Reduction in services and enterprise opportunities due to the disproportionate costs of transport and fuel.

In addition, the rural development strategy is designed to build on the following strengths:

- The LEADER approach is fully established and covers the whole rural territory
- The population is highly educated, with a dynamic age and economic profile
- A good base exists for enterprise development of natural resources
- Infrastructure at the macro level is rapidly improving
- There is a strong tourism and cultural identity.

These weaknesses and strengths are reflected in the **objectives** stated in the RDP for the relevant measures, all with high priority, namely:

- Promotion of quality of life, and diversification of local economies (Axes 3 and 4)
- Promotion of rural enterprise (measure 312)
- Development of local infrastructure and services essential to community well-being (measure 321)
- Enhancement of villages and countryside (measure 322)
- Environmentally friendly initiatives and conservation of areas of high natural and cultural value (measure 323)
- Training, skills acquisition and animation (measures 321 and 341)

These objectives are supported by specific aims, including that the proportion of national population that live in rural areas should remain at 59%, the unemployment rate of 4.3% should not rise, the proportion of part-time farmers who have other gainful employment should rise from 42% to 50%, self-employed should rise from 16.9% to 20% of the working population, and Internet take-up should rise from less than 5% to 20%, over the programme period.

RDP measures and resources. To pursue these objectives and aims, the RDP applies the following **measures**:

- 311 Diversification into Non-Agricultural Activities
- 312 Support for Business Creation and Development
- 313 Encouragement of Tourism Activities
- 321 Basic Services for the Economy and Rural Population
- 322 Village Renewal and Development
- 323 Conservation and Upgrading of the Rural Heritage

- 331 Training and Information Measure for Economic Actors in the Fields Covered by Axis 3
- 341a Skills-Acquisition and Animation Measure with a view to Preparing and Implementing a Local Development Strategy
- 41 Implementing Local Development Strategies
- 421 Cooperation
- 431 Running the Local Action Group, Acquiring Skills and Animating the Territory

All Axis 3 measures are implemented through the LEADER (Axis 4) approach.

Funding. The RDP provides the following budget for these measures:

€16.66 million (0.2% of the RDP budget) for Measure 311; €48.26 million (0.7%) for Measure 312; €45.4 million (0.6%) for Measure 313; €49.61 million (0.7%) for Measure 321; €54.2 million (0.8%) for Measure 322; €21.55 million (0.3%) for Measure 331; €34.63 million (0.5%) for Measure 341; €4.1 million (0.1%) for Measure 41; €10.7 million (0.2%) for Measure 421; €80.73 million (1.1%) for Measure 431; and €7.9 million (0.1%) for Technical Assistance. The total expenditure through the LAG is €425.5 million of public finance (6% of the RDP budget). The precise set of measures applied by each LAG depends upon local priorities as set out in the local development strategy.

Beneficiaries. The RDP does not state beneficiaries of, or restrictions on funding from, the measures above. These are shown in the local development strategies prepared by the LAGs.

Targets. The RDP states ambitious targets. For example the aim is to support 10,000 micro-enterprises, and to create 7,000 jobs and €16.4 million of added value through Measure 312; to generate a total of €320 million of investment through Measures 313, 321, 322 and 323; and to bring benefit to 2.5 million people through Measure 323; and to offer 250,000 days of training through Measure 331.

Other Funds. The RDP expects ERDF and ESF to provide support to rural areas. It does not indicate the scale of funding from these sources, nor whether the application of this funding will be influenced or administered by the LAGs. We know from other sources that many of the Irish LAGs are well-established as local development companies, delivering not only measures within the RDP but also elements of other national programmes which can directly benefit rural people. In Section 3, we gave the example of the Rural Social Scheme, which provides supplementary employment for part-time farmers. Some LAGs also deploy Axis 4 of the EFF: for example, the South Kerry LAG has applied RDP funds to building an enterprise centre, and EFF funds to training of new entrepreneurs in the centre. It is significant that Axis 3 is administered by the Department of Community, Rural and Gaeltacht Affairs, whereas axes 1 & 2 are administered by the Department of Agriculture and Food.

Coherence. This is a coherent programme. Its objectives are clear, and the actions are well structured and offer synergies and opportunities for integration. LAGs cover the whole of the rural areas, which means that each part of rural Ireland is the subject of a local development strategy and (in the LAG) a dedicated rural development agency. The balance of the RDP budget programme is tilted towards Axis 2 (80%), whilst Axes 3 and 4 together receive just 10% of the RDP budget. But the ability of the LAGs, as local development companies, to call down funds from outside the RDP, means that they may have the ability to meet the socio-economic needs of rural Ireland.

This pattern of long-established LAGs, each acting as rural development agency for its territory, and between them covering the whole of rural Ireland, can be seen as an element of **relevant practice** that merits further study.

F.2 Denmark

Definition. In defining rural areas for the general purpose of their RDP, Denmark decided that they must have a more subtle indication, than the OECD definition could provide, of which rural areas had the greatest need to boost development. So they opted for a classification system based on 14 indicators, which were selected in order to describe the structural, economic and demographic situation in different parts of the country. These indicators are described in the Step 1 fiche for Denmark. The outcome was that the 98 Danish municipalities were divided into four different classes – Peripheral; Rural; Intermediate; Urban. The first three classes, a total of 63 municipalities, count as Rural for the purposes of the RDP.

The same classification system provided the basis for deciding which areas should have LAGs. The RDP states that "The ... system shows that the need for development support is greatest in 'Peripheral' and 'Rural' municipalities. The Local Action Groups can be established in these municipalities. In 'Intermediate' municipalities, Local Action Groups can also be established: (however), these groups are deemed to have more resources and the state will not make national public funds available for these groups. They must therefore obtain the national public contribution themselves."

