Final Report

Work Package 9: Rural Development

Ex post evaluation of Cohesion policy programmes 2000-2006 co-financed by the European Fund for Regional Development (Objective 1 and 2)
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Final Report

Work Package 9: Rural Development

Ex post evaluation of Cohesion policy programmes 2000-2006 co-financed by the European Fund for Regional Development (Objective 1 and 2)
Content

Executive Summary ................................................................................................................................. 7

Résumé analytique .................................................................................................................................. 17

Zusammenfassung ................................................................................................................................... 27

1 Introduction ........................................................................................................................................... 37

2 Towards a typology of rural areas ...................................................................................................... 39

2.1 The purpose of the typology ........................................................................................................... 39

2.2 The diversity of definitions of rural and urban areas ................................................................. 39

2.3 Is the urban-rural dichotomy a myth? .............................................................................................. 41

2.4 A typology of rural areas .................................................................................................................. 42

2.4.1 Selected indicators ....................................................................................................................... 42

2.4.2 Five types of regions at NUTS3 level ........................................................................................... 43

2.5 The distribution of rural areas throughout Europe according to the typology ................................... 43

2.6 Conclusions on the typology of rural areas ...................................................................................... 45

3 The challenges facing rural areas ...................................................................................................... 47

3.1 Demographic change and migration ............................................................................................... 47

3.2 Structural change and the shift from the primary sector to the tertiary sector ................................ 49

3.3 Technological change ...................................................................................................................... 51

3.4 Access to transport, education and services .................................................................................... 51

3.5 Natural resources and environmental protection ............................................................................. 53

3.6 Conclusions ....................................................................................................................................... 53

4 Is there a rural development theory? ................................................................................................ 54

4.1 Regional development theories in a rural context ............................................................................ 54

4.2 Exogenous growth theories .............................................................................................................. 54

4.3 Endogenous development theories ................................................................................................ 55

4.4 Theories focusing on spatial issues ................................................................................................ 56

4.5 Linking the theories with the case study design ................................................................................. 56

5 The contribution of the ERDF to the development of rural areas .............................................. 57

5.1 The volume of ERDF support for rural areas .................................................................................... 57

5.2 Supporting businesses with growth potential .................................................................................. 60

5.3 Supporting accessibility .................................................................................................................... 65

5.3.1 Transport infrastructure ................................................................................................................. 65

5.3.2 Telecommunications infrastructure .............................................................................................. 67

5.3.3 Energy infrastructure .................................................................................................................. 69
5.4 Supporting R&D and innovation ................................................................. 70
5.5 Supporting measures strengthening entrepreneurship ............................ 71
5.6 Supporting rural initiatives .................................................................... 73
5.7 Supporting the environment .................................................................. 76
5.8 Supporting investments in social infrastructure .................................... 79
5.9 Strengthening regional governance ....................................................... 81
5.10 Fostering (business) networks ............................................................. 81
5.11 Conclusions on the importance of ERDF support for rural areas ......... 82

6 The synergies and complementarities between the ERDF and other relevant Structural Funds (EAGGF, ESF) and national/ regional policies .... 84
6.1 The contribution of the Structural Funds by project type ...................... 84
6.2 Complementarities between the ERDF, ESF and EAGGF ..................... 86
6.3 Complementarities with national/regional rural development policies ... 87
6.4 Fuzziness between the funds and the importance of delivery mechanisms .... 88
6.5 Findings ................................................................................................... 88

7 Conclusions and recommendations .......................................................... 89

8 Bibliography .............................................................................................. 96

Annex ........................................................................................................... 101
Tables, Figures and Maps

Table 1.  Project types and the classification of areas of intervention ........................................ 7
Tableau 1.  Types de projets et classification des zones d'intervention .................................... 17
Tabelle 1.  Projekttypen unter Berücksichtigung der Interventionsbereiche des EFRE ............ 27
Table 2.  Project types and the classification of areas of intervention ..................................... 37
Table 3.  Objective 1 and Objective 2 funding in rural and urban areas in France, Germany, Poland, Spain and Sweden ................................................................. 58
Table 4.  ERDF support for investments into business units in rural areas ............................... 61
Table 5.  ERDF support for transport infrastructure in rural areas ............................................. 66
Table 6.  ERDF support for telecommunication infrastructure in rural areas ............................. 68
Table 7.  ERDF support for research and development in rural areas ........................................ 70
Table 8.  ERDF support for measures strengthening entrepreneurship in rural areas ............... 72
Table 9.  ERDF support for rural initiatives in rural areas .......................................................... 74
Table 10. ERDF support for environmental infrastructure in rural areas .................................. 77
Table 11. ERDF support for the social infrastructure in rural areas ........................................... 79
Table 11. Distribution of ERDF support in rural areas in selected fields of ERDF support .... 83
Table 12. Contribution of the ERDF, ESF and EAGGF to different project types in the case study regions ........................................................................................................ 85
Table 13. Types of projects and the classification of areas of intervention according to the Commission Regulation (EC) No 438/2001 .................................................. 101

Figure 1.  ERDF Expenditures per head 2000-06 Objective 1 in urban and rural regions (NUTS3) .................................................................................................................... 10
Figure 2.  ERDF Expenditures per head 2000-06 Objective 2 in urban and rural regions (NUTS3) .................................................................................................................... 11
Graphique 1. Dépenses du FEDER Objectif 1 2000-06 par habitant dans les régions urbaines et rurales (de niveau NUTS3) .................................................................................... 20
Graphique 2. Dépenses du FEDER Objectif 2 2000-06 par habitant dans les régions urbaines et rurales (de niveau NUTS3) .................................................................................... 21
Abbildung 1. EFRE-Ausgaben pro Kopf 2000-06 für Ziel 1 in städtischen und ländlichen Regionen (NUTS3) .............................................................................................................. 30
Abbildung 2. EFRE-Ausgaben pro Kopf 2000-06 für Ziel 2 in städtischen und ländlichen Regionen (NUTS3) .............................................................................................................. 31
Figure 3.  Rural typology for WP 9 at NUTS3 level ...................................................................... 43
Figure 4.  ERDF expenditures per head 2000-06 Objective 1 in urban and rural regions (NUTS3) .................................................................................................................... 59
Figure 5.  ERDF expenditures per head 2000-06 Objective 2 in urban and rural regions (NUTS3) .................................................................................................................... 60
Figure 6.  ERDF support for investments into business units in rural areas ............................... 61
Figure 7.  ERDF support for transport infrastructure in rural areas ............................................. 65
Figure 8.  ERDF support for research and development projects in rural areas .......................... 70
Figure 9.  ERDF support for measures strengthening entrepreneurship in rural areas ............... 72
Figure 10. ERDF support for environmental infrastructure in rural areas ............................... 76
Figure 11. ERDF support for social infrastructure in rural areas ................................................. 79
| Map 1. | European rural typology for WP 9 (NUTS3) | 9 |
| Carte 1. | Typologie rurale européenne pour le lot évaluatif 9 (niveau NUTS3) | 19 |
| Karte 1. | Typologie der ländlichen Regionen Europas im Rahmen der WP9-Studie (NUTS3) | 29 |
| Map 2. | European urban-rural typology for WP 9 (NUTS3) | 44 |
| Map 3. | Components of population development 1996–1999 | 48 |
| Map 4. | GDP per head by region (PPS) 1999 | 50 |
| Map 5. | Regional performance of accessibility | 52 |
Task of the study

The “Ex post evaluation of Cohesion policy programmes 2000-06 co-financed by the ERDF (Objective 1 and 2) – Work Package 9: Rural Development” aims to assess the nature and importance of the contribution of the ERDF to the development of rural areas within Cohesion Policy in the 2000–06 programme period. The study is one of a set of ex-post evaluations commissioned by DG REGIO aiming to investigate the effects of Cohesion policy financed by the European Regional Development Fund (ERDF) during the period 2000-06.

Methodology

In order to define the object of the evaluation, “rural areas”, more closely an urban-rural typology of regions across Europe was elaborated. Subsequently a “conceptual model” depicting how “ERDF programmes” (and their measures) bring about effects in rural areas was developed reflecting the needs and challenges of rural areas. This was strongly oriented by analysis of existing literature, focusing on theories on economic development in rural regions.

The vast number of different project types supported by the ERDF was bundled into a typology of projects. This reflects existing data on ERDF expenditures defined by the Commission Regulation (EC) No 438/2001 of 2 March 2001.

Table 1. Project types and the classification of areas of intervention

<table>
<thead>
<tr>
<th>Project types</th>
<th>Areas of intervention according to the Commission Regulation (EC) No 438/2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry, fisheries</td>
<td>11 Agriculture</td>
</tr>
<tr>
<td></td>
<td>12 Forestry</td>
</tr>
<tr>
<td></td>
<td>14 Fisheries</td>
</tr>
<tr>
<td>Projects strengthening rural / regional initiatives</td>
<td>13 Promoting the adaptation and the development of rural areas</td>
</tr>
<tr>
<td>Investments into business units</td>
<td>15 Assisting large business organisations</td>
</tr>
<tr>
<td>Services fostering networks</td>
<td>16 Assisting SMEs and the craft sector</td>
</tr>
<tr>
<td></td>
<td>17 Tourism</td>
</tr>
<tr>
<td>Support R&amp;D</td>
<td>18 Research, technological development and innovation (RTDI)</td>
</tr>
<tr>
<td>Education and training - investment in human capital</td>
<td>23 Developing education and vocational training</td>
</tr>
<tr>
<td>Services fostering entrepreneurship</td>
<td>24 Workforce flexibility, entrepreneurial activity, innovation, information and communication technologies</td>
</tr>
<tr>
<td>Labour market</td>
<td>21 Labour market policy,</td>
</tr>
<tr>
<td></td>
<td>25 Positive labour market actions for women</td>
</tr>
<tr>
<td>Transport infrastructure</td>
<td>31 Transport infrastructure</td>
</tr>
<tr>
<td>Telecommunication infrastructure</td>
<td>32 Telecommunication infrastructure and information society</td>
</tr>
<tr>
<td>Energy infrastructure</td>
<td>33 Energy infrastructure</td>
</tr>
<tr>
<td>Environmental measures</td>
<td>34 Environmental infrastructure</td>
</tr>
<tr>
<td>Land improvement</td>
<td>35 Planning and rehabilitation</td>
</tr>
<tr>
<td>Social infrastructure</td>
<td>22 Social inclusion</td>
</tr>
<tr>
<td></td>
<td>36 Social and public health infrastructure</td>
</tr>
</tbody>
</table>

Source: Commission Regulation (EC No 438/2001)
The typology of projects served as an input for the analysis of the role of the ERDF in rural areas in five selected Member States (France, Germany, Poland, Spain, Sweden). The data of the Study on Regional Expenditures (European Commission 2008) allowed the calculation of the share of ERDF expenditure under Objective 1 and Objective 2 according to the different types of projects and types of regions at NUTS3 level.

The Member State perspective served as a setting for the regional case studies, which provided an in-depth analysis of the effects of ERDF interventions on rural development. Five regional case studies were carried out in the regions Centre (FR), Saxony (DE), Świętokrzyskie (PL), Andalusia (ES) and South Sweden (SE). The case studies analysed the impact of ERDF interventions on rural development below NUTS3 level. Within each case study, one good practice example of a project co-financed by the ERDF in the case study region was carried out (mini-case studies).

The results of the analysis at Member State and regional level provided evidence for drawing conclusions on the role of the ERDF in rural areas in the 2000-06 period and for deriving policy recommendations for the future contribution of the ERDF to rural development.

Rural areas, the object of the evaluation

When trying to define rural areas we have to be aware that rurality cannot be captured by a set of indicators alone. Rurality is influenced by historic, administrative and cultural factors. Definitions based on statistical indicators such as population density, demographic trends, commuting effects, accessibility, etc., do not reflect these other factors and the “self-image” of regional actors.

Whether a region can be categorised as “urban” or “rural” depends on the context of the analysis. In some contexts, a NUTS3 region can be the appropriate unit for classification as urban or rural, even if most NUTS3 regions range somewhere on a scale between “urbanity” and “rurality”. In other contexts even units below NUTS3 such as a municipality can have both urban and rural attributes.

A typology was developed that supports the analysis of the impact of the ERDF on the development of rural regions. This evaluation used the following definitions:

- **Urban regions** are regions where less than 15% of the population of the region is living in rural local units with less than 150 inhabitants/km².

- **In strong intermediate regions** 15% to 50% of the population of the region is living in rural local units and they experienced population increase between 1990 and the year before the start of the programme period 2000-06 (1999 for the EU15 and 2003 for the EU10).

- **In weak intermediate regions** 15% to 50% of the population of the region is living in rural local units and they faced population decline between 1985 and the start of the programme period 2000-06.

- **Strong rural regions** are sparsely populated, but growing regions with more than 50% of the population living in rural local units and a population increase between 1990 and the year before the start of the programme period 2000-06.

- **Weak rural regions** are sparsely populated regions with population decline.

The following map shows the distribution of rural, intermediate and urban areas according to the typology. Given that the typology is based on two criteria with defined thresholds, the sharp distinction between the types of regions cannot reflect the more detailed and differentiated reality on the ground.
Map 1. European rural typology for WP 9 (NUTS3)

Types of rural areas

- **urban region**
- strong intermediate
- weak intermediate
- strong rural
- weak rural

Urban/intermediate/rural: Population density according to OECD definition.
Strong/weak: demographic development 1990 up to the start of the programming period.
(1990 for EU15, 2003/2006 for EU10+2)
(Russia and Denmark based on NUTS2 population data)

Sources: EUROSTAT, DG REGIO
September 2008
Rural areas in Europe face a number of challenges, which influence both their development and policy choices. These challenges vary according to the different conditions in regions, but some overall patterns can be identified as the drivers in rural areas in the EU in the 1990s influencing the programme choices in the 2000-06 period.

These are in particular:

- Demographic change and migration
- Structural change and a shift from the primary sector to the tertiary sector
- Technological change
- A continuing lack of accessibility to main transport routes and to education and services
- The increasing importance of natural resources and environmental protection.

The contribution of ERDF to the development of rural areas

In the period 2000-06, the ERDF supported regions with structural weaknesses independent of their rural, intermediate or urban character. This can be observed in particular for Objective 1 support in Germany, where the ERDF expenses per capita were over ten times higher in weak rural and weak intermediate regions than in strong rural and strong intermediate regions (weak rural €874/head, weak intermediate €919/head; strong rural €82/head, strong intermediate €72/head). Objective 2 support in France also concentrated on weak regions: the ERDF spent €204/head in weak rural regions compared to €124/head in strong rural regions.

Although the ERDF is not a funding mechanism specifically for rural areas, the analysis of expenditure in the five Member States (France, Germany, Poland, Spain and Sweden) shows that the ERDF provided significant support for rural areas. 28% of the ERDF in Objective 1 and 24% of the ERDF in Objective 2 was spent in rural areas whereas 20% (Objective 1) and 35% (Objective 2) was spent in urban areas. The rest was allocated to intermediate areas.

Figure 1. ERDF Expenditures per head 2000-06 Objective 1 in urban and rural regions (NUTS3)

A breakdown of ERDF expenditure according to the different project types shows that the ERDF supported a wide range of projects some of which were focused more on rural areas, others more on urban areas.

For some project types a certain critical mass in terms of economic activity, which is usually found in urban areas, is required. Consequently the ERDF expenditures in rural areas were lower than in urban areas for the following:

- Projects fostering business development need a certain entrepreneurial base to absorb the EU grants and tend to be implemented in regions with large business units. In the five Member States examined, the share of the ERDF spent on business units in rural areas compared to other areas was less than the share of the ERDF spent on rural areas compared to other areas. The exceptions were Objective 1 regions in Germany and Objective 2 regions in France where a strong industrial base exists.

- Funding for R&D projects was mainly targeted at urban areas where institutions that can use this funding were located. Rural areas benefited to a lesser extent.

In contrast, the following project types had a greater importance in rural regions:

- In rural areas, a higher share of ERDF was invested in transport infrastructure. In some regions these investments contributed to enhance the rural road system (Saxony, South Sweden) or to improve the linkage between the major towns in rural areas strengthening the accessibility of the region from other parts of the country (Świętokrzyskie, Andalusia). Both activities improved the accessibility of rural areas.

- The ERDF supported investment in environmental infrastructure especially in rural areas, including treatment of waste, drinking water collection, storage, treatment and distribution and sewerage and purification.

Some types of projects were supported by the ERDF in different ways in the Member States:

- In Objective 2 in Spain, and Objective 1 in France and Sweden, an emphasis of ERDF support was on investment in social infrastructure in rural areas. These investments contributed to improving the quality of life in these areas.

- Some cases, in particular the Spanish Objective 1 regions and the German Objective 2 regions, show that the ERDF was used to strengthen rural initiatives promoting the
adaptation and the development of rural areas, e.g., by supporting diversification of agricultural activities, development of tourism, craft, although the support of such initiatives is not central for the ERDF.

ERDF support reflected the different strands of economic theories on regional development. It co-financed large scale infrastructures, businesses with growth potential and other intervention fields rooted in exogenous development theories as well as interventions reflecting more endogenous approaches (e.g. social infrastructure, rural initiatives).

This variety of interventions and the different economic theories underpinning investment show that within the programming and funding framework of the ERDF, appropriate measures can be developed to meet the specific needs of regions. This flexibility of the ERDF enabled them to adapt to different contexts.

The institutional setting

The case studies demonstrated that the institutional setting in the Member States and the regions was important for the population's perception of the amount of support they received from the EU. This related to the location of decision-making on the allocation of funds and whether this was perceived as being near or far from the local population and reflecting its needs. The provision of information on the available EU funding at regional level was also important in this regard and was reflected in the number of applications for ERDF support.

In some regions and for some project types, a “demand driven approach” without any regional or local institutional structure to support project applicants was used. The ERDF was mainly allocated to regions where people and institutions knew about funding procedures and had the capacity to elaborate successful applications. This was observed in the case study regions of Saxony, Świętokrzyskie and Andalusia for investments support in enterprises and in Saxony and South Sweden for R&D projects.

In other regions, support for applicants was provided at local level. In the trade and crafts sector in the French Objective 2 region Centre, local stakeholders developed projects addressing local problems in a co-ordinated way at the level of the Pays. In the Objective 1 region of Saxony, the funding for transport infrastructure was organised in accordance with the Landesentwicklungsplan (Spatial Development Plan), which also ensured that all regions benefited. In the Świętokrzyskie region in Poland, the Kije community linked up regional projects with local development projects.

The relation between the funds

In the case study regions, the three Structural Funds were involved in Objective 1 (ERDF, ESF, EAGGF) and two in Objective 2 (ERDF and ESF). Whether this led to overlaps or to synergies depended to a large extent on the implementation mechanisms in the different Member States.

In the programming documents of Centre, South Sweden and Saxony, a clear distinction was made between the different funds either at the level of the axes/priorities or the measures. Projects under one measure were financed by one fund only. In Poland, the Integrated Regional Operational Programme was funded by the ERDF and the ESF and there was a specific Sectoral Operational Programme for the EAGGF. Spain and Germany had a strong sectoral approach with no rural development policy outside the CAP.