The RDP includes a map - reproduced as **Figure 4** on the next page - which shows where LAGs may be set up. This is supported by named municipalities - 16 in the peripheral zone, 30 in the rural zone, 17 in the intermediate zone – which may be included in LAG areas. The RDP also provides that "... the Islands organised under the Small Islands network can be included under the Leader approach". It is stated that, within these zones, "a local action group must cover at least the geographical area of a municipality. The area must have a minimum of 5,000 and a maximum of 150,000 inhabitants. In specially justified cases, the Ministry may grant exemptions from these criteria, including in connection with the setting up of local action groups for a number of small and medium-sized islands."

So, **the LAG areas**, which are the subject of this case study, are a sub-set of the national definition of rural areas. They command a clear priority in the RDP. Their boundaries do not appear in the RDP, because they will depend on submissions made by the LAGs when seeking recognition by the Ministry, but the criteria for choosing these boundaries are clear.

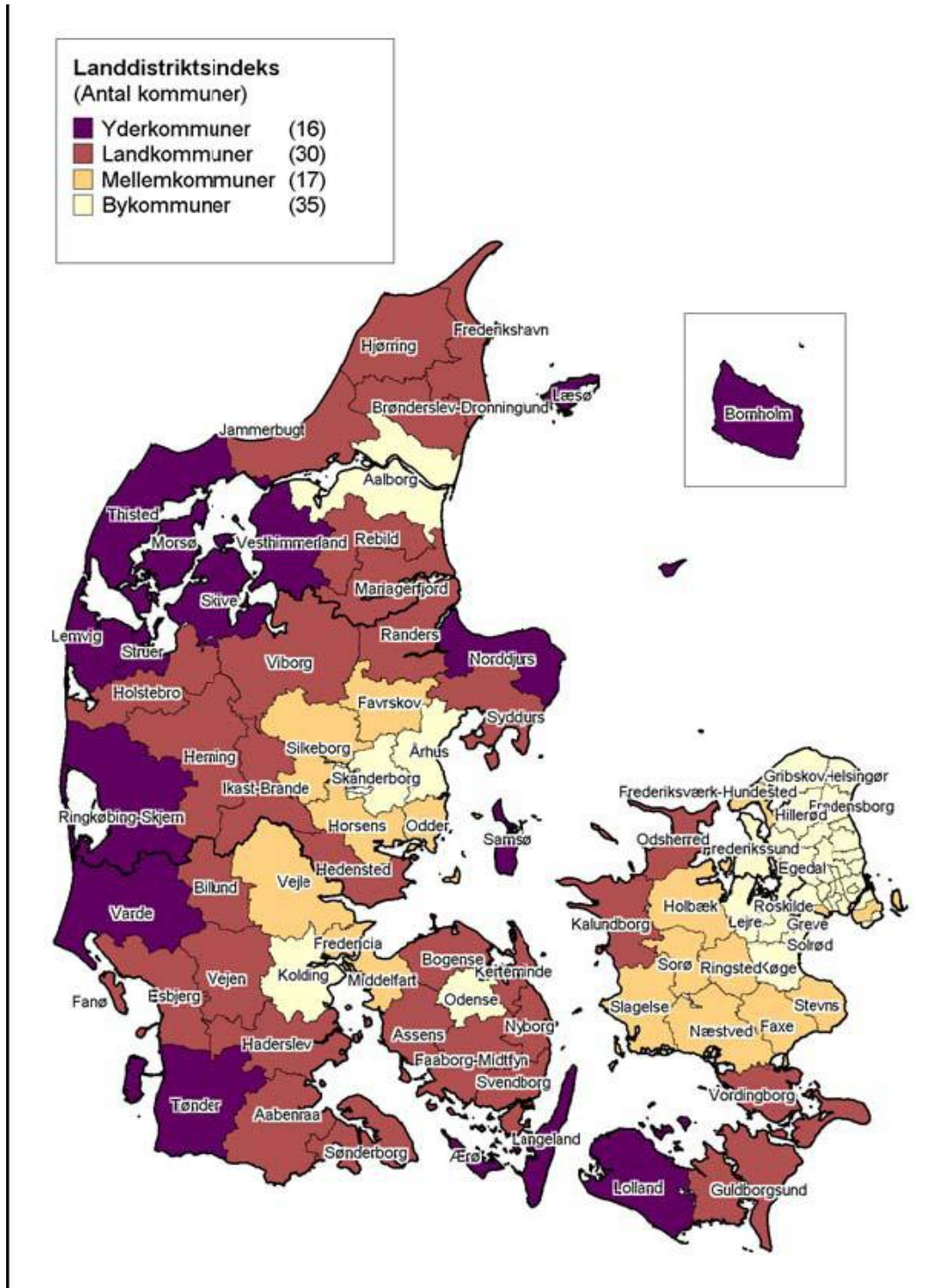
Objectives. The RDP does not state objectives for the rural areas that can be covered by LAGs. However, the following objectives are clearly implied by the statement of opportunities and challenges related to Axis 3:

- Maintain and generate more local jobs in rural areas
- Promote local niche products
- Promote development of local initiatives
- Promote natural, cultural and recreational assets
- Promote distance learning, teleworking and the use of new digital technology in both the private and public sectors
- Reinforce local solidarity and cooperation
- To discourage outward migration
- Promote opportunities for young, well-educated people to move out from urban areas
- To improve quality of life and create greater cohesiveness
- To reinforce local skills, decisions and commitment.

Figure 4: Rural municipalities in Denmark

Purple, red and orange areas can be supported under the Rural Development Programme to set up a local action group.

- Code**
- Yderkommuner = Peripheral
 - Landkommuner = Rural
 - Mellemkommuner = Intermediate
 - Bykommuner = Urban



The RDP also includes the following key statement of the Government's approach to Axis 3 and LEADER:

"Development in the rural areas necessitates thinking in terms of totalities that ensure that the various individual initiatives are part of an overall strategy, which helps create good framework conditions for the rural areas. The challenges in the various rural areas are not necessarily the same. A decision has therefore been taken to apply the "Leader" approach to much of the initiative under Axis 3. As a result, local actors are activated and **local needs and opportunities** are taken account of. Under Axis 3, the local action groups are consequently given an opportunity to apply a broad range of instruments, and it is up to the individual action group to decide in what strategic areas to operate."

RDP measures and resources. To pursue these objectives and aims, the RDP applies the following measures:

- 123 Adding value to agricultural and forestry products
- 311 Diversification into Non-Agricultural Activities
- 312 Support for Business Creation and Development
- 313 Encouragement of Tourism Activities
- 321a Basic Services for the Economy and Rural Population
- 322 Village Renewal and Development
- 323c Conservation and Upgrading of the Rural Heritage
- 41 Implementing Local Development Strategies
- 421 Implementing cooperation projects
- 431 Running the Local Action Group, Acquiring Skills and Animating the Territory

Note: Measure 41 is simply the vehicle through which the first seven measures in the above list are implemented within the LAG areas. LAGs may also "give support to other activities such as pilot projects that may contribute to fulfill the objectives of Axis 3". Measures 421 and 431 provide general support to Measure 41.

Funding. The RDP provides the following budget for these measures:

€6.4 million (0.77%) for Measure 123; €6.4 million (0.77% of the RDP budget) for Measure 311; €3.2 million (0.38%) for Measure 312; €12.7 million (1.54%) for Measure 313; €19.1 million (2.31%) for Measure 321a; €9.5 million (1.14%) for Measure 322; €6.4 million (0.77%) for Measure 323c; €0.001 million (0.0%) for Measure 421; and €14.1 million (1.7%) for Measure 431. The total expenditure through the LAG is €77.8 (9.4% of the RDP budget).

Beneficiaries. The beneficiaries for the measures are

- Measure 123 Food-related enterprises; micro-enterprises in the forestry sector
- Measure 311 Owners or tenants of agricultural property; members of farm households
- Measure 312 Micro-enterprises, other than those related to tourism.
- Measure 313 Enterprises, individuals, public authorities, cooperatives.
- Measures 321a, 322 and 323a Enterprises, individuals, public authorities, cooperatives, LAGs

Targets. Targets were stated for all the measures. For example, aims were to generate 14,000 more tourist visits through Measure 313; to provide Internet access to 14,000 further people through Measure 321; to bring the benefit of improved services to 70,000 people through Measure 322; and to create a net total of 344 jobs, and net added value of €123 million, through the full range of measures. These targets have been updated since the RDP was approved.

Other Funds. The RDP states that the ERDF, ESF and EFF may bring support to rural areas, but does not indicate the scale of resources from these or other funds. As mentioned in Section 3, Denmark takes a flexible approach to achieving complementarity between the different EU funds. Projects which are eligible for support under several regulations can, in some cases, receive support from several funds. Enterprises involved in the food and forestry sectors can gain support not only from the RDP but also, for example, for innovation and skills acquisition under the ERDF and ESF. The most striking example is the link to the Fisheries programme, funded by EFF. Where an area dependent on fisheries coincides with an RDP Leader area, a single common LAG may be set up on the islands or by special request. It is the LAG's responsibility to ensure that projects financed under the EFF programme and the RDP are kept separate.

Where a project includes activities which are aimed at achieving the same overall objectives, but which are eligible for support under either fund, a decision is made either that the whole project will be supported under one fund or that it will be divided into sub-projects each of which calls on one of the two funds.

Coherence. There is, in principle, a high degree of coherence between the different elements. It is not possible from the RDP alone to judge efficiency of the programme. As to its balance, the 9.36 % of the total RDP budget that is committed to Measure 123 and Axes 3 and 4 barely meets the minimum that Denmark was obliged by the Regulation to so commit. The absence of quantified needs, and the lack of information on what is being spent in the defined territories under ERDF, ESF or EFF, mean that we cannot judge whether these territories are receiving a share of total EU-supported public funding that is proportionate to their needs vis-à-vis the country as a whole.

Among the RDPs covered in the Step 1 analysis that for Denmark is striking in three key features, which relate coherently to each other:

- a. determination to focus the territorial elements of the programme (measure 123 and Axes 3 and 4) on the areas which most need development because of falling or age-unbalanced population, narrow economies, weak infrastructure etc;
- b. implementation of these measures, in the needy areas, through Local Action Groups, with a specific focus on the needs of each area and harnessing of local resources and an integrated approach through the LAG partnership;
- c. a very open process of complementarity and overlap between the RDP and the programmes which draw on ERDF, ESF and EFF funding, including some LAGs which cover both rural development and fisheries.

What cannot be judged from the RDP alone is whether this focused and multi-funded approach works well in practice, or whether the resources applied are commensurate to the needs.

The factors mentioned above suggest that this should be seen as elements of relevant practice which merits further study.