This approach led to a clear “division of labour” between the ERDF, the ESF and the EAGGF. Whereas the ERDF focused on infrastructure (e.g. transport infrastructure, environmental infrastructure), direct support to enterprises (especially SME), R&D projects and training infrastructure, the ESF supported person-related measures (training, qualification, support for
employment or services, etc.). The EAGGF was mainly used for the target group of farmers and other actors within the agricultural sector or closely linked to it.

However, even if there was a segregation of the funds according to axes or measures at planning level, the themes covered by each fund were not always so clear to project applicants.

In some regions (Andalusia, Centre, Saxony) both ESF and ERDF co-financed projects in the project types: “projects supporting education”, “services fostering networks” and “services fostering entrepreneurship”. This shows that in practice the delimitation between the funds was not strictly implemented. This fuzziness was counteracted by an integrative approach to organising the allocation of resources:

• In rural areas in France, the Leader Local Action Groups implemented the strategies of the Pays according to the Contrat de Plan Etat Région, which is the main planning document for development at the regional level. The measures foreseen therein were financed through different sources (ERDF, EAGGF Guarantee and Guidance, ESF as well as subsidies from the national, regional and département levels). This enabled coordination of the use of the different available sources of funding and also avoided double financing. Furthermore, in some départements, when a company submitted an application for the ERDF, it received information from the consulting service about funding possibilities under the ESF which could complement the action initially planned.

• In Swedish regional policy, there is no separate strand focusing on rural areas. Consequently, most Regional Growth Programmes contained measures concerning rural areas and the archipelago which were also integrated into the Structural Funds Programmes.

• In the Polish Świętokrzyskie region, some measures implemented in the framework of the Sectoral Operational Programme Agriculture and Rural Development 2004-2006, were explicitly complementary to the ERDF measure.

These examples show that integrated instruments and common structures helped to avoid overlaps between the funds and contributed to a better co-ordination between the funds. This proved a generally fruitful approach.

**Overall conclusions**

The analysis of the five selected Member States (France, Germany, Poland, Spain, Sweden) and the five case studies (Centre, Saxony, Świętokrzyskie, Andalusia, South Sweden) showed that the ERDF provided significant support to rural areas. The variety of supported projects in the different regions demonstrates the high flexibility of the ERDF to respond to the different needs of rural areas. The ERDF supported projects corresponding to both an exogenous and endogenous development approach, providing external stimulus to growth through infrastructure investment and promoting endogenous development through the support of rural initiatives and social infrastructure. The ERDF supported the creation of new economic activity in rural areas and the improvement of the regional governance structures and policy coordination. The EAGGF in comparison followed a sectoral development approach in the field of agricultural activity and the ESF the development of human resources.

**Recommendations**

Based on the analysis of the five selected Member States (France, Germany, Poland, Spain, Sweden) and the five case studies (Centre, Saxony, Świętokrzyskie, Andalusia, South Sweden), the following recommendations are proposed. In all cases we have distinguished between the addressees of the recommendation – these being either the Commission or the Member States.
1. Do not try to find a “one size fits all” typology to differentiate between rural and urban areas

The use of urban-rural typologies cannot be recommended for the evaluation of ERDF effects, as the differentiation of policy effects between rural and urban contexts cannot be done in a straightforward way. However, if a comparative assessment of policy effects between the ERDF and the EAGGF is intended, a breakdown of these effects in the same territorial context (i.e. rural areas) is needed.

The Commission should therefore reflect on the necessity of establishing commonly accepted and useful typologies of urban and rural areas designed according to the research or evaluation purpose (e.g. in the case of a comparative analysis of the ERDF and the EAGGF). In the case of a single policy analysis, the purpose of the chosen typology and its limitations should be made transparent.

2. Stick to the existing approach: support weak areas, not rural or urban ones

In order to focus support effectively, the policy should continue to target “weak” areas regardless of their rural or urban character. The first challenge of this approach is to define the target areas. This might be done on the basis of two core questions:

- What is a weak area? – The definition of “weak” should go beyond the standard approach of GDP/capita to include criteria better representing EU strategies (Lisbon and Gothenburg agendas).
- What size does an area have? – The target areas of policy intervention should be defined in such a way that policy delivery is optimally linked to the societal needs of the area and at the same time the area is large enough to be efficiently administered.

The Commission should apply the same definitions and criteria of structural weakness across the different funds covering different aspects (economic, social, and environmental). This will call for few, but effective criteria determining “weak” areas (economic performance, quality of life, accessibility), which could be applied at the same regional scale (e.g. NUTS3) all over Europe.

In a second step, the Member States should use the pre-defined criteria to delimitate areas that are eligible for support of Cohesion policy. The size of the area should not follow a general scale all over Europe (e.g. NUTS3 level for all regions), but take into account the different territorial patterns and governance structures of the Member State. This means that the scale of the regions can differ from Member State to Member State.

3. Diversify policy delivery mechanisms according to the character of the measure

The delivery mechanisms of the Structural Funds play a pivotal role in the effectiveness of policy interventions. The different policy measures call for different approaches to delivery.

A differentiation of the policy measures should take into account:

- Complementarities of multiple support programmes - while infrastructure (e.g. road, rail) should certainly be mono-funded, support to specific sectors such as renewable energy in rural areas and construction enterprises based on local building traditions should integrate the ERDF and the EAGGF in order to embrace all actors involved in the delivery. Soft measures (e.g. supporting the “entrepreneurial spirit”, venture capital, education and training, social infrastructure, governance, local initiatives) are even more complex and various funds should be considered for these areas of intervention. Complementarities should be sought and cooperation is needed to ensure effective and efficient delivery at regional level.
• Size of single interventions – while infrastructure projects tend to be large, soft measures tend to be smaller thus supporting more differentiated, simpler policy delivery (administrative procedures, controlling prerequisites).

• Number of (potential) project promoters – interventions targeting a potentially high number of applicants call for simplified delivery mechanisms in terms of administrative procedures and need direct access to administrative bodies and funding authorities.

This differentiated delivery of different types of measures by the Member States should require attention to the following issues:

• Coordination between all programmes in the programming area

• Closeness to the citizen – different types of measures call for different degrees of connectedness to the citizen at regional level. When the number of beneficiaries is high and located in a rural area, decentralised delivery mechanisms should ensure that transaction costs for the programme applicant are as low as possible. It would add to the effectiveness of ERDF support if mechanisms were established to bring EU funding closer to the citizens where needed. This would mean that the distribution of the funds would have to be delegated to the local level.

• Adapting administrative procedures – the smaller the single support, the more likely will be a trade off between the benefits achieved and the administrative burden of obtaining the funding. An increasing number of project applicants (especially in rural areas) do not apply for funding due to this cost-benefit ratio. It will therefore be necessary to use this classification of measures to differentiate in terms of administrative procedures.

This could lead to a division of responsibilities as outlined below:

• Large scale “traditional” infrastructure (i.e. road, rail and telecoms) could be delivered centrally at national level. However, mechanisms for regional feedback and reflection should be provided.

• Support to specific sectors of infrastructure (e.g. (renewable) energy) calls for complementarities between different funding sources due to the various economic sectors involved (agriculture, engineering, etc.). The strategic goals of the funding should be coordinated regionally. The delivery and administration should be local and as close as possible to the beneficiaries.

• Interventions improving the institutional framework (i.e. measures supporting the entrepreneurial spirit, education and training, social infrastructure, governance, local initiatives) and the support of business units and investment support need the central (national) coordination of funding programmes and local decision making.

The Commission should coordinate programmes by insisting on cross-sectoral strategic frameworks in the Member States. Only one strategic framework programme should be applied in each programming area, embracing all sectors and aspects of territorial development regardless of the urban or rural character.

4. Use a common analytical framework (including evaluation)

The shift towards a more differentiated delivery of regional development support together with the stronger coordination of the available funds at regional level calls for the adaptation of the analytical framework for the assessment of the need for intervention (and of the success of the policy measure).

An assessment of the “success” or “failure” of an intervention should take the following aspects into account:
Success of policy for the citizens in a region: this includes feedback loops on the ground at regional level and formative evaluations of the extent to which policy has contributed to quality of life.

Success of policy for the European taxpayer: this means an aggregated result at EU level and calls for evaluations that provide an assessment of the policy as a whole.

The Commission should promote research to develop such “two-tier” assessment tools.

The Member States should ensure that the application of such an analytical framework is possible across all the programmes.
Résumé analytique

Tâche de l'étude

« L'évaluation ex-post des programmes 2000-06 de la Politique de Cohésion co-financés par le FEDER (Objectifs 1 et 2) – Lot évaluatif 9 : Développement rural » vise à évaluer la nature et l’importance de la contribution du FEDER au développement des zones rurales au sein de la Politique de Cohésion au cours de la période de programmation 2000-06. Cette étude est l’une de la série d’évaluations ex-post mandatées par la DG REGIO et ayant pour but d’examiner les effets de la Politique de Cohésion financée par le Fonds Européen de Développement Régional (FEDER) au cours de la période 2000-06.

Méthodologie

Afin de définir l’objet de l’évaluation, les « zones rurales », de manière plus précise, une typologie des régions européenne a été élaborée. Ensuite, un « modèle conceptuel » a été développé décrivant comment les « programmes FEDER » (et leurs mesures) conduisent à des effets dans les zones rurales et tenant compte des besoins et défis de ces zones. Cette partie s’est nourrie de l’analyse de la littérature existante, en particulier des théories de développement économique dans les régions rurales.


Tableau 1. Types de projets et classification des zones d’intervention

<table>
<thead>
<tr>
<th>Types de projets</th>
<th>Domaines d’intervention selon le Règlement (EC) No 438/2001 de la Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, sylviculture, pêche</td>
<td>11 Agriculture</td>
</tr>
<tr>
<td></td>
<td>12 Sylviculture</td>
</tr>
<tr>
<td></td>
<td>14 Pêche</td>
</tr>
<tr>
<td>Projets renforçant les initiatives rurales / régionales</td>
<td>13 Promotion de l’adaptation et du développement des zones rurales</td>
</tr>
<tr>
<td>Investissement dans les entreprises</td>
<td>15 Aides aux grandes entreprises</td>
</tr>
<tr>
<td>Services favorisant les réseaux</td>
<td>16 Aides aux PME et à l’artisanat</td>
</tr>
<tr>
<td></td>
<td>17 Tourisme</td>
</tr>
<tr>
<td>Support à la recherche/développement</td>
<td>18 Recherche, développement technologique et innovation (RDTI)</td>
</tr>
<tr>
<td>Education et formation – investissement dans le capital humain</td>
<td>23 Développement de l’éducation et de la formation professionnelle</td>
</tr>
<tr>
<td>Services favorisant l’entrepreneuriat</td>
<td>24 Adaptabilité, esprit d’entreprise et innovation, nouvelles technologies de l’information et communication</td>
</tr>
<tr>
<td>Marché du travail</td>
<td>21 Politiques actives du marché du travail</td>
</tr>
<tr>
<td></td>
<td>25 Actions positives pour les femmes sur le marché du travail</td>
</tr>
<tr>
<td>Infrastructures de transports</td>
<td>31 Infrastructures de transports</td>
</tr>
<tr>
<td>Infrastructures de télécommunications</td>
<td>32 Infrastructures de télécommunications et société de l’information</td>
</tr>
<tr>
<td>Infrastructures dans le domaine des énergies</td>
<td>33 Infrastructures dans le domaine des énergies</td>
</tr>
<tr>
<td>Infrastructures environnementales</td>
<td>34 Infrastructures environnementales</td>
</tr>
<tr>
<td>Amélioration des terres</td>
<td>35 Aménagement et réhabilitation</td>
</tr>
<tr>
<td>Infrastructures sociales</td>
<td>22 Intégration sociale</td>
</tr>
<tr>
<td></td>
<td>36 Infrastructures sociales et de santé</td>
</tr>
</tbody>
</table>

Source : Règlement (EC No 438/2001) de la Commission

Cette perspective nationale a servi de cadre pour les études de cas régionales qui ont fourni une analyse approfondie des effets du FEDER sur le développement rural. Cinq études de cas régionales ont été menées dans les régions Saxe (DE), Andalousie (ES), Centre (FR), Swietokrzyskie (PL) et Suède du Sud (SE). Les études de cas ont analysé l’impact des interventions FEDER sur le développement rural à un niveau territorial inférieur au niveau NUTS3. Au sein de chaque étude de cas, un exemple de bonne pratique de projet co-financé par le FEDER a été analysé (mini étude de cas).

Sur la base des résultats des études de cas nationales et régionales, l’étude propose des conclusions sur le rôle du FEDER dans les zones rurales au cours de la période 2000-06 ainsi que des recommandations pour la future contribution du FEDER au développement rural.

**Les zones rurales, l’objet de l’évaluation**

Quand nous essayons de définir les zones rurales, nous devons être conscients que la ruralité ne peut être contenue uniquement dans une série d’indicateurs. La ruralité est influencée par des facteurs historiques, administratifs et culturels. Les définitions basées sur des indicateurs statistiques tels que la densité de population, les évolutions démographiques, les effets de flux, l’accessibilité, etc. ne reflètent pas ces autres facteurs ni l’image qu’ont les acteurs régionaux de ces zones rurales.

Le fait qu’une région puisse être classifiée comme « urbaine » ou « rurale » dépend du contexte de l’analyse. Dans certains contextes, une région NUTS3 peut être l’unité appropriée pour un classement en urbain ou rural, même si la plupart des régions NUTS3 présentent à la fois des éléments de ruralité et d’urbanité. Dans d’autres contextes, même des unités en deçà du niveau NUTS3 telles que des municipalités pourront présenter des caractéristiques à la fois urbaines et rurales.

Une typologie a été développée pour l’analyse de l’impact du FEDER sur le développement des régions rurales. Cette évaluation utilise les définitions suivantes :

- **Les régions urbaines** sont les régions au sein desquelles moins de 15% de la population régionale vit dans les unités locales rurales présentant moins de 150 habitants par km².
- **Dans les régions intermédiaires fortes**, de 15% à 50% de la population régionale vit dans les unités locales rurales et ces dernières ont connu une augmentation de population entre 1985 et l’année précédant le début de la période de programmation 2000-06 (1999 pour les EU15 et 2003 pour les EU10).
- **Dans les régions intermédiaires faibles**, de 15% à 50% de la population de la région vit dans des unités locales rurales et ces dernières ont connu une diminution de population entre 1985 et le début de la période de programmation 2000-06.
- **Les régions rurales fortes** sont peu peuplées mais en croissance avec plus de 50% de la population vivant dans des unités locales rurales et une population en hausse entre 1990 et l’année précédent le début de la période de programmation 2000-2006.
- **Les régions rurales faibles** sont peu peuplées et leur population diminue.

La carte ci-dessous montre la répartition des zones rurales, intermédiaires et urbaines en fonction de la typologie. La typologie étant basée sur deux critères dotés de seuils définis, cette distinction précise entre les types de régions ne peut refléter la réalité plus nuancée du terrain.
Carte 1. Typologie rurale européenne pour le lot évaluatif 9 (niveau NUTS3)

<table>
<thead>
<tr>
<th>Typologie des régions rurales</th>
</tr>
</thead>
<tbody>
<tr>
<td>région urbaine</td>
</tr>
<tr>
<td>zone intermédiaire forte</td>
</tr>
<tr>
<td>zone intermédiaire faible</td>
</tr>
<tr>
<td>zone rurale forte</td>
</tr>
<tr>
<td>zone rurale faible</td>
</tr>
</tbody>
</table>

urbain/intermédiaire/rural : densité selon la définition de l’OCDE
(Pologne et Danemark : basé sur les données de population au niveau NUTS2)

Sources: EUROSTAT, DG REGIO
September 2008
Les zones rurales en Europe sont confrontées à nombre de défis qui influencent à la fois leur développement et les choix politiques. Ces défis varient bien entendu en fonction des différentes conditions existant dans les différentes régions mais il existe de grandes tendances affectant les zones rurales des années 1990, qui ont influencé les choix de programmation pour la période 2000-06.

Celles-ci sont en particulier :
- L'évolution démographique et les migrations
- Les changements structurels et le transfert du secteur primaire vers le secteur tertiaire
- L'évolution technologique
- Une difficulté persistante d'accessibilité aux principales voies de transport, à l'éducation et aux services
- L'importance croissante des ressources naturelles et de la protection de l'environnement.

La contribution du FEDER au développement des zones rurales

Au cours de la période 2000-06, le FEDER a soutenu les régions présentant des faiblesses structurelles indépendamment de leur caractère rural, intermédiaire ou urbain. C'est particulièrement notable pour le soutien de l'Objectif 1 en Allemagne, où le FEDER a dépensé plus de 10 fois plus par habitant dans les zones rurales faibles et intermédiaires-faibles que dans les zones rurales fortes et intermédiaires-fortes (zones rurales faibles : 874 €/habitant, zones intermédiaires faibles : 919 €/habitant, zone rurale forte : 82 €/habitant, zone intermédiaire forte : 72€/habitant ). L’Objectif 2 en France s’est aussi concentré sur les régions faibles : le FEDER a dépensé 204 € par habitant dans les régions rurales faibles comparé à 124 € dans les régions rurales fortes.

Bien que le FEDER ne soit pas un mécanisme financier spécifiquement destiné aux zones rurales, l’analyse des dépenses dans les cinq États membres (Allemagne, Espagne, France, Pologne et Suède) montre que le FEDER leur a apporté un soutien significatif. 28% du FEDER Objectif 1 et 24% du FEDER Objectif 2 ont été dépensés dans les zones rurales alors que 20% (Objectif 1) et 35% (Objectif 2) ont été dépensés dans les zones urbaines. Le reste a été alloué aux zones intermédiaires.

Graphique 1. Dépenses du FEDER Objectif 1 2000-06 par habitant dans les régions urbaines et rurales (de niveau NUTS3)

Une répartition de la dépense FEDER en fonction des différents types de projets montre que le FEDER a soutenu une grande variété de projets, certains se concentrant plus sur les zones rurales et d’autres plus sur les zones urbaines.

Pour certains types de projets, une certaine masse critique était nécessaire en termes d’activité économique, qui se trouvait plus naturellement dans les zones urbaines. En conséquence, la dépense FEDER a été moindre dans les zones rurales que dans les zones urbaines pour les thèmes suivants :

- Les projets favorisant le développement des entreprises nécessitent une base entrepreneuriale pouvant absorber les subventions européennes et ont donc tendance à se concentrer dans les régions rassemblant de grandes entreprises. Dans les cinq États membres étudiés, la part relative des investissements dans les entreprises étaient moins importante comparée à la part totale du FEDER venant en soutien aux zones rurales. Les régions de l’Objectif 1 en Allemagne et de l’Objectif 2 en France où une forte base industrielle existe faisaient exception.

- Les subventions pour les projets de recherche/développement ont principalement concerné les zones urbaines où étaient situées les institutions pouvant les utiliser. Les zones rurales en ont bénéficié dans une moindre mesure.