F.3. Estonia

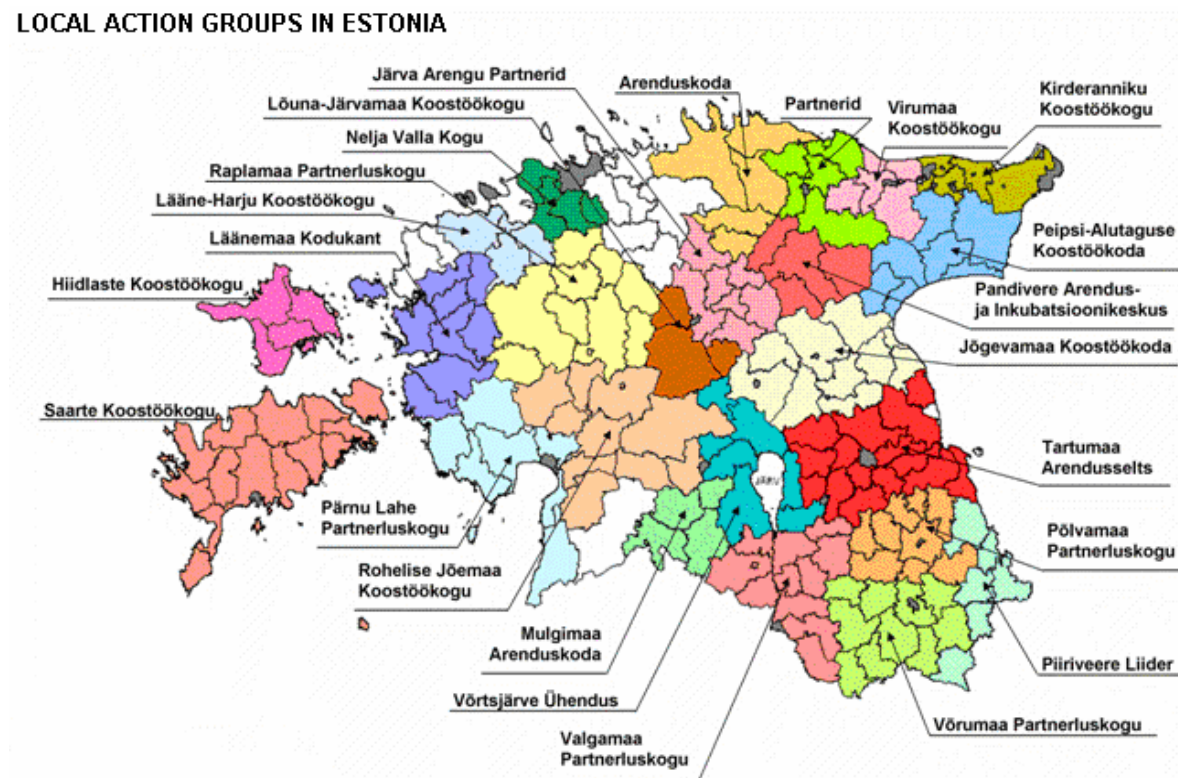
Definition. In defining rural areas for the general purposes of the RDP, Estonia chose not to use the OECD definition as it does not reflect properly the definition of Estonian rural area (“the population density of most cities and towns under rural municipalities is less than 150 inhabitants/km²”). Instead, it uses actual administrative division, according to which all municipalities are regarded as rural areas. In past years, several towns have become rural municipalities as a result of merging with neighboring or surrounding municipalities. “According to data provided by Statistics Estonia, as of January 2006, there were 447,663 residents in rural municipalities (33.3% of Estonian population).” The average population density of rural municipalities was 10.6 inhabitants/km². In addition in case of LEADER, small cities with a certain size of population (up to 4000) have been considered to be rural.

It is intended that **LAG areas**, the focus of this case study, will cover all or most of the defined rural area of Estonia. The RDP provides that each LAG area should contain between 10,000 and 100,000 population, though justified exceptions may be allowed; and that the territory must provide the critical mass of human, financial and economic resources that is needed to implement a sustainable development strategy

The territory should comprise rural municipalities and towns in the same geographic region and with common economic, cultural and social interests. The borders of the territory should coincide with the borders of the local government units which are members of this action group. These units may not belong to more than one LAG. LAGs are required to bear in mind, when preparing and allocating resources within their strategies, “indicators of regional differences (e.g. population density, receipt of taxes, employment, enterprise)”.

At the beginning of the programme period, much of the country was already covered by a total of 24 LAGs, as shown in **Figure 5** below. Our understanding is that these groups were expected to continue in the new period, and that the gaps (shown white on the map) might be filled by at least one further LAG.

Figure 5: Local Action Groups in Estonia, as at 1 January 2007



So, the LAG areas relate to the general definition of rural areas, but can extend beyond those areas to include towns with up to 4000 inhabitants. They are clearly defined by reference to municipal boundaries and to maps. They have a clear priority within the RDP.

Objectives. The RDP does not state needs as such. The SWOT analysis points clearly to the following objectives for the rural areas in general:

- To improve the quality of life (including better availability of infrastructure and services, finding new possibilities for the use of abandoned buildings) in order to increase the number of rural inhabitants;
- To support an increase in local initiative, including involvement of local people in the development of niche production and local decision-making.

Objectives specific to Axis 3 or to LEADER are stated or implied as follows:

- To improve the situation of enterprises, in particular micro-enterprises, with preference to non-agricultural production, using local resources, rural tourism, handicraft and service enterprise, which are directly linked to improvement of the quality of life
- To support diversification of particularly small agricultural holdings
- To support investments into making use of abandoned agricultural facilities and buildings, and creation of employment opportunities
- To maintain sustainable rural services
- To preserve, restore and improve living environment of villages
- To attain the functioning of LAGs in the biggest part of rural areas
- To contribute to the inhibition of the increase in regional differences
- To promote local initiative in the improvement of the quality of life.

RDP measures and resources. To pursue these objectives and aims, the RDP applies the following measures:

- 311 Diversification into Non-Agricultural Activities
- 312 Support for Business Creation and Development
- 321 Basic Services for the Economy and Rural Population
- 322 Village Renewal and Development
- 323 Conservation and Upgrading of the Rural Heritage
- 411 Implementing Local Development Strategies
- 413 Implementing LDS/Quality of life
- 421 Implementing cooperation projects
- 431 Running the Local Action Group, Acquiring Skills and Animating the Territory

Note: The RDP makes no distinction between the Axis 4 measure (411, 413, 421, 431), except in the budget (see below). A single LEADER measure, comprising Articles 61-65, will be implemented, in order to give LAGs greater freedom to make decisions according to local needs. Leader is implemented horizontally, but priority is given to Axis 3 measures.

Funding. The RDP provides the following budget for these measures:

€71.4 million (7.71% of the RDP budget) for Measure 312; €47.6 million (5.14%) for Measure 322; €15.4 million (1.66%) for Measure 411; €61.7 million (6.6%) for Measure 413; €5.1 million (0.56%) for Measure 421; and €3.4 million (0.37%) for Measure 421. These measures are all implemented through the LAGs, which thus command a total budget of €204.6 million (22.1% of the RDP budget).

The RDP budget provides no funding for Measures 311, 321 or 323: but State aid to small and medium enterprises (similar to that under Measures 311, 312, 321, 322 and 323) was available up to 31.12.2008

Beneficiaries. The beneficiaries for these measures are:

- *Measure 311* - micro agricultural producers. Support rates vary between municipalities, and are higher for projects in remote areas located further away from county centres. Maximum grant €300,000.
- *Measure 312* - rural micro-enterprises. Support rates vary between municipalities. Maximum grant €300,000, or €20,000 for purchase of used equipment. Undertakings belonging to a group may apply for support up to €300,000 per group
- *Measures 321 and 322* – non-profit organisations, foundations, SMEs. Support rates vary between municipalities. Maximum grant €300,000, or maximum annual support per applicant €60,000. Applicants can ask for bridge financing from the Rural Development Foundation.
- *Measure 323* – non-profit organisations, foundations, SMEs. Support rates vary between municipalities. Maximum grant €300,000 (€9,586 EUR for demolition of agricultural buildings), or maximum annual support per applicant €60,000. Applicants can ask for bridge financing from the Rural Development Foundation.
- *Axis 4* - LAGs, entrepreneurs, municipalities, associations. Maximum support payment for investments €200,000.

Targets. Targets are stated for all the measures. The aims for Measures 311 and 312 include support to 500 beneficiaries and 100 rural tourism actions, to increase the number of tourists by 10%, to achieve an annual increase of 10 to 15% in non-agricultural gross value added in supported businesses, and to create 250 jobs. Other aims include to support 200 villages under Measure 322; and to bring benefit to 60,000 people and to create 100 jobs through Measures 321, 322 and 323.

Other funds. The RDP states that support to rural areas may come from the ERDF, ESF, CF, EFF and LIFE +. "Activities for the increase in employment, for the promotion of the development of enterprise and for the improvement of the living environment etc. are planned from the resources of all the funds referred to. The activities affected with the assistance of structural funds also support the improvement of the situation in rural and coastal areas". Also, the Small Projects part of the national Regional Development Planning Programme, can support initiatives such as facilities or supporting infrastructure for recreation and tourism, or events and public activities which will help to diversify the local economy. However, no indication is given of the scale of funding from these sources, and the RDP requires that "Local development strategies must include demarcation principles regarding other support funds".

Coherence. Judging from the RDP, the Estonian approach to the role of LAGs in rural development is coherent. Almost all rural areas are served by LAGs, and their areas can extend beyond those areas to include towns with up to 4000 inhabitants. They are expected to focus on the specific needs of their areas, and to operate in an integrated way, with a unified programme of measures from Axes 3 and 4. They have considerable funds, totally €204.6 million, which is 22.1% of the RDP budget. Axis 4 alone attract over 9% of the budget, nearly four times the minimum requirement of 2.5% for Axis 4 stated in

the Regulation, the highest proportion among the new member states. The LAG areas can also benefit from other EU and national funds, though we do not know the scale of these funds. From the RDP alone, we cannot judge the practical impact of all this, and the targets stated in the RDP seem rather modest in the light of the high budget. However, the integrated approach, the focus on specific local needs and the complementarity with other EU and national funds makes this an example of elements of relevant practice that merits further study.

F.4 Andalucía (Spain)

Definition. In Spain, the responsibility for preparing and implementing RDPs rests with each Autonomous Region (Comunidad Autónoma). In the National Strategy, the first level of OECD definition (rural municipalities with density below 150 inhabitants per km²) was retained, while the second level (regional typology) was omitted and rural municipalities were summed up to a total figure of rural areas in each Autonomous Region. This approach was used because “the OECD definition does not always correctly reflect rurality, particularly in the zones with the highest population density”. However, this national approach is not binding on the Regions, and each Region develops its own definition of rural areas for the general purpose of its RDP.

Andalucía, whose LAG areas are the subject of this case study, used the OECD definition, without modification, in defining rural areas. In doing so, it recognised the wide diversity of territories in this large region, ranging from isolated rural areas to peri-urban areas under increasing urbanisation pressure; and the difficulty in distinguishing rural from non-rural areas, since there are many municipalities that contain rural and urban aspects.

In addressing the role of LAGs in the new programme period, the regional RDP recorded that up to 2007 there were 50 LAGs, operating under either LEADER+ or the national PRODER initiative. Taken together, they covered about 50% of the region’s population. Excluded from that coverage were many rural areas with needs and weaknesses. The Regional Council noted that, under the EAFRD regulation, Axes 1, 2 and 3 would apply to the whole territory of Andalucía; and decided that it would be logical to apply Axis 4 in the same way. So, the RDP provides that the whole rural territory of the region will be covered by LAGs (called ‘Rural Development Groups’ in Andalucía). This will involve the setting up of new LAGs and/or review of the territorial coverage of existing ones.