En revanche, les types de projets suivants ont eu une importance plus grande dans les régions rurales :

- Dans les zones rurales, une part plus importante du FEDER a été investie dans les infrastructures de transport. Dans certaines régions, ces investissements ont contribué à améliorer le réseau routier rural (Saxe, Suède du Sud) ou à améliorer les liaisons entre les principales villes des zones rurales renforçant ainsi l’accessibilité de la région pour les autres parties du pays (Swietokrzyskie, Andalousie). Ces deux activités ont amélioré l’accessibilité des zones rurales.

- Le FEDER a soutenu les investissements effectués dans les infrastructures environnementales, notamment dans les zones rurales, ceci incluant le traitement des déchets, ainsi que la collecte, le stockage, le traitement, la distribution, l’assainissement et la purification de l’eau de consommation.
Certsains types de projets ont été soutenus par le FEDER de manière différenciée dans les différents États membres :

- Certains cas, en particulier les régions Objectif 1 espagnoles et les régions Objectif 2 allemandes, montrent que le FEDER a été utilisé pour renforcer les initiatives rurales soutenant l’adaptation et le développement des zones rurales, par exemple en appuyant la diversification des activités agricoles, le développement du tourisme ou de l’artisanat, et ce malgré le fait que le soutien à ce type d’initiative n’est pas essentiel pour le FEDER.

Le soutien apporté par le FEDER reflète les différentes tendances de la pensée économique du développement régional. Le FEDER a co-financé des infrastructures de grande échelle, des entreprises présentant un fort potentiel de croissance et d’autres champs d’intervention ancrés dans des théories de développement exogène aussi bien que des champs d’intervention illustrant des approches plus endogènes (par exemple les infrastructures sociales, les initiatives rurales).

Cette variété d’interventions et les différentes théories économiques sous-tendant l’investissement montrent qu’au sein du cadre de programmation et de financement du FEDER, des mesures appropriées peuvent être développées pour répondre aux besoins spécifiques des régions. Cette flexibilité du FEDER lui permet de s’adapter aux différents contextes.

Le cadre institutionnel

Les études de cas ont démontré que le cadre institutionnel en place dans les États membres et les régions était important pour la perception qu’a la population des montants des aides qu’elle reçoit de l’Europe. Cela dépend du lieu de prise de décision de l’allocation des fonds mais aussi du ressenti sur sa proximité avec la population locale et sa capacité à refléter ses besoins. A cet égard, la fourniture d’information sur les fonds européens disponibles au niveau régional a aussi été importante et s’est traduite dans le nombre de demandes de subventions FEDER.

Dans certaines régions et pour certains types de projets, aucune structure institutionnelle au niveau régional ou local n’a été mise en place pour aider les demandeurs de subvention, laissant s’exprimer la demande librement. Les fonds FEDER était principalement alloués à des régions où les personnes et les institutions connaissaient les procédures de financement et avaient la capacité d’établir de bons dossiers. Ceci a été observé en Saxe, Andalousie et Swietokrzyskie pour le soutien aux entreprises et en Saxe et Suède du Sud pour les projets de recherche/développement.

Dans d’autres régions, un soutien était apporté aux candidats au niveau local. Dans le secteur du commerce et de l’artisanat, dans la région Objectif 2 française du Centre, des projets traitant des problèmes locaux ont été développés par des partenaires locaux de manière coordonnée à l’échelle des Pays. Dans la région Objectif 1 de Saxe, les financements pour les infrastructures de transport ont été organisés en cohérence avec le Landesentwicklungsplan (Plan d’aménagement du territoire) qui s’est également assuré que toutes les régions étaient bénéficiaires. Dans la région de Swietokrzyskie en Pologne, la collectivité Kije a créé un lien entre les projets régionaux et les projets de développement local.
La relation entre les fonds

Dans les régions étudiées, les trois Fonds Structurels ont été impliqués dans l’Objectif 1 (FEDER, FSE et FEOGA) et deux dans l’Objectif 2 (FEDER et FSE). Que ce fait ait conduit à des chevauchements ou à des synergies dépend en grande partie des mécanismes de mise en œuvre des fonds dans les différents États membres.

Dans les documents de programmation du Centre, de la Suède du Sud ou de Saxe, une distinction claire était faite entre les différents fonds au niveau de l’axe/des priorités ou des mesures. Les projets s’inscrivant dans une mesure étaient financés par un seul fonds. En Pologne, le Programme Opérationnel Régional Intégré était financé par le FEDER et le FSE et il y avait un Programme Opérationnel Sectoriel spécifique pour le FEOGA. L’Espagne et l’Allemagne avaient une approche fortement sectorielle sans politique de développement rural en dehors de la PAC.

Cette approche a conduit à une division claire ‘des tâches’ entre le FEDER, le FSE et le FEOGA. Alors que le FEDER s’est concentré sur les infrastructures, par exemple les infrastructures de transport, les infrastructures environnementales, le soutien direct aux entreprises (notamment les PME), les projets de recherche/développement et les infrastructures de formation, le FSE a soutenu des mesures axées sur les personnes (formation, qualification, soutien à l’emploi ou aux services, etc.). Le FEOGA a principalement été utilisé pour le groupe cible que constitue les agriculteurs ou les autres acteurs du secteur agricole ou très proches de ce secteur.

Néanmoins, même si il y a eu une distinction des fonds en fonction des axes ou des mesures au niveau de la planification, les thèmes couverts par chaque fonds n’étaient pas toujours très clairs pour les candidats à des subventions.

Dans certaines régions (Andalousie, Centre, Saxe) le FSE et le FEDER co-finaient tous les deux des projets entrant dans les types : « projets soutenant l’éducation », « services favorisant les réseaux » et « services favorisant l’entrepreneuriat ». Ceci montre qu’en pratique, la délimitation entre les fonds n’était pas mise en œuvre de manière stricte. Ce côté flou était contrebalancé par une approche intégrative de l’organisation de la répartiion des ressources :

- Dans les zones rurales en France, les Groupes d’Action Locale Leader ont mis en œuvre les stratégies des Pays en conformité avec le Contrat de Plan Etat Région qui est le principal document de planification pour le développement au niveau régional. Les mesures prévues dans ce document étaient financées par différentes sources (FEDER, FEOGA Orientation et Garantie, FSE ainsi que des subventions provenant des niveaux national, régional et départemental). Ceci a permis de coordonner l’utilisation des différentes sources de financement disponibles et aussi d’éviter le double financement. De plus, dans certains départements, quand une entreprise remettait une demande de financement au titre du FEDER, elle recevait de l’information des services instructeurs sur les possibilités de financement FSE pouvant venir compléter l’action initialement envisagée.
- Dans la politique régionale suédoise, il n’y a pas de volet spécifique aux zones rurales. Par conséquent, la plupart des Programmes de Croissance Régionale contenaient des mesures concernant les zones rurales et les archipels qui étaient aussi intégrées dans les Programmes des Fonds Structurels.
- Dans la région polonaise de Swietokrzyskie, certaines mesures mises en œuvre dans le cadre du Programme Opérationnel Sectoriel Agriculture et Développement Rural 2004-2006, étaient explicitement complémentaires des mesures FEDER.

Ces exemples montrent que des instruments intégrés et des structures communes ont aidé à éviter les chevauchements et ont contribué à une meilleure coordination entre les fonds. Cette approche a en général été productive.
Conclusions générales

L’analyse des cinq États membres sélectionnés (Allemagne, Espagne, France, Pologne, Suède) et des cinq études de cas (Saxe, Andalousie, Centre, Swietokrzyskie, Suède du Sud) a montré que le FEDER a fourni un soutien significatif aux zones rurales. La variété des projets soutenus dans les différentes régions démontre la grande flexibilité du FEDER pour répondre aux différents besoins des zones rurales. Le FEDER a soutenu des projets correspondant tant à des approches de développement exogènes qu’endogènes, fournissant un stimulus extérieur à la croissance par l’investissement dans les infrastructures et favorisant le développement endogène par le soutien aux initiatives rurales et à l’infrastructure sociale. Le FEDER a soutenu la création d’une nouvelle activité économique dans les zones rurales et l’amélioration des structures de gouvernance locale et de coordination politique. Le FEOGA, en comparaison, a suivi une approche de développement sectoriel dans le domaine de l’activité agricole et le FSE le développement des ressources humaines.

Recommandations

Sur la base de l’analyse des cinq États membres sélectionnés (Allemagne, Espagne, France, Pologne, Suède) et des cinq études de cas (Saxe, Andalousie, Centre, Swietokrzyskie, Suède du Sud), les recommandations suivantes sont proposées. Dans tous les cas, une distinction a été faite entre les destinataires des recommandations, ceux-ci étant soit la Commission soit les États membres.

1. Ne pas travailler sur une typologie unique "pour tous" différenciant zones rurales et urbaines

L’utilisation de typologies urbain-rural ne peut être recommandée pour l’évaluation des effets du FEDER étant donnée que la différenciation des effets des politiques entre des contextes ruraux et urbains ne peut être faite de manière claire. Toutefois, si une évaluation comparative des effets des politiques est envisagée entre le FEDER et le FEOGA, une répartition de ces effets dans le même contexte territorial (ex : zones rurales) est nécessaire.

La Commission devrait par conséquent réfléchir à la nécessité d’établir une typologie communément acceptée et utile des zones rurales et urbaines conçue à des fins de recherche ou d’évaluation (par exemple, dans le cadre d’une analyse comparative entre FEDER et FEOGA). Dans le cadre de l’analyse d’une politique unique, les objectifs de la typologie choisie et ses limites devraient être énoncés de manière transparente.

2. Respecter l’approche existante : soutenir les zones faibles, et non les zones rurales ou urbaines

Afin de cibler efficacement son soutien, la politique devrait continuer à aider les zones ‘faibles’ sans considérer leur caractère rural ou urbain. Le premier défi de cette approche est de définir les zones cibles. Ceci pourrait être fait sur la base de deux questions clés :

- Qu’est-ce qu’une zone faible ? La définition de ‘faible’ devrait aller au-delà de l’approche standard du PIB/personne en intégrant des critères représentant mieux les stratégies européennes (Lisbonne et Göteborg).
- Quelle est la taille d’une zone ? Les zones cibles des politiques d’intervention devraient être définies de façon à ce que la politique soit appliquée en tenant compte de manière optimale des besoins sociétaux existant dans la zone et, en même temps, en considérant des zones suffisamment vastes pour pouvoir être administrées de manière efficace.

La Commission devrait appliquer les mêmes définitions et critères des faiblesses structurelles dans le cadre des différents fonds en couvrant différents aspects (économie, social et
environnement). Ceci conduirait des critères peu nombreux mais efficaces déterminant les zones ‘faibles’ (performance économique, qualité de la vie, accessibilité) qui pourraient être appliqués à la même échelle régionale (NUTS3) partout en Europe.

Dans un deuxième temps, les Etats membres devraient utiliser les critères prédéfinis pour délimiter des zones éligibles au soutien de la Politique de Cohésion. La taille de la zone ne devrait pas être identique pour toute l’Europe (par exemple le niveau NUTS3 pour toutes les régions) mais prendre en compte les caractéristiques territoriales et les structures de gouvernance de chaque Etat membre. Ceci signifie qu’au lieu des zones pourrait différer d’une Etat membre à l’autre.

3. Diversifier les mécanismes de mise en œuvre des politiques en fonction des caractéristiques des mesures

Les mécanismes de mise en œuvre des fonds structurels jouent un rôle central dans l’efficacité de l’intervention des politiques. Les différentes mesures de ces politiques requièrent différentes approches pour leur application.

Une différenciation des mesures des politiques devrait prendre en compte :

- Les complémentarités entre multiples programmes de soutien: alors que les infrastructures (ex : routes, rail) devraient être financées par un fonds unique, le soutien à des secteurs spécifiques comme les énergies renouvelables en zones rurales et les entreprises du bâtiment utilisant les traditions locales de construction devraient intégrer FEDER et FEOGA afin de couvrir tous les acteurs impliqués dans la mise en œuvre. Les mesures plus immatérielles (ex : soutenant l’esprit d’entreprise, de capital-risque, d’éducation et de formation, l’infrastructure sociale, la gouvernance, les initiales locales) sont encore plus complexes et divers fonds pourraient y contribuer. Une utilisation efficace et équitable des fonds au niveau régional requiert complémentarités et coopération.

- La taille d’une intervention individuelle: alors que les projets d’infrastructure ont tendance à être importants, les autres types de projets ont tendance à être petits et ainsi à nécessiter des modes de mise en œuvre des politiques plus différenciés et plus simples (procédures administratives, obligations de contrôle).

- Le nombre de porteurs de projets (potentiels) : les interventions qui visent un nombre potentiellement élevé de candidats appartiennent des mécanismes simplifiés de mise en œuvre en termes de procédure administrative, en particulier l’accès direct aux organismes administratifs et aux autorités de financement.

La mise en œuvre différenciée de différents types de mesures par les États membres nécessite de porter une attention particulière aux points suivants :

- La coordination entre tous les programmes au sein de la zone de programmation
- La proximité avec les citoyens : différents types de mesures requièrent des liens plus ou moins directs avec les citoyens au niveau régional. Quand le nombre de bénéficiaires est élevé et qu’ils sont situé en zone rurale, des mécanismes de mise en œuvre décentralisés devraient permettre que les "coûts de transaction" de la subvention (trouver l’information, s’informer sur les différentes possibilités, remplir le dossier de candidature, etc.) soient le plus bas possible pour le candidat. Le développement de mécanismes permettant de rapprocher les financements européens des citoyens, quand cela s’avère nécessaire, permettrait d’accroître l’efficacité du soutien FEDER. Ceci signifierait une délégation de la distribution des fonds au niveau local.

- L’adaptation des procédures administratives : plus le soutien individuel est modeste, plus le choix se fera en mettant en balance les bénéfices tirés de la subvention et la lourdeur des procédures administratives nécessaires à son obtention. Un nombre croissant de
candidats (en particulier en zone rurale) ne soumettent pas leur projet et ne demandent pas de financement du fait de ce ratio coût-bénéfices. Il sera par conséquent nécessaire de différencier les procédures administratives selon les différents types de mesures.

Ceci pourrait conduire à une division des responsabilités telle que proposée ci-dessous:

- Les infrastructures « traditionnelles » de grande envergure (ex : routes, rail et télécommunications) pourraient être gérées de manière centralisée au niveau national. Toutefois, des mécanismes devraient être mis en place pour permettre un retour d'information régional et une réflexion régionale.

- Le soutien à des secteurs d'infrastructure spécifiques (ex : énergies (renouvelables)) nécessite des complémentarités entre différentes sources de financement du fait des divers secteurs économiques impliqués (agriculture, ingénierie, etc.). La coordination de l'orientation stratégique des financements devrait être faite au niveau régional. La mise en œuvre et l'administration devraient être effectuées au niveau local et de manière aussi proche que possible des bénéficiaires.

- Les interventions visant à l'amélioration du cadre institutionnel (par exemple les mesures soutenant l’esprit d’entreprise, l’éducation et la formation, les infrastructures sociales, la gouvernance, les initiatives locales) et le soutien aux entreprises, le soutien aux investissements requièrent une coordination centrale (nationale) des programmes de financement et une prise de décision locale.

La Commission devrait coordonner les programmes en insistant sur la mise en place, au niveau des États Membres, de cadres stratégiques multisectoriels. Un seul programme stratégique cadre devrait être appliqué dans chacune des zones de programmation, couvrant tous les secteurs et tous les aspects du développement territorial, sans considération de la caractéristique urbaine ou rurale.

4. Utiliser un cadre analytique commun (incluant l’évaluation)

Le basculement vers une mise en œuvre plus différenciée du soutien au développement régional accompagnée d’une meilleure coordination des fonds disponibles au niveau régional requiert l’adaptation du cadre analytique permettant l’évaluation du besoin d’intervention (et du succès de la mesure politique).

Une évaluation du " succès " ou de " l’échec " d’une intervention devrait prendre en compte les aspects suivants :

- Le succès de l’intervention pour les citoyens d’une région : ceci inclut des retours d’information venant du terrain dans les régions ainsi que des évaluations formatives de la mesure dont la politique a contribué à la qualité de la vie.

- Le succès de l’intervention pour le contribuable européen : ceci signifie un résultat consolidé au niveau européen et requiert des évaluations qui fournissent un suivi de l’ensemble de la politique.

La Commission devrait soutenir les recherches permettant de développer un tel outil d’évaluation à « deux niveaux ».

Les États membres devraient s’assurer que l’application d’un tel cadre d’analyse est possible de manière transversale pour tous les programmes.
Zusammenfassung

Aufgabenstellung


Arbeitszugang

Um das Objekt der Evaluierung, den „ländlichen Raum“, näher zu bestimmen, wurde als erster Schritt eine Typologie des ländlichen Raumes entworfen. Anschließend wurde basierend auf der Analyse bestehender Literatur zu Regionalentwicklungstheorien in einem zweiten Schritt ein „Begriffsmodell“ entworfen, das die prinzipiellen Wirkungen der Ziel 1- und Ziel 2-Programme gegenüber den spezifischen Herausforderungen und Bedürfnissen der ländlichen Regionen abbildet.


Tabelle 1. Projekttypen unter Berücksichtigung der Interventionsbereiche des EFRE

<table>
<thead>
<tr>
<th>Projekttyp</th>
<th>Interventionsbereich gemäß Verordnung der Europäischen Kommission Nr 438/2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landwirtschaft, Forstwirtschaft, Fischerei</td>
<td>11 Landwirtschaft</td>
</tr>
<tr>
<td></td>
<td>12 Forstwirtschaft</td>
</tr>
<tr>
<td></td>
<td>14 Fischerei</td>
</tr>
<tr>
<td>Stärkung ländlicher Initiativen</td>
<td>13 Förderung der Anpassung und Entwicklung ländlicher Gebiete</td>
</tr>
<tr>
<td>Unternehmensförderung, Förderung von Netzwerken</td>
<td>15 Unterstützung von Großbetrieben</td>
</tr>
<tr>
<td></td>
<td>16 Unterstützung von KMU und Handwerk</td>
</tr>
<tr>
<td></td>
<td>17 Tourismus</td>
</tr>
<tr>
<td>Forschungsförderung</td>
<td>18 Forschung, technische Entwicklung und Innovation</td>
</tr>
<tr>
<td>Bildung – Förderung von Humankapital</td>
<td>23 Entwicklung von Bildung und Erwachsenenbildung</td>
</tr>
<tr>
<td>Unternehmensdienstleistungen</td>
<td>24 Arbeitsflexibilität, Unternehmensaktivitäten, Innovation , Information und Kommunikationstechnologien</td>
</tr>
<tr>
<td>Arbeitsmarktförderung</td>
<td>21 Arbeitsmarktpolitik</td>
</tr>
<tr>
<td></td>
<td>25 Arbeitsmarktinitiativen für Frauen</td>
</tr>
<tr>
<td>Verkehrsinfrastruktur</td>
<td>31 Verkehrsinfrastruktur</td>
</tr>
<tr>
<td>Telekommunikationsinfrastruktur</td>
<td>32 Telekommunikationsinfrastruktur und Informationsgesellschaft</td>
</tr>
<tr>
<td>Energieinfrastruktur</td>
<td>33 Energieinfrastruktur</td>
</tr>
<tr>
<td>Umweltinfrastruktur</td>
<td>34 Umweltinfrastruktur</td>
</tr>
<tr>
<td>Landentwicklung</td>
<td>35 Planung und Sanierung</td>
</tr>
<tr>
<td>Soziale Infrastruktur</td>
<td>22 Soziale Infrastruktur</td>
</tr>
<tr>
<td></td>
<td>36 Soziale Infrastruktur und öffentliche Gesundheitsinfrastruktur</td>
</tr>
</tbody>
</table>

Quelle: Verordnung der Europäischen Kommission Nr 438/2001)
Die Projekttypologie bildete die Basis für die Analyse der Rolle des EFRE in ländlichen Regionen in fünf ausgewählten Mitgliedstaaten (Frankreich, Deutschland, Polen, Spanien und Schweden). Die Daten aus der „Study on Regional Expenditures“ (European Commission 2008) erlaubte die Berechnung des Anteils der Ziel 1- und Ziel 2-Ausgaben des EFRE nach Projekttypen und Regionstypen auf NUTS3-Ebene.