This complete coverage of the rural areas by LAGs does not mean that their activity will be applied in a uniform way across the regional territory. The RDP states that “**the interventions of Axis 4 will be elaborated in accordance with the different grades of rurality of each area**”. The definition of the territorial coverage of LAGs can include areas with a population of more than 50,000 inhabitants. However, no area with more than 50,000 inhabitants will benefit in its totality from the application of the Leader method. Interventions in such areas will apply to certain municipal districts, according to their needs and rurality. In this context, there will be LAGs whose territorial coverage exceeds 150,000 inhabitants, but each concrete intervention will apply to parts of this territory.

There is no map available in the RDP delineating the areas covered by LAGs for the 2007-2013 period. The territories of individual LAGs will only be known once they have submitted and received approval for their proposals from the competent authority Regional Council for Agriculture and Fishing.

Objectives. The RDP states the following objectives relevant to Axis 4.

- Design and implementation of local development strategies that involve and empower the rural population through Local Action Groups.

- Economic diversification in rural areas, promoting a dynamic and plural socio-economic environment.
- Promotion of employment in rural areas, with special emphasis on increasing the effective participation of women in the socio-economic development of these areas.
- Improvement of the structural dimension of farms and of the support infrastructure for the agrarian and forestry sectors.
- Improvement and innovation in products and productive processes and commercialisation of the agri-food and forestry industry.
- Promotion, conservation and improvement of forest areas, reinforcing their multi-productive and multi-functional character and preserving their environmental values and benefits (the focus in LAG areas is on the need to support non-productive investments).
- Improvement of the quality of life and revitalisation of rural areas, endowing them with services and equipment that facilitate environmentally sustainable social and economic development.
- Improvement of capacity building and training for the rural population, to achieve human capital that is capable to diversify the local economic structure and better quality of life.

Chapter 3 of the RDP also states that any policy implemented without taking into account the actual local actors would reduce the positive impact of its benefits. Therefore, the Region aims to take advantage of the benefits of a bottom-up and participative approach, by involving the rural population from the identification of its needs and opportunities through to the design and implementation of its proposals. This approach challenges the traditional organisational and bureaucratic model by suggesting another more flexible one that is adaptable to the needs of the region.

RDP measures and resources. The RDP for Andalucia takes an unconventional approach to the description of measures. Effectively, it brings measures which are normally in Axes 1, 2 or 3 into Axis 4 for those territories where the LAGs will implement the rural development programme. Thus Axis 1 measures fall within Measure 411, Axis 2 measures within Measure 412, Axis 3 measures within Measure 413. In this way, the Axis 4 strategy is seen to have "a multi-sectoral and bottom-up focus, resulting in integrated interventions addressed directly to the rural beneficiary society". The wide range of measures is expressed in the following way:

41 Local development strategies that are "simply the vehicle through which measures 411, 412 and 413 are implemented".

- 411 Competitiveness: this embraces measures corresponding to Axis 1, including:
 - Training, information and dissemination of knowledge
 - Modernisation of agricultural holdings
 - Increase in the value added of forests
 - Increase in the value added of agrarian products (agriculture and livestock) and forestry products
 - Cooperation for the development of new products, processes and technologies
 - Infrastructure related to the adaptation of agriculture and forestry
- 412 Environment /sustainable land use : this includes measures corresponding to Axis 2, namely:

- Support for non-productive investments in agriculture and forest land
- 413 Quality of life/diversification : this embraces measures corresponding to Axis 3, including:
 - Diversification of the rural economy
 - Support to the creation and development of micro-enterprises
 - Promotion of tourism activities
 - Provision of basic services to the rural economy and population
 - Renovation and development of rural areas
 - Conservation and improvement of rural heritage
 - Training and information of economic agents that develop their activities in the spheres covered by Axis 3
- Capacity building, training and studies
- 421 Cooperation
- 431 Functioning of Local Action Groups, capacity building and promotion

Funding. The RDP provides the following budget for these wide-ranging measures - €20 million (0.45% of the RDP budget) for Measure 411; €8.4 million (0.19%) for Measure 412; 210 million (4.74%) for Measure 413; €15 million (0.34%) for Measure 421; and €15 million (0.34%) for Measure 431. The total amount available to LAGs is €268.4 million, which is 6.06% of the RDP budget.

The RDP states the criteria that will be used in allocating these funds to the different LAGs. These criteria include:

- The degree of rurality of each area, determined by a number of factors related to demographic dynamism, socio-economic orientation, access of the population to basic services and to new technologies, social cohesion, environmental potential and environmental deficiencies etc.
- The coherence between the local development strategies and the needs of LAG territories and requirements of the EARDF regulation. This coherence will take into account aspects like the diagnosis of the socio-economic situation of the area, the definition of objectives and their contribution to correct socio-economic imbalances, the promotion of conditions that facilitate equal opportunities between men and women, the incorporation of environmental aspects, etc.
- The efficacy of the management of PRODER in Andalucía.

Beneficiaries. The RDP does not state categories of beneficiary.

Targets. Very few targets are stated. The most significant are that the total activity of all LAGs will create and maintain 1955 jobs for men under 30, 2,245 jobs for men over 30, 1640 jobs for women under 30 and 1345 jobs for women over 30; and that 1,100 people will successfully complete training activities.

Other funds. The RDP states that funds may come into the rural development within the LAG areas from ESF and EFF.