Die Analyse der nationalen Ebene bildete den Hintergrund für fünf regionale Fallstudien zur detaillierteren Untersuchung der Wirkungen der EFRE-Interventionen auf die Entwicklung ländlicher Regionen. In den Fallstudien von Centre (FR), Sachsen (DE), Świętokrzyskie (PL), Andalusien (ES) und Südschweden (SE) wurde der Einfluss des EFRE auf die ländliche Entwicklung auch unterhalb von NUTS3 untersucht. Zudem wurde in jeder Fallstudienregion in einer Minifallstudie ein vom EFRE ko-finanziertes Best-practise-Beispiel dargestellt.


Der ländliche Raum als Objekt der Evaluierung

Ein Versuch, ländlichen Raum zu definieren, muss berücksichtigen, dass der ländliche Charakter nicht ausschließlich anhand quantitativer Indikatoren beschrieben werden kann. „Ländlichkeit“ ist auch geprägt von historischen, administrativen und kulturellen Faktoren. Eine Definition, welche ausschließlich auf statistischen Indikatoren, wie Bevölkerungsdichte und -entwicklung, Pendelverflechtungen, Erreichbarkeit etc. basiert, vernachlässigt diese qualitativen Faktoren ebenso wie das Selbstbild der regionalen Akteure.

Ob eine Region als ländlich oder städtisch eingestuft werden kann, hängt auch vom Zweck der Klassifizierung ab. So kann unter bestimmten Umständen eine NUTS3-Region die passende Ebene für eine Stadt-Land-Typisierung sein, obwohl viele NUTS3-Regionen in der Regel auf einer Skala zwischen „städtisch“ und „ländlich“ rangieren. In einem anderen Kontext können sogar kleinere Gebiete als NUTS3 städtische sowie auch ländliche Eigenschaften aufweisen.

Für die Evaluierung des Einflusses des EFRE auf die Entwicklung ländlicher Regionen wurde eine Stadt-Land-Typologie mit folgenden Klassen entwickelt:

- **Städtische Regionen** sind Regionen, in denen unter 15% der Einwohner in ländlichen Gemeinden mit einer Bevölkerungsdichte von weniger als 150 Einwohner / km² leben.
- In **starken intermediären Regionen** leben 15% bis 50% der Bevölkerung in ländlichen Gemeinden und sie verzeichneten zwischen 1990 und dem Jahr vor dem Start der Programmperiode 2000-06 (1999 für die EU15 und 2003 für die EU10) einen Bevölkerungsanstieg.
- In **schwachen intermediären Regionen** leben 15% bis 50% der Bevölkerung in ländlichen Gemeinden. Die Zahl der Bevölkerung nahm zwischen 1985 und dem Jahr vor dem Start der Programmperiode 2000-06 ab.
- **Starke ländliche Regionen** sind dünn besiedelte Regionen mit Bevölkerungswachstum zwischen 1990 und dem Jahr vor dem Start der Programmperiode 2000-06, in denen über 50% der Bevölkerung in ländlichen Gemeinden leben.
- **Schwache ländliche Regionen** sind dünn besiedelte Regionen mit Bevölkerungsabnahme.

Die folgende Karte zeigt die Verteilung der ländlichen, intermediären und städtischen Regionen entsprechend der skizzierten Typologie. Aufgrund der Abgrenzung der Typen über Grenzwerte entsteht ein abstraktes Bild, das die tatsächlichen kleinteiligen Verhältnisse in generalisierter Form darstellt.
Karte 1. Typologie der ländlichen Regionen Europas im Rahmen der WP9-Studie (NUTS3)

Kategorien der Regionen

- Städtische Region
- Starke intermediäre Region
- Schwache intermediäre Region
- Starke ländliche Region
- Schwache ländliche Region

Quellen: EUROSTAT, GD REGIO
September 2008

Städtisch / intermediär / ländlich: Bevölkerungsdichte gemäß OECD-Definition
Stark, schwach: Bevölkerungsentwicklung zwischen 1990 und dem Start der Programmperiode
(1999 für EU15, 2003/06 für EU10+2)
(Polen und Dänemark basierend auf NUTS2 Bevölkerungszahlen)

Folgende Trends waren relevant:

- Bevölkerungsentwicklung und Abwanderung
- Wirtschaftlicher Strukturwandel und Bedeutungsverschiebung vom primären zum sekundären und tertiären Sektor
- Technologische Veränderungen
- Anhaltende Defizite der Erreichbarkeit von Hauptverkehrswege und des Zugangs zu Bildung und Dienstleistungen
- Steigende Bedeutung der natürlichen Ressourcen und des Umweltschutzes

Der Beitrag des EFRE zur Entwicklung ländlicher Regionen


Obwohl also der EFRE keine spezifische Fördereinrichtung für ländliche Regionen ist, zeigt die Analyse der Ausgaben in fünf Mitgliedsstaaten (Frankreich, Deutschland, Polen, Spanien, Schweden) die hohe Bedeutung des EFRE für ländliche Regionen. 28% der Ziel 1-Förderung und 24% der Ziel 2-Förderung wurden in ländlichen Regionen ausgegeben, während sich dies in städtischen Regionen auf 20% für Ziel 1 und 35% für Ziel 2 belief. Der Rest entfiel auf intermediäre Regionen.

Abbildung 1. EFRE-Ausgaben pro Kopf 2000-06 für Ziel 1 in städtischen und ländlichen Regionen (NUTS3)

Eine Analyse der Ausgaben des EFRE nach Projekttypen zeigt die breite Palette an unterschiedlichen Projekten, welche vom EFRE ko-finanziert wurden. Manche davon haben einen stärkeren Fokus in ländlichen, andere in städtischen Regionen.

Manche Projekttypen erfordern eine kritische Größe bezüglich ökonomischer Aktivitäten, welche sich üblicher Weise in städtischen Regionen konzentriert. Für solche Projekttypen waren die Ausgaben des EFRE in ländlichen Regionen geringer als in städtischen:

- Da die Ausschöpfung direkter Unternehmensförderung das Vorhandensein einer industriellen Basis erfordert, ist dieser Projekttyp vor allem in Regionen mit großen Unternehmen häufiger vertreten. Im Vergleich zum Anteil der ländlichen Regionen an der gesamten EFRE-Förderung war der Anteil der Direktförderung von Wirtschaftsbetrieben in den fünf analysierten Mitgliedsstaaten deutlich geringer. Ausnahmen bildeten Ziel 1 in Deutschland und Ziel 2 in Frankreich, wo manche ländliche Regionen auch eine starke industrielle Basis aufweisen.
- Die Forschungsförderung konzentrierte sich überwiegend auf städtische Regionen, wo entsprechende Forschungseinrichtungen vorhanden sind. Ländliche Regionen profitierten davon nur in geringerem Ausmaß.

Demgegenüber hatten bestimmte Projekttypen eine höhere Bedeutung in ländlichen Regionen:

- Der höhere Anteil an Förderungen der Verkehrsinfrastruktur in ländlichen Regionen führte u.a. zu einer Verbesserung des ländlichen Straßennetzes (Sachsen, Südschweden) oder zu einer Verbesserung der Verbindung zwischen den ländlichen Regionen und den wichtigen Städten (Świętokrzyskie, Andalusien). In beiden Fällen bewirkte dies eine Verbesserung der Erreichbarkeit der ländlichen Regionen.
- Der EFRE unterstützte in ländlichen Regionen auch verstärkt den Ausbau der Umweltinfrastruktur, insbesondere bezüglich Abfallbehandlung, Trinkwasserversorgung, und Abwasserreinigung.
Mit manchen Projekttypen gingen die einzelnen Mitgliedsländer ganz unterschiedlich um:

- Die Förderung der sozialen Infrastruktur insbesondere in ländlichen Regionen in Ziel 2-Gebieten in Spanien und in Ziel 1-Gebieten in Frankreich und Schweden trug zur Erhöhung der Lebensqualität im ländlichen Raum bei.
- In manchen Fällen, insbesondere Ziel 1 in Spanien und Ziel 2 in Deutschland, wurde der EFRE auch dazu verwendet, ländliche Initiativen zu stärken, welche die Anpassung der ländlichen Regionen u.a. durch die Unterstützung der Diversifizierung der Landwirtschaft, die Entwicklung von Tourismus und Handwerk unterstützten – auch wenn die Förderung solcher Initiativen nicht die Hauptaufgabe des EFRE darstellte.

Die EFRE-Förderungen spiegelten dabei die unterschiedlichen theoretischen Ansätze der Regionalentwicklung wider. Der EFRE finanzierte große Infrastrukturprojekte, Betriebe mit hohen Wachstumschancen und andere Projekttypen, welche vor allem den exogenen Wachstumsmustern der Regionalentwicklung folgen, ebenso wie Interventionen, die stärker auf endogene Entwicklungsansätze zurückgehen (z.B. soziale Infrastruktur, ländliche Initiativen).

Diese Vielfalt an Projekttypen und die unterschiedlichen dahinter liegenden ökonomischen Theorien zeigen, dass innerhalb des programmatischen Rahmens des EFRE Maßnahmen unterstützt werden können, die möglichst gut auf die Bedürfnisse einer Region eingehen. Diese Flexibilität des EFRE ermöglicht seine Anpassung an unterschiedliche regionale Rahmenbedingungen und damit auch an die speziellen Bedürfnisse in ländlichen Regionen.

**Der institutionelle Rahmen**

Die Fallstudien zeigten, dass der institutionelle Rahmen in den Mitgliedsstaaten und den Regionen maßgeblich die Wahrnehmung der Bevölkerung bezüglich des Umfangs ihrer Unterstützung durch die EU beeinflusste. Ob die Förderstellen als bevölkerungsnah oder -fern gesehen wurden, und wie weit regionale Bedürfnisse berücksichtigt wurden, hing auch von der Entscheidungsebene über die Verteilung der EU-Gelder ab. Die Verfügbarkeit von Informationen auf regionaler Ebene über die Fördermöglichkeiten bestimmte die Zahl der Förderanträge maßgeblich mit.

In manchen Regionen und für manche Projekttypen wurde ein „nachfrageorientierter Ansatz“ ohne regional oder lokal verankerte Unterstützung von Projektantragstellern verfolgt. EFRE-Förderungen wurden vor allem in jenen Regionen ausgeschüttet, in denen das Förderungsprozedere bekannt war und die Antragsteller die Kapazität hatten, erfolgreiche Anträge eigenständig auszuarbeiten. Ein solcher Ansatz wurde in den Fallstudienregionen Sachsen, Świętokrzyskie und Andalusien für Unternehmensförderungen und in Sachsen und Südschweden für die Forschungsförderung angewendet.


**Das Verhältnis zwischen den Fonds**

In den Fallstudienregionen waren unter Ziel 1 die drei Strukturfonds EFRE, ESF, EAGFL-A und unter Ziel 2 EFRE und ESF aktiv. Inwieweit dies zu Überschneidungen oder Synergien führte, hing maßgeblich von den Implementierungsmechanismen der Mitgliedsstaaten ab.

Dieser Ansatz führte zu einer klaren Arbeitsteilung zwischen EFRE, ESF und EAGFL-A. Während der EFRE sich auf Infrastruktur, wie Verkehrsinfrastruktur, Umweltinfrastruktur, die direkte Förderung von Unternehmen (insbesondere KMU), Forschungsprojekte und Bildungsinfrastruktur konzentrierte, förderte der ESF personenbezogene Maßnahmen (Training, Qualifizierung, Unterstützung von Beschäftigungsinitiativen etc.). Der EAGFL-A fokussierte auf die Unterstützung von Landwirten und Akteuren im Landwirtschaftssektor oder verwandten Bereichen.

Trotz dieser Trennung zwischen den Fonds nach Achsen und Maßnahmen war es für die Antragsteller nicht immer eindeutig, welcher Fonds welche Themen abdeckte.


- Die schwedische Regionalpolitik kennt keinen eigenen Bereich explizit für ländliche Regionen. Die meisten regionalen Wachstumsprogramme enthielten daher auch Maßnahmen für ländliche Gebiete und die Schärenküste, integriert in die Programme der Strukturfonds.
- In Świętokrzyskie in Polen wurden manche Maßnahmen des Sektoralen Operationellen Programms für Landwirtschaft und ländliche Entwicklung ausdrücklich in Ergänzung zu EFRE-finanzierten Maßnahmen geplant.

Die obigen Beispiele zeigen, dass durch den erfolgversprechenden Ansatz gemeinsamer Instrumente und Institutionen Überschneidungen zwischen den Fonds vermieden werden konnten und eine bessere Abstimmung zwischen ihnen geschaffen werden konnte.

Schlussfolgerungen

Die Analyse der fünf ausgewählten Mitgliedsstaaten (Frankreich, Deutschland, Polen, Spanien, Schweden) und der fünf Fallstudien (Centre, Sachsen, Świętokrzyskie, Andalusien, Südschweden) zeigt, dass der EFRE eine wesentliche Unterstützung für ländliche Regionen darstelle. Die Vielfalt der unterstützten Projekte in den unterschiedlichen Regionen beweist die hohe Flexibilität des EFRE, sich an die unterschiedlichen Bedürfnisse in den ländlichen Region anpassen zu können. Der EFRE unterstützte Projekte sowohl gemäß exogener als auch endogener Entwicklungstheorien. Er setzte exogene Entwicklungsimpulse durch Investitionen in die Infrastruktur und unterstützte endogene Entwicklung über die Förderung von ländlichen
Initiativen und sozialer Infrastruktur. Der EFRE unterstützte neue ökonomische Aktivitäten in ländlichen Regionen ebenso wie die Entwicklung regionaler Governance-Strukturen und der Abstimmung von Politiken. Im Vergleich dazu folgte der EAGFL-A einem sektoralen Entwicklungsansatz im Bereich landwirtschaftlicher Aktivitäten und der ESF fokussierte auf die Entwicklung der Humanressourcen.

Empfehlungen

Aufbauend auf der Analyse der 5 ausgewählten Mitgliedsstaaten (Frankreich, Deutschland, Polen, Spanien, Schweden) und der fünf Fallstudien (Centre, Sachsen, Świętokrzyskie, Andalusien, Südschweden) werden die folgenden Empfehlungen, unterschieden nach den Adressaten Kommission und Mitgliedsstaaten, vorgeschlagen.

1. Keine Suche nach einer „One size fits all“-Typologie, um zwischen städtischen und ländlichen Regionen zu unterscheiden


Die Kommission sollte daher die Erstellung einer gemeinsam anerkannten, anwendbaren und der Evaluierungsfrage angepassten Typologie für ländliche und städtische Regionen ins Auge fassen (z.B. für den Fall einer vergleichenden Analyse von EFRE und EAGFL-A). Werden einzelne Politiken analysiert, so ist die Wahl der Typologie zu begründen und ihre Grenzen sind aufzuzeigen.

2. Beibehalten des bestehenden Ansatzes der Stärkung schwacher Regionen, unabhängig ob städtisch oder ländlich

Im Sinne einer effektiven Förderung sollte die Politik auch weiterhin „schwache“ Regionen unabhängig von ihrem städtischen oder ländlichen Charakter unterstützen. Die Definition der Zielgebiete kann an Hand von zwei Kernfragen erfolgen:

- Welche Größe hat eine Region? – Die Zielgebiete der Politik sollten derart festgelegt werden, dass die Programmgelände bestmöglich auf die gesellschaftlichen Bedürfnisse in der Region eingehen können, gleichzeitig jedoch das Gebiet groß genug für eine effiziente Administration der Programme ist.

Die Kommission sollte die gleichen Definitionen und Kriterien der strukturellen Schwäche für alle Fonds anwenden, die wirtschaftliche, soziale und Umweltaspekte abdecken. Dazu bedarf es weniger, aber effektiver Kriterien, die schwache Regionen charakterisieren (Wirtschaftsleistung, Lebensqualität, Erreichbarkeit), die in ganz Europa auf der gleichen Maßstabebene (z.B. NUTS3) angewendet werden können.

In einem zweiten Schritt sollten die Mitgliedsstaaten die vordefinierten Kriterien anwenden, um jene Regionen abzugrenzen, die über die Kohäsionspolitik gefördert werden. Es ist nicht erforderlich, dass die Größe der Regionen in ganz Europa die gleiche Maßstabebene (z.B. NUTS3) aufweist. Wichtig ist, dass die unterschiedlichen räumlichen Voraussetzungen und administrativen Strukturen der Mitgliedsstaaten berücksichtigt werden. Damit kann die Größe der Regionen zwischen den Mitgliedsstaaten variieren.
3. Unterschiedliche Maßnahmen bedürfen unterschiedlicher Förderstrukturen

Da die Förderstrukturen eine entscheidende Rolle hinsichtlich der Effektivität der Interventionsmaßnahmen spielen, bedürfen unterschiedliche Maßnahmen auch unterschiedlicher administrativer und institutioneller Ansätze.

Eine Unterscheidung der Interventionsmaßnahmen sollte folgendes beachten:

- Die Größe der einzelnen Maßnahme: Während einzelne Infrastrukturprojekte größeren Umfang haben, sind weiche Maßnahmen eher kleiner und benötigen daher einfachere administrative Prozeduren und Kontrollmechanismen.
- Die Zahl der Projektwerber: Maßnahmen mit vielen potenziellen Projektwerbern verlangen nach einfacheren administrativen Verfahren und insbesondere einem direkten Zugang zu den verwaltungs- und Förderstellen.

Dieses an die unterschiedlichen Maßnahmentypen angepassten Prozedere sollte in den Mitgliedsstaaten folgende Aspekte beachten:

- Abstimmung zwischen allen Programmen in einem Programmgebiet

Dies kann zu folgender Aufteilung der Zuständigkeiten führen:

- Große „traditionelle“ Infrastrukturprojekte (z.B. Straße, Schiene, Telekommunikation) können zentral auf nationaler Ebene abgewickelt werden. Die betroffenen Regionen sollten im Sinne eines Feedbacks konsultiert werden.
- Die Unterstützung von ausgewählten Infrastrukturbereichen (z.B. erneuerbare Energie) erfordert eine Koordination von unterschiedlichen Förderquellen, da dazu verschiedene ökonomische Bereiche (Landwirtschaft, Ingenieurswesen etc.) zusammenspielen müssen. Die Abstimmung der strategischen Ausrichtung sollte auf regionaler Ebene erfolgen. Die Administration sollte auf lokaler Ebene möglichst nahe bei den Förderempfängern angesiedelt werden.
- Maßnahmen zur Entwicklung der institutionellen Rahmenbedingungen (z.B. Maßnahmen zur Unterstützung von Unternehmensgeist, Ausbildung, sozialer Infrastruktur,
Governance und lokalen Initiativen) und Direktförderung von Unternehmen und Investitionsförderung bedürfen einer zentralen (nationalen) Koordination der Förderprogramme und lokaler Förderentscheidungen.

Die Kommission sollte die Programme koordinieren, indem sie sektorübergreifende Rahmensetzungen von den Mitgliedsstaaten einfordert. Für jedes Programmgebiet sollte ein einziges Rahmenprogramm erstellt werden, das alle Sektoren und alle Aspekte der räumlichen Entwicklung, unabhängig ob städtisch oder ländlich, umfasst.

4. Ein gemeinsamer analytischer Rahmen (auch für Evaluierungen)

Die Verschiebung hin zu einer weiter ausdifferenzierten Regionalförderung in Kombination mit einer stärkeren Koordination zwischen den einzelnen Fonds auf der regionalen Ebene erfordert auch die Anpassung des analytischen Rahmens für die Beurteilung der erforderlichen Interventionsmaßnahmen (und deren Erfolg).

Eine Beurteilung von „Erfolg“ oder „Misserfolg“ einer Maßnahme sollte folgende Komponenten berücksichtigen:

- Erfolg für die Bürger in einer Region: Dies erfordert Bottom-up-Rückkoppelungsschleifen in den Regionen und Evaluierungen mittels Lernprozessen. Ziel ist, das Ausmaß des Beitrags der Fördermaßnahme zur Erhöhung der Lebensqualität und deren Effizienz und Effektivität zu bewerten.
- Erfolg für den europäischen Steuerzahler: Dazu bedarf es aggregierter Ergebnisse auf EU-Ebene mittels Evaluierungen, welche eine Gesamtbeurteilung der Fördermaßnahmen ermöglichen.

Die Kommission sollte ein solches zweistufiges Beurteilungsverfahren entwickeln.

Die Mitgliedsstaaten sollten sicherstellen, dass ein solches Bewertungsverfahren in allen Programmen auch angewendet werden kann.
1 Introduction

The ‘Ex post evaluation of Cohesion policy programmes 2000-06 co-financed by the ERDF (Objective 1 and 2) – Work Package 9: Rural Development’ aims to assess the nature and importance of the contribution of the ERDF to the development of rural areas in the 2000–06 programme period. The study is part of a set of ex-post evaluations commissioned by DG REGIO aiming to investigate the effects of Cohesion policy financed by the European Regional Development Fund (ERDF) during this period.

The European Union supports the development of rural areas through a number of different instruments. Besides the ERDF, which aims to strengthen urban as well as rural areas in Objective 1 and Objective 2 regions in the EU Member States (MS), the European Agricultural Guidance and Guarantee Funds (EAGFL-A) in particular fosters rural development. The European Social Fund (ESF) and the Financial Instrument for Fisheries Guidance (FIFG) also support a variety of projects in rural areas. The main task of this evaluation was to investigate the contribution of the ERDF to the development of rural areas in the EU.

The first analytical step of the evaluation was to find a useful definition of the object ‘rural areas’ in order to focus the evaluation on the specific territorial context. An urban-rural typology was developed which served as the basis for the analysis of the socio-economic impact of Cohesion Policy on rural development and in different types of rural areas.

The next analytical step was to analyse the literature and the theories on economic development in rural regions. Based on these theories and their relevance for ERDF supported measures a ‘conceptual model’ was established depicting how ‘ERDF programmes’ (and their measures) bring about effects in rural areas. The model consisted of seven hypotheses on how cause and effect relations might work broken down into research questions on the nature and importance of the contribution of the ERDF to rural development.

A typology of projects was also established bundling the vast number of different project types supported by the ERDF. This typology is based on the conceptual framework and the fields of intervention which derive from this framework and reflects the existing data on ERDF expenditures defined by the Commission Regulation (EC) No 438/2001 of 2 March 2001. The different types of project and their relation to the ERDF expenditure categories at the 2-digit level can be seen in the following table.

Table 2. Project types and the classification of areas of intervention

<table>
<thead>
<tr>
<th>Project types</th>
<th>Areas of intervention according to the Commission Regulation (EC) No 438/2001</th>
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</thead>
<tbody>
<tr>
<td>Agriculture, forestry, fisheries</td>
<td>11 Agriculture</td>
</tr>
<tr>
<td></td>
<td>12 Forestry</td>
</tr>
<tr>
<td></td>
<td>14 Fisheries</td>
</tr>
<tr>
<td>Projects strengthening rural initiatives</td>
<td>13 Promoting the adaptation and the development of rural areas</td>
</tr>
<tr>
<td>Investments into business units</td>
<td>15 Assisting large business organisations</td>
</tr>
<tr>
<td>Services fostering networks</td>
<td>16 Assisting SMEs and the craft sector</td>
</tr>
<tr>
<td></td>
<td>17 Tourism</td>
</tr>
<tr>
<td>Support R&amp;D</td>
<td>18 Research, technological development and innovation (RTDI)</td>
</tr>
<tr>
<td>Education and training - investment in human capital</td>
<td>23 Developing education and vocational training</td>
</tr>
<tr>
<td>Services fostering entrepreneurship</td>
<td>24 Workforce flexibility, entrepreneurial activity, innovation, information and communication technologies</td>
</tr>
<tr>
<td>Labour market</td>
<td>21 Labour market policy,</td>
</tr>
<tr>
<td></td>
<td>25 Positive labour market actions for women</td>
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</table>

A more detailed table combining the project types with the detailed sub categories on 3-digits-level is in the Annex.
The project types can be linked to the challenges facing rural areas such as demographic change, the economic shift from the primary to other sectors, the lack of accessibility, and the maintenance and sustainable use of natural resources. They formed the basis for the analysis of the role of the ERDF in rural areas within the five Member States (France, Germany, Poland, Spain, Sweden) selected for analysis. This analysis at Member State level was based on the calculation of the share of ERDF expenditure under Objective 1 and Objective 2 according to the different types of regions at NUTS3 level and the different project types. This classification was crossed with the existing data on ERDF expenditures prepared in the Study on Regional Expenditures (European Commission 2008) that provides Objective 1 and 2 expenditures for NUTS3 regions, split (in most countries) into 2 digit categories of areas of intervention (Commission Regulation (EC) No 438/2001). The results provide an overview of the territorial distribution of ERDF support according to different project types in the five selected Member States enabling a comparison of the data across the five Member States. The analysis of the ERDF expenditures was supplemented with desk research and interviews with relevant stakeholders in order to draw a fuller picture of the role of the ERDF in rural areas. (For results see Intermediate Report volume 2.)

The Member State perspective served as a setting for the regional case studies which provided an in-depth analysis of the effects of ERDF interventions on rural development. Five regional case studies were carried out in the regions Centre (FR), Saxony (DE), Świętokrzyskie (PL), Andalusia (ES), South Sweden (SE). The case studies analysed the impact of ERDF interventions on rural development based on the hypotheses below the NUTS3 level. The complementarities between the ERDF and the other Structural Funds (EAGFL-A, ESF and FIFG) was also explored, in particular the different roles and types of expenditure of the different funds in rural areas. Within each case study, one good practice example of a project co-financed by the ERDF in the case study region was carried out (mini-case studies).

The results of the analysis at Member State and regional level provided the material and evidence for drawing conclusions on the role of the ERDF in rural areas in the 2000-06 period and for deriving policy recommendations for the future contribution of the ERDF to rural development.

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For more details about the territorial typology see the next chapter.
2 Towards a typology of rural areas

The definition of the term ‘rural’ varies across Member States and policy contexts. In the literature, rural areas are defined as regions showing specific characteristics, for example a lower than average population density. In the policy context, ‘rural’ tends to include small towns as well as open country and isolated settlements. While the precise definition of ‘small’ varies widely among government programmes, most include villages, towns and even small cities. In this section we look at different understandings of what is rural and propose a typology of rural (and urban) areas, which serves the purpose of the evaluation.

2.1 The purpose of the typology

The first question to be posed is the use of such a typology – bearing in mind that any typology is a simplified picture of reality and that the sole act of drawing such a picture determines its content and also sets limits to its usefulness. Typologies of rural areas as distinct from urban areas may serve several purposes:

- Statistical purpose – to gather easily quantifiable spatially related information, e.g. the widely accepted typology of the OECD
- Evaluation purpose – to gather information on specific areas in order to fulfil the aims of the evaluation, e.g. Cohesion policy (ERDF), which does not aim explicitly at rural areas as opposed to Rural Development Policy (EAGGF), which more explicitly aims at rural areas with a clear delimitation
- Demographic/sociological purpose – to gather information on perceptions, social behaviour (e.g. commuting) in specific areas

The specific purpose of the typology developed for this evaluation also determined its design. The typology provides a territorial differentiation between rural and urban areas in order to be able to assess the impact of the ERDF on rural areas.

2.2 The diversity of definitions of rural and urban areas

Although many countries have a long experience in analysing ‘rural’ areas, no single commonly accepted definition exists. This makes any analysis of rural areas in a European context a challenge. The OECD developed a typology, which is the only internationally recognised one and serves mainly statistical purposes. It is based on population density. According to the typology, regions can be classified in one of the following three categories (OECD 1994):

- Predominantly rural region: more than 50% of the population of the region is living in rural communes (with less than 150 inhabitants/km²).
- Intermediate region: 15% to 50% of the population of the region is living in rural local units.
- Predominantly urban region: less than 15% of the population of the region is living in rural local units.

The results of this typology are sometimes considered to imperfectly reflect the specific character of areas, particularly in densely populated regions. Moreover, they do not reflect the functional links of rural areas with agglomerations and their degree of autonomous development.

In the Fourth Report on Economic and Social Cohesion (European Commission Regional Policy 2007), the OECD method was combined with an indicator describing the closeness of a region to a larger city. Regions close to cities were defined as regions in which at least 50% of the population lived less than one hour’s travel by road to a city with a minimum number of

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inhabitants. This typology was established for regions on NUTS3 level. Combining this indicator with the OECD typology leads to an urban-rural typology with five categories (urban regions; intermediate regions close to a city; intermediate remote regions; rural regions close to a city; rural remote regions). However, this approach faces some challenges when focusing on rural areas in different Member States:

- The link between the size of a city and its role for the surrounding municipalities depends very much on the settlement structure. In the less densely populated rural regions, e.g. in Sweden, even much smaller cities provide relevant services for their surroundings.
- Within the European pentagon\(^5\), the road network is more closely meshed than in the regions in the European periphery. A city larger than 100,000 people can be reached from most areas in the pentagon within one hour, e.g. in Germany and Poland all but two (‘Freyung-Grafenau and Regen in Germany and Bialskopodlaski and Krośnierzynskoprzemyski in Poland) are classified as ‘close to a city’. Consequently, in some Member States, the typology does not reflect the ‘remoteness’ of rural areas, even if from a national perspective they would be classified as such.

Other definitions include dominant forms of land use, for example, an ESPON project\(^7\) established a European-wide classification of rural and urban areas taking land use patterns into account. This classification is based on two main dimensions reflecting the inter-dependence of rural and urban areas: the degree of urban influence in terms of population density and the status of the leading urban centre of the region, and the degree of human intervention corresponding to the share of artificial surfaces within a region.

A collection of all national definitions for rural areas showed that ‘it is hardly possible to harmonise the concept of urban and rural population based on the existing national classifications’\(^8\). Different Member States categorise the distribution of urban and rural populations differently within their respective territories. The diversity concerns not only the indicators but also the territorial level. When looking at the five analysed Member States, four (Spain, France, Sweden and Poland) have their own definitions of rural areas in order to meet their specific needs. The following examples illustrate this:

- The Spanish law, the ‘Sustainable Development of Rural Areas\(^9\)', identified the rural areas most in need of support using a NUTS5 classification. The criteria for deciding on rurality are based partially on the criteria of population density as in the OECD/Eurostat definition, but using different thresholds. The law distinguishes between rural areas to be redeveloped, periurban rural areas and intermediate rural areas.
- In Poland, according to the Polish Central Statistical Office (2006), all areas outside the administrative border of towns and cities count as rural (i.e. 93.2% of the total area of the country). These figures are not so far off the OECD figures in which 91.0% of Polish areas are rural and the EUROSTAT figures in which 85.7% are.
- The Swedish understanding of urban and rural is distinguished at a much more detailed level than NUTS3. The OECD definition is used at the municipality level, which results in the OECD classifying only Stockholm and Skåne counties as non-rural. Using the OECD definition, as much as 99 % of Sweden’s total land area is defined as rural.

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6 Regions located within the pentagon formed by London, Paris, Milan, Munich, Hamburg
7 ESPON 112 (2005): Urban rural relations in Europe.
8 (ESPON 112 (2005) p. 157
9 Ley 45/2007 del 13 Diciembre, para el desarrollo sostenible del medio rural. BOE 299.
Other typologies focus more on the role of agriculture in rural areas. One recent example is the typology of (rural) regions developed in the ETUDE project.\textsuperscript{10} It distinguishes between the following types of rural regions\textsuperscript{11}:

- Specialised agricultural areas where farming shows high degrees of specialisation, intensity and scale and where other economic sectors are very weakly connected to agriculture.
- Marginalised areas where agriculture once had significance but is currently in decline.
- New rural areas where agriculture is developing along the lines of multi-functionality and is increasingly intertwined with the regional economy and society.
- Segmented areas where alongside specialised agriculture, other equally specialised sectors (e.g. housing, tourism, and nature) are emerging.
- New suburbia, where agriculture is declining and where new, often dispersed, settlement patterns are emerging in which commuting provides a major link with the urban economies.

This typology follows a descriptive approach, which is not yet closely linked to quantified indicators thus limiting its usefulness.

2.3 Is the urban-rural dichotomy a myth?

Besides the problem of finding good indicators to distinguish between urban and rural areas, many features (both implicit and explicit) that are used in diverse urban-rural typologies can be attributed to both the city and the countryside: ‘In this respect, the urban-rural dichotomy seems to be a myth based on contrasts which may have been valid in the past, but which no longer apply to contemporary society’ (Wiskerke 2008). Several examples illustrate this:

- Seraceno (1994) shows that in Italy it is in rural areas that the service sector has grown considerably with positive implications for employment, while in the larger conurbations the opposite trend can be observed.
- Lowe & Ward (2007) found a similar tendency in England: an increase in turnover of 10% among rural enterprises between 1998 and 2003 and a drop of 35% in urban enterprises in the same period.
- In the Netherlands, there are no longer any urban-rural differences in education levels: the same percentage of primary school pupils goes on to higher education (professional or academic) from rural areas as from cities (Steenbekkers et al. 2006).
- The trend towards ‘rurbanisation’ can be observed in several countries, e.g. in the Netherlands. With regard to levels of net migration, the decade-long trek from countryside to city has given way to a stream of migrants in the opposite direction (Van Dam et al. 2002).

As far as economic activities and professional structures are concerned, the distinction between urban and rural no longer reflects patterns and flows of economic activity across space within national economies. Much modern industrial activity occurs in rural areas. Likewise, cities can accommodate agricultural activities and service sub-sectors can be found in both urban and rural settings (Ellis and Harris 2004). The increasing inter-dependence between urban and rural areas, the process of rurbanisation, makes the traditional distinction between rural and urban increasingly blurred (ESPON 2004 p. 10).
According to Weber (2009), there is a ‘range’ between different rural areas e.g.:

- Suburban areas close to a city that still face a lower population density than the urban nodes and where agriculture and forestry are still the dominant land use;
- Rural areas with high importance of tourism and tourism infrastructure (hotels, apartments etc.) and a dominance of the service sector;
- Very peripheral areas with significant problems with regard to accessibility.

As we have tried to demonstrate, there is a broad variety of different perceptions and definitions of rural areas. In order to analyse the impact of the ERDF on rural areas, a typology is needed that, on the one hand, reflects the different stages of ‘rurality’ and ‘urbanity’, and on the other hand simplifies the complexity to allow more general conclusions.

2.4 A typology of rural areas

In order to analyse the contribution of the ERDF to the development of rural areas, a typology was developed that supports the analysis of the impact of the ERDF on the development of rural regions. The study selected those criteria that can be best used for assessing the nature and importance of the contribution of the ERDF to rural development in different rural areas.

According to the available data on the ERDF expenditures, we define the typology of regions at NUTS3 level. This allows us to link the results of the Study on Regional Expenditures with the regional typology. However, it limits the chosen indicators as not all relevant data are available for NUTS3, e.g. data describing the effects of commuting on GDP, which would illustrate the urban-rural relationship, are only available for NUTS2 regions.

2.4.1 Selected indicators

2.4.1.1 Population density

The OECD typology is the only definition of rural areas that is internationally recognised and it is also used by the Commission. The first step in the current evaluation was to classify the regions according to the three categories based on population density:\footnote{Based on the population data of EUROSTAT for 2005.}

- Predominantly rural region if more than 50% of the population of the region is living in rural communes (with less than 150 inhabitants/km²)
- Intermediate region if 15% to 50% of the population of the region is living in rural local units
- Predominantly urban region if less than 15% of the population of the region is living in rural local units.

2.4.1.2 Demographic development

Demographic development adds a dynamic factor to the static factor of population density. Population development and the migration balance reflect the level of attractiveness and strength of a region. In attractive regions the population grows, in unattractive regions the population declines. The attractiveness of a region depends on the quality of life it can offer, which is closely linked to economic potential.

The typology uses population development between 1990 up to the year before the start of the programme period (1999 for the EU15 and 2003 for the EU10) as an indicator of the attractiveness of the region.
It distinguishes between strong and weak regions:

- **Strong regions** are the attractive regions. They experienced population increase between 1985 and the year before the start of the programme period 2000-06.
- **Weak regions** are less attractive regions. They experienced population decline between 1985 and the year before the start of the programme period 2000-06.

### 2.4.2 Five types of regions at NUTS3 level

The combination of the two indicators: population density and demographic development results in the following typology:

- **Urban regions**: regions where less than 15% of the population of the region is living in rural local units with less than 150 inhabitants/km².
- **Strong intermediate regions**: growing regions in relatively densely populated areas with increasing populations that profit from cities in the vicinity or manage to produce a large amount of their GDP within their borders.
- **Weak intermediate regions**: regions in relatively densely populated areas losing population.
- **Strong rural regions**: growing rural regions that have managed to keep most of their value added inside the region or benefit from spill over effects from urban regions.
- **Weak rural regions**: sparsely populated regions with population decline.