The Regional Operational Programme for **ESF** can support the Leader methodology through actions that promote local networks and associations, the implementation of local initiatives, and actions in the field of transnational cooperation. It may also benefit the LAG area through training of small entrepreneurs and workers and the promotion of an entrepreneurship culture in rural areas; improvement of the natural environment through awareness raising actions towards enterprise and workers; improvement in the

quality of life and rural economy through training, employability and inclusion actions; and support to training and research in order to generate knowledge, products and processes that combine progress and sustainability of the agrarian sector.

The **EFF** complements Axis 3 of the RDP by co-financing economic diversification in rural fishing areas, managed through the LAGs.

LAG areas can also benefit from the following **regional programmes**:

- The strategy for competitiveness of Andalucía 2007-2013
- The innovation and modernisation plan of Andalucía
- The environmental plan for Andalucía 2004-2010
- The forest plan of Andalucía
- The sustainable development strategy of Andalucía
- The general tourism plan of Andalucía.

Of these, only the first two explicitly state complementarity with Axis 4 objectives and needs. However, the content of measures 411, 412 and 413 covers themes that are complemented by the other programmes listed here.

The RDP gives no indication of the scale of resources that might come from the above funds and programmes.

Coherence. In general, there is a high degree of coherence between the different elements. The strategic goals of the RDP address rural areas of Andalucía. These are the same as LAG areas, since it has been defined that LAGs will cover all rural areas of Andalucía. The territorial coverage of LAGs is now much more than in the earlier programme period. All rural areas will be covered by the participative and bottom-up approach of the Leader Axis of the RDP: and, within those areas, the activity of the LAGs will be focused on the parts judged to have the greatest need. The 'bundling' of measures from all four Axes means that there is potential for a thoroughly integrated approach, of clear relevance to the needs of more fragile rural areas. Moreover, there appears to be strong complementarity between the RDP and the operational programmes for ESF and EFF, including the potential for some LAGs to implement rural development and fishery support in an integrated way.

However, there is no visible complementarity between the RDP and the ERDF Operational Programme for Andalucía. The total funds devoted to Axis 4 are substantial, but still only amount to 6% of the RDP budget, despite the fact that the LAGs are said to be deploying measures from all four Axes over a large parts of the country. The lack of information on what is being spent by other EU Funds and national programmes means that it is difficult to judge whether the LAG areas receive a share of total public funding that is proportionate to their needs.

Despite these reservations may merit further study as an example of elements of relevant practice in enabling all rural areas with different needs and weaknesses to benefit from the Leader approach, building on the past experience of LEADER+ and PRODER in Andalucía and bringing all Axes of the RDP into focus in an integrated way. Also interesting is the provision for some LAGs to implement rural development and fishery support in an integrated way.

F.5 Slovakia

Definition. In defining rural areas for the general purpose of its RDP, Slovakia used the OECD definition, without modification. Arising from this, three main types of region are defined - Mostly rural regions; other rural regions; and Mostly urban regions.

In relation to **LAG areas**, which are the focus of this case study, the RDP provides that the territory covered by a LAG must be a coherent rural territory formed on the principle of common interests, with a total population in the range between 10,000 and 150,000, and boundaries which coincide with those of the villages that are partners in the LAG. Villages of over 20,000 inhabitants are not eligible for support through the LAG. However, LAGs can cover also municipalities which are 'growth poles' (see definition below) and municipalities falling outside the Convergence objective, provided that they form an integral part of a LAG registered in the Convergence objective areas.

'Growth poles' were defined by the Ministry of Construction and Regional Development in the national Strategic Reference Framework 2007-2013. There are two kinds of growth poles – 'innovation growth poles', which are the regional capitals and former county capitals; and 'cohesion growth poles', which are municipalities where registry office, municipal office, elementary school (type 3) with more than 100 pupils are located, or which have an elementary school (type 3) and a secondary school, or which do not have these features but do have more than 1500 inhabitants. Their significance for our purpose is that outside LAG areas the growth poles are supported through the ERDF operational programme, but inside the LAG areas they can be supported by the RDP through the LAGs.

The LAG areas are defined only by text. They do not appear to relate to the general definition of rural areas or the distinction between 'mostly' and 'other' rural regions. They are given priority in the RDP. There will be 2 selection rounds for LAGs, with 13 LAGs to be chosen in the first round and at least 12 in the second round to be held in late 2009 or early 2010. It is expected that the total of at least 25 LAGs will cover 12,000 Km², with a total population of 350,000.

Objectives. The RDP describes the "development needs of the rural areas", by reference to three main fields - rural economy, rural environment and rural community. The needs of LAG areas as such are not separately mentioned, so we extract from the overall set of needs those that appear most relevant. Expressed as objectives, these are:

1. Promotion and support of the development of enterprises making use of crafts skills in rural areas
2. Promotion and support of the development of enterprises engaged in agro-tourism
3. Promotion and support of the ability of local communities and social organisations to bring the "bottom-up" approach into the development projects in rural areas
4. New investment in the preparation of training for rural people, predominantly of lower age
5. Creating the conditions for the generation of employment opportunities
6. Diversification of rural economy to reduce its dependency on primary agricultural production
7. Higher investments in technical services and civil amenities in rural areas
8. New investment in the infrastructure necessary for the enhancement of the rural tourism
9. New investment in the reconstruction and modernisation of historical buildings in rural areas
10. Higher investment levels in the improvement of infrastructure and services in the rural areas
11. Improvement of access to information and to new and innovative technologies through the promotion of the training and information services

No priorities are stated for these objectives, nor are there indicators to quantify them.