#### Figure 3. Rural typology for WP 9 at NUTS3 level

<table>
<thead>
<tr>
<th>OECD definition</th>
<th>demography</th>
<th>type</th>
</tr>
</thead>
<tbody>
<tr>
<td>predominantly urban</td>
<td></td>
<td>urban regions</td>
</tr>
<tr>
<td>intermediate regions</td>
<td>population growth</td>
<td>strong intermediates</td>
</tr>
<tr>
<td></td>
<td>population decline</td>
<td>weak intermediates</td>
</tr>
<tr>
<td>predominantly rural</td>
<td>population growth</td>
<td>strong rural</td>
</tr>
<tr>
<td></td>
<td>population decline</td>
<td>weak rural</td>
</tr>
</tbody>
</table>

### 2.5 The distribution of rural areas throughout Europe according to the typology

The following map shows the distribution of rural, intermediate and urban areas according to the typology. Given that the typology is based on two criteria with defined thresholds, the sharp distinction between the types of regions cannot reflect the more detailed and differentiated reality on the ground.

The **urban regions** are concentrated in the European pentagon and the capital regions. Many regions in Belgium, the south of the Netherlands, the Ruhr-Rhein area in Germany, Northern Italy and the UK are counted as urban. The NUTS3 regions with capital cities and other large city regions outside the pentagon are also classified as urban, e.g. Warsaw, Dublin, Athens, Madrid, Barcelona, Lisbon, Porto, Prague, Budapest, Bratislava, Vienna, etc.
Map 2. European urban-rural typology for WP 9 (NUTS3)

Types of rural areas
- urban region
- strong intermediate
- weak intermediate
- strong rural
- weak rural

Sources: EUROSTAT, DG REGIO
September 2008

Urban/intermediate/rural: according to OECD definition
Strong/weak: demographic development 1990
up to the start of the programming period
(1960 for EU15, 2003/2006 for NMS)
(Poland and Denmark based on NUTS2 population data)
The rural regions can be found in the European periphery in Sweden, Finland, Denmark, Ireland, Spain, Greece, Hungary and Poland. The mountainous regions, e.g. the Austrian Alps, are also classified as rural. The rural regions in the centre of Europe are classified as strong rural, experiencing population increase before the start of the programme period 2000-06. Rural regions with population increase can also be found in Ireland, southern Sweden and southern Finland, the eastern part of Poland and in the north of Greece. Weak rural regions with population decline are mainly located in the periphery of Europe: in Hungary, Romania, Bulgaria, Estonia, Latvia, Lithuania and the east of Poland, in the north of Sweden and Finland, and in Spain, Portugal, Italy and Greece (with the exception of the coastal regions).

The intermediate regions are located between the sparsely populated rural regions and the densely populated urban regions. Such regions can be suburban in the environs of large agglomerations, e.g. in the European pentagon, the UK and France. They can also be found on the coast of the Mediterranean in Spain, France, Italy and the east of Greece, mainly because of the tourist infrastructure. These intermediate regions have population increase and are consequently classified as strong. Weak intermediate regions with population decline are situated mainly in the eastern part of Europe, in the Czech Republic, Romania, the south of Poland and East Germany and in the southern countries Spain and Italy.

2.6 Conclusions on the typology of rural areas

The definition of rural areas influences the results

Although many countries have a long experience in analysing ‘rural’ areas, no single commonly accepted definition exists internationally with the exception of the OECD definition based on population density. This is used mainly for statistical purposes and reflects only one (important) aspect of rural areas. The analysis in the case studies shows that whether a certain territory is considered urban or rural depends on the definition and the scale applied. Four of the five Member States analysed (Spain, France, Sweden and Poland) have their own definitions of rural areas.

Urban-rural linkages are also more complex than the one-way exchange between towns and their surrounding rural areas captured by indicators such as accessibility or the effect of commuting on GDP. Population growth in urban areas is increasing congestion and land prices in the vicinity. The demand for quality food, local produce and a rural way of life on the one hand, and space for housing, public amenities and increased environmental protection on the other, give rise to development opportunities and put pressure on the land.

There is a mutual dependency between rural towns and the nearby rural areas since the viability of the services provided by the towns is partly dependent on the demand in the surrounding areas. Improved accessibility by public transport or by car creates new job opportunities for rural as well as urban populations, as long as they can commute and have the necessary education and skills levels (European Commission Regional Policy 2007).

Any evaluation of the effects of funding on rural areas should take into account that:

- The results of the evaluation need to be interpreted against the background of the definition of what a rural area is. Rurality cannot purely be pictured by a set of indicators. There is also a cultural concept behind it.
- What is considered a rural area depends also on the national context. Therefore any attempt to provide a European-wide typology of rural areas will compete with existing pictures and policies in a national context.
- It is difficult to distinguish ‘pure’ rural areas on NUTS3 level. Most regions range on a scale between ‘urbanity’ and ‘rurality’.
The results depend on the scale of the evaluation. In different contexts, a NUTS3 region can be treated as a unit and in other contexts even a municipality can have typical urban and typical rural attributes.

One definition of ‘rural areas’ fits all?
As the chosen scale, criteria and thresholds strongly influence whether a region is considered urban or rural, it is questionable whether a top-down definition of rural areas based on administrative and statistical units is the best option. Rural regions (based on current population density classifications) can differ enormously with regard to their social, economic and political networks. This means that one rural region may benefit from public support aimed at creating non-agricultural employment opportunities while another rural region (with the same population density and demography) would benefit more from support for R&D activities or infrastructural investments.

The analysis in the case studies clearly showed the necessity to go beyond statistically based definitions of rurality as these do not reflect the ‘self-image’ of regional actors. We are currently witnessing a rise in or revitalisation of regional identities that are not (always) in accordance with administrative boundaries.¹³

¹³ Wiskerke (2009)
3 The challenges facing rural areas

Rural areas in Europe are faced with a number of challenges which influence both their development and policy choices. These have changed considerably over the past decades as a consequence of global structural change, technological progress and demographic trends. This chapter describes the main development trends rural areas faced over the 2000-06 period. These trends vary of course according to the different conditions in the different regions but some overall trends can be identified as the main drivers in rural areas in the EU in the 1990s influencing the programme choices in the 2000-06 period. These are in particular:

- Demographic change and migration
- Structural change and a shift from the primary sector to the tertiary sector
- Technological change
- A continuing lack of accessibility to main transport routes and to education and services
- The increasing importance of natural resources and environmental protection.

3.1 Demographic change and migration

Low population density

One of the main characteristics of rural areas compared to urban areas is their low population density. Combined with relative remoteness, low population density generates a number of problems that affect both economic activity and the well being of the population. Low population density leads to a lack of critical mass for services and infrastructure. The costs (per capita) for the supply of educational and social services are usually higher in less densely populated rural regions. As the small number of potential clients does not allow the provision of public and private services of general interest in an economically efficient way, they often cannot be provided in the same quality as in agglomeration areas. The trend towards higher economic efficiency can lead to the closing down of such services in sparsely populated areas. Losing important social infrastructure (e.g. local schools) reduces the quality of life and the opportunities for the people as well as their local identity. The loss of social services also means the loss of jobs, in particular for women who are overrepresented in these sectors (ESPON 142 p 265). The closing of local services contributes to out-migration and the average age increasing (OECD 2006).

Population ageing

Population ageing is not restricted to rural areas and affects the whole of the EU. The proportion of older people is increasing and is likely to continue to increase as the 'baby-boom' generations reach retirement age. However, there are differences in the age structure of the population in urban and rural areas. Whereas the number of people aged 65 and over amounted to 22% of those of working age (15 to 64) in urban areas in 1999, in rural areas, the figure was 27%. This reflects both the tendency for people to move to rural areas when they retire and the migration of young people from rural to urban areas (European Commission 1999, 46). In declining, less densely populated peripheral (mainly rural) regions with long commuting distances to job opportunities in urban areas, younger people tend to migrate to central or urban areas. Older people tend to stay put thus contributing to the problem of the aging of the population.

Generally, better educated people are more mobile and less educated people tend to stay in lower income regions. This phenomenon is described as the 'brain drain' and is linked to the lack of high quality, well-paid jobs in rural areas (European Commission 1999, 46). The brain drain further diminishes the human capital of the regions and thus the endogenous development potential. With people moving away, public and private service provision decreases, inducing further job losses and providing further incentives to migrate.

Components of population development

Population development by components 1996-1999

Population increase with
- positive migratory balance and positive natural balance
- positive migratory balance and negative natural balance
- negative migratory balance and positive natural balance

Population decrease with
- negative migratory balance and positive natural balance
- positive migratory balance and negative natural balance
- negative migratory balance and negative natural balance
- no data

The above map shows the components of population development between 1996 and 1999 in Europe. It illustrates that remote and rural areas in central and northern Europe lost the most population. The map shows that depopulation is not only a problem of rural areas: while there is a clear east-west divide showing strong depopulation of rural areas especially in the Baltic countries and eastern Germany, there is to some extent a north-south divide as well showing an increase of population in the southern rural areas (Spain, France) and stronger depopulation in northern rural areas (especially in Scandinavia).

The most significant declines in population can be found in Objective 1 regions: nearly everywhere in eastern Germany and the EU8 except for the regions surrounding the capital cities, the Nordic peripheral regions, north eastern Spain, southern Italy and a number of regions in Portugal and Greece.

### 3.2 Structural change and the shift from the primary sector to the tertiary sector

GDP/head (PPS) describes the economic strength of a region. When looking at the situation in 1999, we can first see a clear divide between eastern and western Europe that is much more dominant than the divide between urban and rural regions. Most regions in the current EU8 had a significantly lower GDP/head (PPS) in 1999 than regions in western Europe.

Nevertheless, a difference between urban and rural regions could also be observed. Capital city regions tended to have a higher GDP per head than the national average. This is due to the relative concentration of economic activity in these regions and their higher productivity levels. Capital city regions, therefore, act as growth poles, attracting business investment from outside through the range of services and amenities they have to offer as well as the large market they represent.  

Poor performance is often linked to concentration in less productive sectors. Productivity is highest in business and financial services (which also needs to be attributed to the unsatisfactory measurement of value-added in the financial sectors). It is slightly above average in industry and just below average in distribution, transport and hotels and in non-market and other services. In agriculture, productivity is only around half the average for all sectors (European Commission, DG REGIO, 2001a). In many rural areas the agricultural sector is still important.

The shift from the primary to the secondary and tertiary sectors has been a major trend all over the EU leading to a diversification of economic performance. This structural change reduces the importance of the agricultural sector in terms of GDP or job opportunities bringing about a negative impact on the economic strength of rural areas. Only a few rural areas are still experiencing an increase in agricultural activity.

In rural areas close to a city, the decreasing economic importance of agriculture combined with the general growth of urban areas increased the problem of urban sprawl and the competition for land considerably (Final Report of the Study Programme in European Spatial Planning 2000). There is high pressure from settlement developments on agricultural land posing considerable threat to rural land cover.

The reduced importance of agriculture in rural areas also brings about socio-economic improvements in terms of increasing household incomes and identifying and establishing endogenous regional development potentials thus mitigating some of the problems mentioned above, e.g. the brain drain and outward migration.

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14 However, in statistical terms the GDP/head in urban areas is often slightly over-estimated as the economic value is attached to territorial units (usually major agglomerations) where the people that create it do not live. Thus the GDP per head will overestimate the average GDP created per inhabitant in urban areas if many people commute into the urban areas and few of the residents in urban areas work outside the country. (European Commission Regional Policy 2007).
Although agriculture continues to lose importance in terms of contribution to employment and GDP, it is gaining in importance as a potential resource for future demands, e.g. in terms of food security and as a safeguard for biodiversity and the environment.

Map 4. GDP per head by region (PPS) 1999

3.3 Technological change

Technological change has dramatically affected most of the developed world over the past twenty years. It has changed the nature of work, how society is organised and has perhaps reduced many of the differences between rural and urban society. Improved technology has increased productivity, improved communications, has had a positive influence on life expectancy and generally been a positive force in improving living standards. It also reduced the importance of natural resources for the production in favour of factors, like the impact of new technologies (e.g. its influence on logistics and supply chain management allows for highly integrated food supply chains with fast response times over long distances). This contributes significantly to the globalisation of food sourcing supply. Through technology, information on prices, production and trends are easily, quickly and globally available resulting in a much more dynamic and rapidly changing environment for agriculture, food, energy, etc.

Technology also presents opportunities for rural Europe as the importance of physical proximity to the workplace declines resulting in opportunities for economic development.

3.4 Access to transport, education and services

Adequate infrastructure and accessibility to transport and education are a necessary condition for the economic development and competitiveness of a region in that they determine both the location of economic activity and the kinds of activity or sector, which develop.

Generally, accessibility is defined as the supply of jobs and services within an acceptable distance (territorial aspect), and as the individual capacity to use this supply, determined by personal income and social status amongst other factors (socio-economic aspect). Transport infrastructure, in particular, plays an important role in reducing regional disparities and improving the competitiveness of regions by increasing accessibility and facilitating trade and the movement of labour. People living in remote regions tend to have fewer job opportunities within a distance that is acceptable for daily commuting. This leads to out-migration towards more prosperous regions. Improvements in transport infrastructure reduce ‘travel to work’ time thus increasing the job opportunities for people and increasing the access to social services. They also reduce the time and cost of transporting goods and thus increase productivity.

Access to telecommunications can reduce the negative effects of physical remoteness. Telecommunications infrastructure is becoming a more important condition for the development of rural regions. Map 5 shows the differences in access to telecommunication services, which depends more on national policy choices than on rural-urban relationships (ESPON 122, 2006).

Access to good educational and training provision is essential for raising productivity and fostering economic growth in rural as well as urban regions. Higher education usually increases the chances of employment. Access to educational services therefore determines a person’s employment opportunities. Two factors play a role in this respect: on the one hand the facilities provided within an acceptable distance and their quality, and on the other hand individuals’ personal capabilities and motivation to use the supply provided.

The supply of social and educational services is strongly determined by territorial patterns. In less densely populated, peripheral areas, fewer facilities are within easy reach. Thus, the settlement structure within a given region strongly influences access to educational and social services. Access to social services is also a location factor for companies and individuals. Enterprises and persons look for sites with access to high quality social and educational services, such as schools, nurseries, cultural and recreational facilities (ESPON 142. 2006 p. 268).
Tertiary level education\textsuperscript{16} in particular is important to the development of the knowledge society and often missing in rural areas. Urban nodes offer more opportunities for pursuing tertiary education and also offer more employment opportunities for highly educated people. The spread of people with tertiary level education varies significantly both between Member States and, in particular, between regions within Member States.

Map 5. Regional performance of accessibility

\textsuperscript{16} i.e. with university degrees or the equivalent.
3.5 Natural resources and environmental protection

Although farming is becoming less important as a source of employment in rural areas, it still plays a vital role in preserving rural landscapes and in the protection of the environment. Rural areas are the repository of most of our natural resources such as water, soil and biodiversity and need to be managed. The EU has long recognised this need and introduced the Birds Directive in 1979 and the Habitats Directive in 1992. These form the legal basis for the Natura 2000 network and constitute the backbone of the EU’s current policy on biodiversity protection. The Natura 2000 network ensures that regional agricultural practice as well as regional, energy and transport policies are integrated in a sustainable way and that Europe’s natural capital is conserved and protected. However, many rural areas are still struggling with the combination of biodiversity loss due to an increasing fragmentation of the landscape. This problem is strongly linked to the change in settlement patterns and the economic use of land. Rural areas in the hinterlands of urban agglomerations are particularly affected.

There is increasing awareness that the quality of the environment is an important determinant of a region’s attractiveness and that regions can make best use of their natural assets if their economic policies are geared towards sustainable development. The environment is increasingly regarded as an asset, especially in rural areas. In future, energy supply and demand will have to make significantly greater use of renewable energy sources and focus more on energy-efficient methods. This will be the energy sector’s contribution to the endeavour to stop the depletion of natural resources and to limit climate change.

Renewable sources of energy can support development in less favoured areas and contribute to a good energy balance. They contribute to local development by the creation of jobs16, though limited in number, the establishment of a local market for raw materials (in the case of biomass), clean industries and investment in local infrastructures.

3.6 Conclusions

The main challenges rural areas faced over the 2000-06 period influenced the design of development policies for rural areas. Even if regional policies cannot directly compensate for worldwide trends such as global structural change, technological progress and demographic developments, they affect policy choices. Regional actors take these trends into account when designing policies to support the development of regions. The measures supported by the ERDF in the 2000-06 period also reflected these overall developments.

16 European Commission 1999, p. 127
This chapter focuses on the relevant theories explaining the development of rural areas. Based on the theories and on the challenges facing rural areas identified in the previous chapter, hypotheses with regard to the effects of the ERDF on rural development are developed.

4.1 Regional development theories in a rural context

As shown in chapter 2 there is no unambiguous definition of a ‘rural area’. A region always incorporates a mix of actors and socio-economic linkages embedded in an spatial context. This context may reflect land use or the different roles of the economic sectors. These parameters are quite different in urban and in rural areas, but follow similar development mechanisms. As a consequence, it is difficult to define rural development theories as distinct from regional development theories.

When analysing the contribution of the ERDF to rural development in the 2000-06 period, we follow a territorial concept: how does the ERDF support the development of rural regions and the quality of life for the people living there?

In the territorial concept, a region is a specific spatial scale that can be described using physical-metric measures, but it is also a particular – socially constructed – abstract space, with economic, social, ecological, political and cultural relations and processes. Therefore, the term ‘regional development’ is understood as referring to a spatial phenomenon and requires an appreciation of the geographical concepts of space, territory, place and scale.

In the conceptual framework of the analysis we examined the following types of regional development theories:

- **Exogenous growth theories** assume that regional development is the result of an external impetus (e.g. industries, policies, etc.). An input from outside is necessary to activate growth and development.

- **Endogenous growth theories** explain regional development as the result of the stocks and potentials, which are to be found within the regional context (e.g. natural resources, human capital, etc.). If these stocks are activated from within the region (e.g. following a common regional goal or strategy), regional/rural development will be successful and sustainable.

- **Spatial theories** focus on the relevance of spatial issues for the development of regions.

4.2 Exogenous growth theories

Theories focusing on economic growth (economic base theory, growth pole theory, accumulative causation theory) have in common the idea that regional economic development is fostered by investing in new or existing, often highly specialised, business units.

However, rural areas often lack such highly specialised industries that would be able to strengthen exports. The conditions in rural areas, such as the thinning of infrastructure and comparably weak accessibility hinder development in the direction of knowledge-based economies. These deficits lead also to a lack of soft development components such as education, health and governance.

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17 Capello (2007), 4
18 Pike et al. (2007) 1258
19 McCann 2001, 143; Capello 2007, 117
20 Stimson et al. 2006, 20, Maier 2001, 115
21 Capello 2007, 221, Stimson et al. 2006, 21
In principle, exogenous growth strategies are typically accompanied by the following policy interventions:\textsuperscript{22}

\begin{itemize}
\item Incentives and subsidies to encourage the establishment and growth of businesses as they seek to retain the economic base and stimulate import substitution.
\item Improving the capacity of infrastructure e.g. roads, water supply and telecommunications hardware, to improve the attractiveness of a region for such industries.
\item Increasing social (soft) components such as education, health and governance. Especially in an environment of technological change towards knowledge-based economies, soft infrastructure increases the competitiveness of a region.
\end{itemize}

However, as exogenous growth strategies focus on the existence of a stock of core industries acting as the driving force, this conceptional model is not appropriate for rural areas, as they lack the economic base, that is essential for stimulating further growth.\textsuperscript{23}

\subsection*{4.3 Endogenous development theories}

Endogenous growth theories usually concentrate on non-metropolitan agglomerations with small and medium sized firms characterised by flexibility of production, entrepreneurship and collective agents, and benefiting from strong inter-industrial relations and production networks.\textsuperscript{24} With technology as a prime driver in today’s regional economic development, various approaches are dedicated to the specific mechanisms linked to technological change.