RDP measures and resources. To address these objectives in LAG areas, the RDP provides for the following measures:

- 311 Diversification into non-agricultural activities
- 313 Encouragement of tourism activities² parts:
- 321 Basic services for rural economy and population
- 322 Village renewal and development
- 331 Training and information for economic actors operating in the fields covered by Axis 3
- 341 Skills acquisition, animation and implementation of integrated development strategies
- 41 Local development strategies
- 421 Implementing Inter-territorial and trans-national cooperation projects
- 431 Running the LAG, acquiring skills and animating the territory

The local development strategies are implemented through the Axis 3 measures shown above.

Funding. The RDP provides the following budget to support these measures.

Measure No.	Public funding over whole programme period, €			% of total RDP budget
	Convergence regions	Other regions	Whole	
311	117 360 000	4 800 000 *	122 160 000	4.77
313	33 672 000	2 062 000	35 734 000	1.39
321	53 548 000	0	53 548 000	2.09
322	124 945 349	0	124 945 349	4.88
331	8 280 000	2 318 000	10 598 000	0.41
341	9 600 000	1 454 856	11 054 856	0.43
41	50 018 655	2 148 455	52 167 110	2.04
421	3 726 000	0	3 726 000	0.15
431	18 631 460	0	18 631 460	0.73

*under the 1st modification of RDP, the non-convergence region (*Bratislava) will be excluded from support under this Measure.

Beneficiaries. The beneficiaries for these measures are as follows:

- *Measure 311* - legal and natural persons doing business in agriculture for whom annual earnings/income from primary agricultural production amount to at least 30% of total earnings/income. Aid intensity: up to 50% for Convergence regions, up to 20% for other regions. Key areas for support are recreational and accommodation facilities; reconstruction of agricultural facilities for agri-tourism; production and sales facilities for non-agricultural activity, and recreation and leisure facilities open to the general public

- *Measure 313 A* (Tourist accommodation) - natural persons engaging in tourism: for applicants operating in agriculture, their annual earnings/income on primary agricultural production must be below 30% of total earnings/income. Aid intensity: up to 50% for Convergence regions, up to 30% for other regions. 95% of funding under this measure is allocated to support for reconstruction and modernisation of accommodation facilities with maximum capacity 10 beds. Support may also be given to development of camping accommodation and supplementary leisure facilities such as sauna or swimming-pools.
- *Measure 313 B* (Marketing of rural services) - legal persons or associations of entities active in rural tourism. Aid intensity: 100% for both Convergence and other regions.
- *Measure 321* – Municipalities, including growth poles, but excluding certain settlements with Roma population to be addressed under the Regional Operational Programme. Maximum aid intensity 100%, only in Convergence regions. The aid is focused on construction, reconstruction or modernisation of recreational zones, children’s playgrounds, sports grounds, market areas, municipal buildings and social facilities.
- *Measure 322* - Municipalities without a town status, or growth poles, but excluding certain settlements with Roma population to be addressed under the Regional Operational Programme. Aid intensity: maximum 100%, only in Convergence regions. The aid is focused on construction, reconstruction and modernisation of local technical infrastructure (e.g. transport, water supply), or improvement of public spaces and parks.
- *Measure 341* - Public/private partnership represented by civil associations. Aid intensity: maximum 100% for Convergence and other regions.
- *Measure 41* - The final beneficiaries of project implementation within each LAG area shall be defined in the local development strategy. Aid intensities : the rate of support from the individual public sources in the case of axis 3 measures implemented through the Leader approach is 80 % from the EU and 20 % from the SR in the Convergence objective areas (in other areas 55 % from the EU and 45 % from the SR). Aid intensity from public sources for individual projects is regulated by the provisions of the Axis 3 individual measures.
- *Measure 421* – LAGs selected by the MA to implement integrated local development strategy. Aid intensity: 100 %
- *Measure 431* - LAGs selected by MA for implementation of local development strategy. Aid intensity: 100 % of eligible costs. Limitations of cost: max 20% of the total public expenditure for the strategy can go towards running cost: within that amount, 80% to be used for running and administrative activity of the LAG, 20% for skills acquisition.

Targets. Targets are stated for each measure. The aims include total investment volume of €503 million; €3.3 million increase in non-agricultural gross value added in supported businesses; €12 million increment in net added value in purchasing power parity (i.e. economic growth); net increase of 1,245 full-time-equivalent jobs; 150,000 people benefiting from improved services; provision of Internet access to a further 20,000 people; and 2,800 people successfully completing training activity.

Other funds. The RDP states that the CF and ESF may bring support to LAG areas, but give no detail and no indication of the scale of such funding. There is some complementarity between the EAFRD and the Fisheries Fund, in that the Fisheries programme aims to sustain existing and/create new job opportunities, while the RDP (both generally and through the activity of LAGs) may facilitates participation of fish breeders in efforts to improve the quality of life and to diversify the rural economy, particularly in relation to growth of rural tourism: but, again, there is no indication of the scale of activity, and certainly

no hint of the e linked activity between Axis 4 of EAFRD and that of EFF that is found (for example) in Denmark and in Andalucia.

Coherence. It is difficult to judge coherence on the bases only of the RDP text. However, the indications are not impressive. The RDP does not encourage integrated rural development as such. Most of the funding is devoted to Axis 2. Relatively small funds are committed to Axes 3 and 4, those for Axis 4 being just above the required minimum. The diversification of rural economy is supported only via tourism activities, and LEADER activity is confined to implementation of Axis 3 measures. There is a clear demarcation line related to funding from ERDF, CF and SF, and no proof of significant benefit from the theoretical complementarity with EFF. There is no information on allocation of other EU structural funds or other national funds to the targeted territories. Within a LAG territory, support can extend to growth poles and non-convergence regions, but the RDP gives no indication of where this may apply.