The breadth of theories in the context of endogenous regional development reflects the multidisciplinary aspect of regional/rural studies, confronting scholars and policy experts with a conglomerate of approaches, definitions, methods and even different interpretations of observations and evidence.\textsuperscript{25} The key concepts used by endogenous development theories are: structural agglomeration; regional innovation systems; institutional density; organisational power and control; enterprise segmentation; and social capital.\textsuperscript{26}

The ‘New Rural Paradigm’ is one of the most recent approaches and focuses on the improvement of the competitiveness of rural areas through the valorisation of local assets and the exploitation of unused resources. It emphasises the importance of bottom-up approaches and co-operation. The key targets are various sectors of rural economies, e.g. rural tourism, manufacturing, the ICT industry, etc.\textsuperscript{27} It also underlines the importance of the maintenance of the rural nature of regions.

As social networks are often more highly developed in rural areas than in urban areas due to traditionally stronger social ties, intervention measures based on the theories of endogenous regional development seek to support projects that make use of regional resources and are carried out by regional actors. They foster regional networks, in order to achieve the ‘critical mass’ that allows the improvement of regional development.

\begin{footnotesize}
\textsuperscript{22} Stimson et al. 2006, 24
\textsuperscript{23} Terluin 2003, 331
\textsuperscript{24} Terluin 2003, 331
\textsuperscript{26} Garlick et al. (2006)
\textsuperscript{27} OECD (2006).
\end{footnotesize}
4.4 Theories focusing on spatial issues

A number of theories focuses on spatial issues and their relevance for the development of regions, e.g. location theory, central place theory and theories concerning agglomeration effects. They explain certain spatial phenomena that are also relevant for rural areas.

Location theory examines the decisions behind the spatial distribution of economic activity within a region and proposes that firms seek locations which are likely to maximise their opportunities (scale of operation, market size, agglomeration effects etc.) and to minimize their costs (transport costs, labour costs etc.). As rural and especially remote areas face the problem of lower accessibility, investments in transport infrastructure aim to decrease transport costs in rural areas. Moreover, networks (in an economic as well as in a social sense) may to some extent help to reduce the transaction costs in rural areas, which arise on account of physical distances. Consequently, supporting networks can help to strengthen economic development in rural areas.

Central place theory explains the distribution of urban centres according to a hierarchical pattern related to the functionality of the town within the region. Even if rural areas often lack centres that provide the essential services for business units, urban nodes also exist in rural areas, especially small and medium sized towns. As these provide services for business units, they reduce the disadvantage of rural areas.

Agglomeration effects describe the spill over effects from urban nodes to their surroundings. Rural areas in the environs of towns could profit from those agglomeration effects and enter into successful competition with the neighbouring urban areas.

4.5 Linking the theories with the case study design

The theories briefly described above form the basis for the development of a set of hypotheses on how the ERDF may contribute to regional/rural development. Taking into account the different challenges facing rural areas and the types of projects funded by the ERDF, we deduced seven hypotheses:

- ERDF support for businesses with growth potential helps rural areas face economic challenges
- ERDF support for the improvement of infrastructures increases the accessibility of rural areas
- ERDF support for R&D projects fosters innovation, increases the innovative potential and creates an innovative milieu in rural areas
- ERDF support for measures to strengthen entrepreneurship increases the entrepreneurial potential of the regional actors
- ERDF support for the establishment and improvement of (business) links strengthens endogenous regional networks
- ERDF support for improving (the use of) regional resources and endogenous regional development increases regional productivity, growth and quality of life
- ERDF support for regional governance structures increases the use of regional resources and strengthens regional self-confidence

The analysis of these hypotheses in the case studies was the basis for the discussion in the following chapter on the contribution of the ERDF to the development of rural areas.

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28 Maier et al. (2006a), Stimson et al. (2006, 24f)
29 Maier et al. (2006a), McCann (2001), Stimson et al. (2006)
30 Marshall (1920), McCann (2001), Stimson et al. (2006)
5 The contribution of the ERDF to the development of rural areas

This chapter provides an overview of the findings on the contribution of the ERDF to the development of rural areas based on:

- The case study results at all three levels: national, regional and beneficiary (i.e. the mini-case studies)
- The hypothesis-based link between the intended and observable ERDF effects in the case study regions – taking into account their territorial characteristics.

With respect to the latter aspect of the analysis, we draw attention to the fact that the ERDF referred only to territorial characteristics without explicitly referring to ‘rural areas’.

When interpreting the results of the case studies we have to bear in mind the caveats of the methodological framework:

- The inference from a limited number of empirical observations on the overall situation in the EU is a bold one.
- The analysis of the case studies has shown that effects of ERDF measures on rural development depend to some extent (at least) on the specific regional setting (geographical, socio-economic baseline conditions) – thus making the results of the case studies unique to these contexts and not possible to generalise.
- In each region, different policies influence development. Besides the ERDF and the other Structural Funds (EAGGF, ESF and FIFG), national policies and in some countries regional policies also influence the development of a region. It is impossible to isolate the effects of the ERDF.
- The time span for potential effects to unfold has been too short for such effects to be manifest. Thus the conclusions on the effects of the ERDF on rural development stem from expert judgement rather than hard facts.

Despite these caveats, this chapter provides answers to our research questions and enables us to point to effects of the ERDF support, which are likely to contribute to rural development. In this regard, we analyse the role of the ERDF in rural areas according to the different types of interventions supported by the ERDF (e.g. fostering growth, territorial cohesion including accessibility, R&D, strengthening regional resources).

5.1 The volume of ERDF support for rural areas

In the 2000-06 programme period in the five Member States examined, France, Germany, Poland, Spain and Sweden, 28 % of the ERDF in Objective 1 and 24 % of the ERDF in Objective 2 was spent in (weak and strong) rural areas, whereas 20 % (Objective 1) and 35 % (Objective 2) was spent in urban areas. The rest was dedicated to intermediate areas. Compared to the population, where 18% are living in rural and 36% in urban regions, the ERDF provided significant financial support to projects in rural areas.

The distribution within each of the countries varies widely, e.g. 64 % of the Objective 1 funding in France was spent in urban areas where 30% of the population lives. This can be explained by the densely populated overseas departments Martinique and Reunion that are classified as ‘urban’ and receive more than half of all ERDF support dedicated to urban areas. In Sweden, 99% of the Objective 1 and Objective 2 support is spent in rural areas where 67% of the population is living.
Table 3. Objective 1 and Objective 2 funding in rural and urban areas in France, Germany, Poland, Spain and Sweden

<table>
<thead>
<tr>
<th>Country</th>
<th>Objective 1 ERDF Expenditures 2000-06</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>weak rural region</td>
</tr>
<tr>
<td>France</td>
<td>0</td>
</tr>
<tr>
<td>Germany</td>
<td>1,974,438,145</td>
</tr>
<tr>
<td>Poland *)</td>
<td>703,596,732</td>
</tr>
<tr>
<td>Spain</td>
<td>4,727,955,334</td>
</tr>
<tr>
<td>Sweden ***)</td>
<td>344,880,757</td>
</tr>
<tr>
<td>Total</td>
<td>7,750,870,968</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Distribution of Objective 1 ERDF Expenditures according to the rural-urban typology in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>0%</td>
</tr>
<tr>
<td>Germany</td>
<td>16%</td>
</tr>
<tr>
<td>Poland</td>
<td>18%</td>
</tr>
<tr>
<td>Spain</td>
<td>20%</td>
</tr>
<tr>
<td>Sweden</td>
<td>71%</td>
</tr>
<tr>
<td>Total</td>
<td>18%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Objective 2 ERDF Expenditures 2000-06</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>710,102,447</td>
</tr>
<tr>
<td>Germany</td>
<td>29,117,539</td>
</tr>
<tr>
<td>Spain</td>
<td>112,805,291</td>
</tr>
<tr>
<td>Sweden</td>
<td>190,315,946</td>
</tr>
<tr>
<td>Total</td>
<td>1,042,341,223</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Objective 2 ERDF Expenditures / head 2000-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>13%</td>
</tr>
<tr>
<td>Germany</td>
<td>1%</td>
</tr>
<tr>
<td>Spain</td>
<td>5%</td>
</tr>
<tr>
<td>Sweden</td>
<td>50%</td>
</tr>
<tr>
<td>Total **)</td>
<td>9%</td>
</tr>
</tbody>
</table>

*) In Poland 23% of the ERDF share could not be related to a certain project type due to the change of the NUTS3 classification from EUROSTAT. **) No Objective 2 in Poland. ***) In Sweden no region is classified as an urban region or weak intermediate region.

ERDF expenditures per head provide a picture of how the programmes of the Member States supported people in different types of urban and in rural areas.\[^{31}\]

In Objective 1, especially in Germany and Spain, the ERDF mainly focused on sparsely populated regions with population decline (rural as well as intermediate). In Poland, all rural areas were disproportionately supported by the ERDF where the expenditure per head were €547 in weak rural areas and €213 in strong rural areas compared to €93/head in urban regions. In Spain, the ERDF expenditure/head in weak rural areas were €1,116 and in strong rural areas €884 compared to €114/head in urban regions. In contrast, ERDF support in France focused on urban areas where the expenditure/head were visibly higher than in rural areas, but on a much lower level in absolute terms. As mentioned above, this is because in France the overseas departments Martinique and Reunion, which are classified as urban areas, received more than half of all ERDF support. To sum up, in Objective 1 in the analysed Member States, the ERDF mainly focused on the most vulnerable (weak) areas, which reflects the rationale of regional and Cohesion Policy. In some Member States, Objective 1 funding was used mainly in rural regions.

Figure 4. ERDF expenditures per head 2000-06 Objective 1 in urban and rural regions (NUTS3)

![Graph showing ERDF expenditures per head by region](image)


ERDF support per capita for Objective 2 was – of course - significantly lower than for Objective 1. It was used in different ways in order to foster development: In France there was a clear focus on the weak areas facing population decline (€204/head in weak rural and €196/head in weak intermediate regions) and rural areas (€124/head), whereas in urban regions only €35/head were spent.

In Spain, the ERDF Objective 2 support was concentrated on strong and urban regions (€103/head for urban regions and €48/head for strong intermediate regions compared to €27/head or €23/head for weak and strong rural regions). Also in Germany, Objective 2 was focused on strong regions: urban regions (€42/head), strong intermediate (€36/head) and strong rural (€69/head). Only Sweden had a similar distribution of Objective 1 and Objective 2 support.

\[^{31}\] This relation of ERDF expenditures per head is based on the analysis of the Regional Expenditure Study that provides a breakdown of ERDF expenditures on NUTS3 level and that can be related to the population living in the NUTS3 region. It does not take account which percentage of a NUTS3 area actually was covered by a region that was eligible for Objective 1 or Objective 2 but shows the territorial distribution of the ERDF support throughout the Member States.
The following sub-chapters deal with the areas of intervention of the ERDF in rural areas. They depict the findings concerning the impacts of ERDF measures grouped along these areas of intervention.

Each sub-chapter is organised in the same way:

- Short introduction to the area of intervention and the potential effects ERDF measures may have had in rural areas.
- Overview of the ERDF input in rural areas broken down into Objectives and compared to the overall share of the ERDF broken down into Objectives.
- Main findings on ERDF effects in rural areas in this area of intervention.
- Summary of the most illustrative facts from the different case studies underpinning the overall findings.

### 5.2 Supporting businesses with growth potential

Fostering business development was a high priority in the five case study areas both in terms of the objectives set in the OPs and in terms of the budgets allocated to the measures. However, the results of the analysis are rather varied. Compared to the total share of ERDF support for rural areas, investment in business units was lower in rural areas. This can be explained by the fact that a certain entrepreneurial base is needed to absorb the EU grants for businesses which can more often be found in urban areas. The only exceptions are Objective 1 regions in East Germany, which have some industrial base, and Objective 2 regions in France.
Figure 6. ERDF support for investments into business units in rural areas

Table 4. ERDF support for investments into business units in rural areas

<table>
<thead>
<tr>
<th></th>
<th>Total ERDF expenditures on investments into business units in the Member State</th>
<th>ERDF support for investments into business units spent in rural areas in €</th>
<th>Share of ERDF support for investments into business units spent in the Member State</th>
<th>Share of ERDF support for investments into business units spent in rural areas</th>
<th>Difference of share of ERDF support for investments into business units spent in rural areas related to the share spent in the Member State</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>€ 490.803.456</td>
<td>€ 26.178.003</td>
<td>20,2%</td>
<td>8,9%</td>
<td>-11,3%-points</td>
</tr>
<tr>
<td>Germany</td>
<td>€ 3.552.367.106</td>
<td>€ 1.087.136.768</td>
<td>29,7%</td>
<td>40,9%</td>
<td>11,2%-points</td>
</tr>
<tr>
<td>Poland</td>
<td>€ 976.745.095</td>
<td>€ 399.590.747</td>
<td>25,5%</td>
<td>22,3%</td>
<td>-3,2%-points</td>
</tr>
<tr>
<td>Spain</td>
<td>€ 3.414.094.511</td>
<td>€ 940.474.917</td>
<td>14,6%</td>
<td>14,2%</td>
<td>-0,3%-points</td>
</tr>
<tr>
<td>Sweden</td>
<td>€ 279.822.101</td>
<td>€ 274.820.638</td>
<td>57,6%</td>
<td>57,4%</td>
<td>-0,3%-points</td>
</tr>
<tr>
<td>France</td>
<td>€ 1.993.157.905</td>
<td>€ 687.619.567</td>
<td>35,6%</td>
<td>43,4%</td>
<td>7,8%-points</td>
</tr>
<tr>
<td>Germany</td>
<td>€ 1.663.692.017</td>
<td>€ 338.595.792</td>
<td>51,7%</td>
<td>55,3%</td>
<td>3,6%-points</td>
</tr>
<tr>
<td>Spain</td>
<td>€ 510.870.328</td>
<td>€ 21.431.382</td>
<td>20,8%</td>
<td>13,2%</td>
<td>-7,5%-points</td>
</tr>
<tr>
<td>Sweden</td>
<td>€ 229.270.966</td>
<td>€ 118.651.921</td>
<td>60,1%</td>
<td>31,3%</td>
<td>-28,8%-points</td>
</tr>
</tbody>
</table>

There is strong evidence from the case studies that ERDF has contributed considerably to the support of businesses in rural areas. All case studies point out that business growth (expressed in number of business units) has been encouraged and a good deal of this positive development has been supported by the ERDF.

The diversification of economic sectors at regional level has been supported - especially with respect to compensating for the loss of employment in agriculture. ERDF support has sped up processes of economic development in rural areas by enabling public and private actors to push forward investments.

However, as other European, national and regional sources supported investments into business units, it is not possible to isolate and to quantify the exact extent to which the ERDF has been responsible for impacts in this area in relation to the other subsidies. It also became clear in the case studies that effects from these measures will only become visible in the medium and long term – thus making it difficult to assess the real impact of the ERDF now. Moreover, the overall negative demographic trend in many case study regions (Germany, France) remained unchanged. It is impossible to say whether the demographic trend would have been worse without ERDF intervention.

Centre, France

In the Centre region in France, an overall increase in the number of enterprises was observed. However, the extent to which these increases were directly linked to the actions financed by the ERDF is difficult to estimate at the regional level and more specifically in rural areas. The ERDF was not the only factor to contribute to economic and business development.

ERDF intervention was mainly used to attract new companies and provide them with the required infrastructure and services, in particular small companies with five to 10 employees. Other actions aimed to increase the attractiveness of rural areas for economic activities and included the setting up of business incubators and buildings.

In the specific case of the trade and crafts sectors, the impact of the ERDF was probably more important than in other economic sectors. 15 ORAC (Opérations de restructuration de l'artisanat et du commerce – actions for the restructuring of crafts and trade), in particular local suppliers, were co-financed by the ERDF, of which more than 10 were in rural areas, some of which very remote. This type of intervention certainly had a more important impact on rural development than support to other economic activities or to the restoration of buildings, not in terms of economic activity (and of employment figures) but in terms of a stronger territorial approach and of partnership. Such projects were often developed at the level of a Pays which made it possible to develop a local solution to a local problem by bringing together representatives of the different local authorities and of the trade and craft sectors.

In the tertiary sector, the ERDF also financed many projects in the field of tourism with a measurable impact on increasing the number of visitors (e.g. bringing some of the numerous visitors of the Loire castles to visit the rural areas of the region).

However, this finding could also be attributed to the competition between the ERDF and the EAGGF. The ERDF encourages the labour force to diversify out of agriculture (by supporting mainly the secondary and tertiary sectors) while the EAGGF supports sustaining jobs in agriculture.
Saxony, Germany

In Saxony, the support of business units was one of the key priorities of the ERDF in the 2000-06 period under objective 1. Nearly €3.8bn was spent on investments into business units (79% private capital, 11% ERDF, 5% national subsidies and 5% regional subsidies) on about 1,950 projects. More than 50% of the ERDF expenditure for support of investments into business units were located in weak intermediate regions with a medium average population density and decreasing population. 29% was spent in urban areas, 16% in strong intermediate regions and only 3% in weak rural regions with low population density and decreasing population.

Altogether, the support for investments in enterprises contributed to economic development in Saxony and to the creation of approximately 8,400 new jobs: The employment effects were concentrated in agglomeration areas but taking into account commuter connections, rural areas also benefited from this positive development.

According to information from the Managing Authority, about one third of all business creation could be attributed to ERDF, which leads to the conclusion that ERDF contributed to economic development the entire region, but that there was quite some deadweight involved. In relation to the population and the employees, the weak intermediate regions profited most and the urban regions least (second in the per capita comparison were the weak rural regions).

Compared to France, where ERDF support for SMEs flowed partly into typically rural enterprises (e.g. in the crafts sector), in Germany the support for SMEs was more urban-oriented due to the ‘demand driven’ approach.

Świętokrzyskie, Poland

Two main measures provided direct support for business development in Poland: a measure supporting the competitiveness of micro-enterprises by facilitating access to specialist consultancy and to financing in the start-up phase, and a measure to improve the competitiveness of Polish SMEs through the modernisation of their products and support for innovativeness.

The emphasis on innovativeness tended to benefit companies in urban areas more than those in rural areas. Access to the funding was more difficult for the generally smaller and less innovative rural enterprises. In terms of job creation, out of a total number of 380 jobs created in rural areas in Świętokrzyskie with the support of the ERDF, 138 were created under the Integrated Regional Operational Programme, which focused on micro-enterprises, and 242 under the Improvement of the Competitiveness of Enterprises Operational Programme, which targeted larger business units. However, the rural population in fact took some jobs reported as created in urban areas due to the project location.

Andalusia, Spain

In Andalusia, ERDF support for business units at regional level, in particular through Global Grants, had a significant effect on increasing the number of business units in the region of Andalusia as well as on attracting private investment and creating employment. In Jaen, the only weak rural province in Andalusia, expenditure on business units represented approximately double the expenditure of the other provinces. The strong rural province of Cordoba and the strong intermediate provinces allocated 12.1% and 14.7% of expenditure respectively to support for business units while 27.6% of Jaen’s Integrated Programme budget was allocated to business units.

33 Interview Evaluator
34 Interview SWMA 1.
35 source: Świętokrzyski Regional Marshal Office
The ERDF was the main source of European funding to promote innovation and the development of entrepreneurship in Andalusia. It was managed by the Agency for Innovation and Development in Andalusia (Agencia de Innovación y Desarrollo de Andalusia, ‘IDEA’) in four specific areas of intervention which had direct benefits for rural areas:

- **Firstly, certain criteria for project selection benefited rural areas:**
  - Firms which help to ‘articulate local production systems’ in areas with low levels of economic activity did not have to meet the innovation criterion and could receive 5% more grant. Many of these were in rural areas.
  - Social economy firms and firms made up mainly of young people could receive up to 10% more grant. Once again these were priority groups in rural areas.

- **Secondly, priority was given to certain sectors which are particularly important in rural areas:**
  - These included agro-food firms, biotechnology firms, cultural activities and ‘emerging sectors’ such as renewable energy and the environment. Such sectors are highly relevant in rural areas, as they rely on local resources.
  - There was a specific line of support for providing tailor-made industrial floor space in small municipalities.

- **Thirdly, some science parks focused on rural issues, e.g.** the Innovation + Technology Centre for the Wood Sector (Lucena, Cordoba), Innovation and Technology Centre for New Forms of Agriculture (Lepe), the Oil and Olive Park (Jaén), the Innovation Centre for the Meat Industry (Cartagena, Huelva) and the Technology Centre for the Leather Sector (Ubrique, Cádiz), the Environmental Activities Park (Aznalcollar), the Andalusian Technology Centre for the Stone Sector. The knowledge and expertise of these centres facilitated the creation and growth of rural companies operating in these sectors.

- **Finally, a number of science parks (and other investments) were located in rural areas and are examples of business units created in rural areas.**
  - The Oil and Olive Park in Jaén (weak rural at NUTS3).
  - The Innovation and Technology Centre for the Wood Sector in Cordoba (strong rural at NUTS3)

The ERDF focused on diversification and the creation of new economic activity in order to compensate for the decline in agriculture.

**Southern Sweden**

The entire area of the Objective 2 region Southern Sweden is classified as rural. €23 million (30%) of the ERDF support was spent on assisting SMEs and the crafts sector. A large share of this went to projects in Blekinge (€6.6 million) and Kalmar county (€6.4 million). One reason for the high allocation of support to business development in these counties was the focus on large projects, which aimed to build business clusters such as the Wood Centre Nässjö Foundation and Rock City in Hultsfred. In addition, support in the field of tourism and research, technological development & innovation was also used to support businesses with growth potential.

The ERDF measures stimulated the business environment, industry and commerce in the region in a number of ways, which contributed to bringing about financially sustainable development and increased employment. Interviewees emphasised that the ERDF support to business units had an impact on the further development and location of the local businesses of this rural area in the global market.
5.3 Supporting accessibility

5.3.1 Transport infrastructure

Improving transport infrastructure was one of the main activities of the ERDF in 2000-06, especially in Objective 1 areas. Up to 45% of the ERDF was spent on transport (e.g. in Poland). Compared to the share of expenditures for transport infrastructure at Member State level, the share in rural areas was clearly higher, especially in Objective 1.

The impact of ERDF supported transport infrastructure depended on how the funds were used. In Poland, the dominance of the allocation of the ERDF resources to transport infrastructure reflected the poor road system, especially in rural areas. This was regarded as a major constraint to rural development. Support was delivered at two levels: directly for small road projects identified by rural local governments, and indirectly for projects focused on the improving of the regional road system.

In Germany’s Objective 1 regions, the investments improved the – long neglected - transport infrastructure in East Germany. In Sweden, the majority of transport infrastructure projects focused on local transport such as the improvement of local roads or the building of roundabouts.

The ERDF helped to tackle one of the major problems of rural areas: their poorer accessibility in terms of transport compared to the urban nodes.

Figure 7. ERDF support for transport infrastructure in rural areas

### Table 5. ERDF support for transport infrastructure in rural areas

<table>
<thead>
<tr>
<th>Objective</th>
<th>ERDF expenditures on transport infrastructure in €</th>
<th>ERDF support for transport infrastructure spent in rural areas in €</th>
<th>Share of ERDF support for transport infrastructure spent in the Member State</th>
<th>Share of ERDF support for transport infrastructure spent in rural areas</th>
<th>Difference of share of ERDF support for transport infrastructure related to the share spent in the Member State</th>
</tr>
</thead>
<tbody>
<tr>
<td>France Objective 1</td>
<td>€ 556.440.235</td>
<td>€ 79.991.911</td>
<td>22,9%</td>
<td>27,1%</td>
<td>+4,2%-points</td>
</tr>
<tr>
<td>Germany Objective 1</td>
<td>€ 3.183.956.549</td>
<td>€ 894.668.041</td>
<td>26,6%</td>
<td>33,6%</td>
<td>+7,0%-points</td>
</tr>
<tr>
<td>Poland Objective 1</td>
<td>€ 1.721.816.280</td>
<td>€ 924.462.585</td>
<td>44,9%</td>
<td>51,6%</td>
<td>+6,7%-points</td>
</tr>
<tr>
<td>Spain Objective 1</td>
<td>€ 7.527.162.466</td>
<td>€ 2.347.346.807</td>
<td>32,1%</td>
<td>35,5%</td>
<td>+3,4%-points</td>
</tr>
<tr>
<td>Sweden Objective 1</td>
<td>€ 34.688.004</td>
<td>€ 34.688.004</td>
<td>7,1%</td>
<td>3,2%</td>
<td>-4,0%-points</td>
</tr>
<tr>
<td>France Objective 2</td>
<td>€ 636.354.064</td>
<td>€ 164.977.647</td>
<td>11,4%</td>
<td>10,4%</td>
<td>-1,0%-points</td>
</tr>
<tr>
<td>Germany Objective 2</td>
<td>€ 140.249.270</td>
<td>€ 38.735.274</td>
<td>4,4%</td>
<td>6,3%</td>
<td>+2,0%-points</td>
</tr>
<tr>
<td>Spain Objective 2</td>
<td>€ 342.626.519</td>
<td>€ 21.653.346</td>
<td>13,9%</td>
<td>13,4%</td>
<td>-0,6%-points</td>
</tr>
<tr>
<td>Sweden Objective 2</td>
<td>€ 50.421.659</td>
<td>€ 57.341.139</td>
<td>13,2%</td>
<td>15,1%</td>
<td>+1,9%-points</td>
</tr>
</tbody>
</table>


Compared to the average amount of funding going to rural areas, funding for transport infrastructure and energy infrastructure was high, in particular in Objective 1 areas. The effects of funding for transport infrastructure also seemed to be high overall (apart from Centre, France). The findings from the case studies revealed that:

- Transport infrastructure improved the attractiveness of rural areas for economic activities
- Without ERDF support, large scale infrastructure investments would have been postponed and therefore regional development slowed down

However, almost all case studies report that the effects in terms of improving the economic activity in the region of ERDF interventions in transport infrastructure are not possible to gauge in the short term. It was also pointed out that transport infrastructure investments made in rural areas often rather linked urban centres than connect the rural with the urban areas, e.g. high capacity road or rail connections just cut through rural areas but do not improve accessibility there.

Saxony, Germany

In Saxony, the highest expenditures on a single measure were on road construction. A significant share of this was in the weak intermediate and weak rural areas. This was in part due to the fact that these cover 14 of 22 districts but also due to the decision making process. In contrast to the support for investment in enterprises, the distribution of funding was influenced by regional policy, as it was organised in accordance with the *Landesentwicklungsplan* (Spatial Development Plan).

By improving regional accessibility, investment in transport infrastructure was one of the most essential factors for development. The ERDF supported transport infrastructure measures contributed to the improvement of the location factors and hence increased opportunities for economic growth.
Świętokrzyskie, Poland

In Świętokrzyskie, the majority of people interviewed emphasised that all transport infrastructure projects supported by the ERDF outside towns facilitated the development of rural areas. Upgrading the road system improved the accessibility of the region from other regions (i.e. Warszawa-Kraków, Łódź – Kielce, Kielce – Tarnów) and the internal regional road system. The focus on infrastructure projects in Świętokrzyskie reflects the need to upgrade basic infrastructure as the first step in the improvement of regional competitiveness.

The ERDF supported transport infrastructure projects in rural areas substantially improved the accessibility of rural areas to the main regional centres, particularly to Kielce. The road infrastructure connecting Kielce with other towns (Busko Zdrój, Końskie, Ostrowiec, Sandomierz, Nowa Słupia) reduced travelling time and improved safety. Urban-rural area migration trends around Kielce and some other towns (e.g. Opatów) are a result of the improved commuting system. For example, transport projects in the commune Kije have had a direct effect on the development of the commune. Between 2002 and 2007, the number of building permits for housing issued by the commune office increased from 11 to 22. New inhabitants brought a demand for new services.

Southern Sweden

In the Objective 2 region Southern Sweden, a connection can be made between the ERDF and the improvement of the transport infrastructure. The investments worked as a catalyst and led to the realisation of projects, which most likely would not have happened without the support of the ERDF.

At least 256 km of roads were improved using the ERDF, from which more than 200,000 people and 1,000 companies benefited. The ERDF support was perceived as an important trigger for national funding and the realisation of necessary infrastructure investments which otherwise would have come many years later.

5.3.2 Telecommunications infrastructure

Funding for telecommunications infrastructure, in particular in Objective 1 regions, was less important in rural than in urban areas. Regional development theories suggest that the establishment of new highly developed infrastructure is usually concentrated on those areas where the highest return on investment is expected. These tend to be urban areas with their high density and the chance of many users using the new infrastructure. Investment in less densely populated areas follows only when the urban market is saturated.

Nevertheless, there is evidence that ERDF support has facilitated investments in telecommunications infrastructure in rural areas and sped up the implementation of broadband internet and other ICT facilities. It has also provided support for the establishment of internet networks (e.g. Poland) and raised the numbers of rural households connected to the internet.

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37 Świętokrzyski Regional Marshal Office, Świętokrzyski Regional Voivod Office
38 However, specific data at regional or project level regarding the number of businesses are not available.
Table 6. ERDF support for telecommunications infrastructure in rural areas

<table>
<thead>
<tr>
<th></th>
<th>Total ERDF expenditures on telecommunications infrastructure in the Member State</th>
<th>ERDF support for telecommunications infrastructure spent in rural areas in €</th>
<th>Share of ERDF support for telecommunications infrastructure spent in the Member State</th>
<th>Share of ERDF support for telecommunications infrastructure spent in rural areas</th>
<th>Difference of share of ERDF support for telecommunications infrastructure spent in rural areas related to the share spent in the Member State</th>
</tr>
</thead>
<tbody>
<tr>
<td>France Objective 1</td>
<td>€ 53.170.351</td>
<td>€ 4.632.709</td>
<td>2,2%</td>
<td>1,6%</td>
<td>-0,6%-points</td>
</tr>
<tr>
<td>Germany Objective 1</td>
<td>€ 229.750.756</td>
<td>€ 40.249.903</td>
<td>1,9%</td>
<td>1,5%</td>
<td>-0,4%-points</td>
</tr>
<tr>
<td>Poland Objective 1</td>
<td>€ 205.632.928</td>
<td>€ 72.946.504</td>
<td>5,4%</td>
<td>4,1%</td>
<td>-1,3%-points</td>
</tr>
<tr>
<td>Spain Objective 1</td>
<td>€ 195.304.553</td>
<td>€ 35.405.679</td>
<td>0,8%</td>
<td>0,5%</td>
<td>-0,3%-points</td>
</tr>
<tr>
<td>Sweden Objective 1</td>
<td>€ 50.421.659</td>
<td>€ 50.421.659</td>
<td>10,4%</td>
<td>10,5%</td>
<td>+0,1%-points</td>
</tr>
<tr>
<td>France Objective 2</td>
<td>€ 188.451.277</td>
<td>€ 73.219.668</td>
<td>3,4%</td>
<td>4,6%</td>
<td>+1,3%-points</td>
</tr>
<tr>
<td>Germany Objective 2</td>
<td>€ 35.884.626</td>
<td>€ 658.919</td>
<td>1,1%</td>
<td>0,1%</td>
<td>-1,0%-points</td>
</tr>
<tr>
<td>Spain Objective 2</td>
<td>€ 61.084.973</td>
<td>€ 6.624.676</td>
<td>2,5%</td>
<td>4,1%</td>
<td>+1,6%-points</td>
</tr>
<tr>
<td>Sweden Objective 2</td>
<td>€ 57.892.874</td>
<td>€ 57.341.139</td>
<td>15,2%</td>
<td>15,1%</td>
<td>+/-0,0%-points</td>
</tr>
</tbody>
</table>


Centre, France

In Centre, telecommunications projects were funded by the ERDF amounting to € 3 million, which represents about 2 % of the Operational Programme40. The Cher département had the objective to develop broadband access with an economic orientation. Over 100 kilometres of fibre were installed which mainly served urban areas, in particular the cities of Bourges, Vierzon and Saint Amand.

The high intervention rate of the ERDF in telecommunications infrastructure (50% at the beginning of the programme brought down to 25% after the mid-term review) had a real leverage effect. The Centre region is a very big region with low population density, particularly in the South. The (private) telecommunications operators were not interested in investing in the telecommunications infrastructure. Public investment was therefore necessary. The first objective under the 2000-06 period was to create mobile phone coverage throughout the whole region. Although it is too early to draw conclusions, it is likely that if the local actors (mostly the local authorities) had not taken this approach, the local companies with telecommunications needs would have left the rural areas. In addition to the retention of companies, the population also tends to stay when new services are available.

Saxony, Germany

In Saxony, the telecommunications infrastructure (broadband internet) was not supported by the ERDF but by national funding programmes.41 Two related measures: ‘Information and Communication Infrastructure in Schools’ and ‘Funding of SME or collaborative SME for the Implementation and Improvement of Electronic Business Connections – E-Business/Telematics’ (implementation of electronic business connections within enterprises) were supported.

The investments in telecommunications infrastructure and application only contributed to accessibility to a small extent. This is due to the fact that after the reunification of Germany in

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40 Services of the Centre SGAR
41 Interview Evaluator, Interview SMUL 1.
1989, big investments were made into laying fibre optic cable in East Germany. These investments were financed through national programmes.

Świętokrzyskie, Poland

In 2002, the Świętokrzyskie region ranked last regarding access to the internet among all Polish regions. As a consequence, one focus of the ERDF was to enhance telecommunications infrastructure. € 4.9 mio (3.5% of total ERDF allocation for the Świętokrzyskie region) was allocated to telecommunications. Three core projects supporting the development of the regional E-network helped to increase the number of households with internet access. In 2006 around 75% of the regional population had access to broadband internet in the counties Kielce, Końskie, Staszów, Jędrzejów, Ostrowiec and Starachowice.47

Andalusia, Spain

Although it is not possible to quantify how much of the increase in internet usage is directly influenced by the ERDF, the substantial funding for increasing the telephone line coverage played a key role in this process in Andalusia. Given the importance of ICTs for reducing time to markets, we can assume that some of the business growth was facilitated by better access to and use of telecommunications.

The Regional Government of Andalusia initiated the Guadalinfo project, which aimed to promote internet access to all and thereby minimise the digital gap and exclusion in the processes of innovation. It specifically targeted towns of less than 10,000 inhabitants in the most disadvantaged and under-populated areas of Andalusia. The project encouraged the uptake of IT services as a means of helping social cohesion and regional development. It promoted innovative electronic services relevant to local needs; training in advanced technology and set up Centres of Public Access to Broadband Internet in rural municipalities.

Further impacts of ERDF spending on telecommunications infrastructure that had particular value for rural areas were the development of a ‘telemedicine’ system. This responded to the health needs of rural areas and dispersed population – especially in the provinces of Jaén, Almería and Málaga. It included the technological and functional provisions for 50 centres, including hospitals, health centres and emergency centres at regional and local level.

Southern Sweden

In the Objective 2 region Southern Sweden, IT investments were given high priority. 16% of the total ERDF budget was spent on ICT infrastructure. The investments did not only concern telecommunications but information technology in general. Nearly 200,000 people and 12,000 companies are estimated to have benefited from the IT investments. The share of people and companies that benefited is expected to grow during the coming years since the communities involved in the projects strive for reaching an even higher contribution ratio.

The ERDF contributed to increase the ICT standard of the region and thus reduced the disparity with other Swedish regions, which have an advanced ICT infrastructure.

5.3.3 Energy infrastructure

There are only a limited number of projects in the case study regions supporting energy infrastructure. With the exception of some biomass plants in France, there is little evidence that the potential of rural areas especially with respect to renewable energy has been tapped.

47 monitoring data from the Świętokrzyskie Voivodship Office
48 Annual Report 2007 p79 (Guadalinfo started with an initial phase targeting towns of less than 20,000)
5.4 Supporting R&D and innovation

ERDF support for projects in research and development was mainly targeted at urban areas. Rural areas benefited to a lesser extent, mostly because the institutions that are in a position to use the funding are located in urban areas. The French region of Réunion, which is classified as urban, allocated almost all the Objective 1 ERDF budget to support for research and development with the aim of transforming Réunion into a pole of innovation and technology in the Indian Ocean.

Figure 8. ERDF support for research and development projects in rural areas

![ERDF support for research and development](source)

Table 7. ERDF support for research and development in rural areas

<table>
<thead>
<tr>
<th></th>
<th>Total ERDF expenditures on research and development in the Member State</th>
<th>ERDF support for research and development spent in rural areas in €</th>
<th>Share of ERDF support for research and development spent in the Member State</th>
<th>Share of ERDF support for research and development spent in rural areas</th>
<th>Difference of share of ERDF support for research and development spent in rural areas related to the share spent in the Member State</th>
</tr>
</thead>
<tbody>
<tr>
<td>France Objective 1</td>
<td>€ 53.170.351</td>
<td>€ 4.560.670</td>
<td>2,2%</td>
<td>1,6%</td>
<td>-0,6%-points</td>
</tr>
<tr>
<td>Germany Objective 1</td>
<td>€ 229.750.756</td>
<td>€ 120.695.157</td>
<td>1,9%</td>
<td>1,5%</td>
<td>-0,4%-points</td>
</tr>
<tr>
<td>Poland Objective 1</td>
<td>€ 205.632.928</td>
<td>€ 26.322.088</td>
<td>5,4%</td>
<td>4,1%</td>
<td>-1,3%-points</td>
</tr>
<tr>
<td>Spain Objective 1</td>
<td>€ 195.304.553</td>
<td>€ 468.995.677</td>
<td>0,8%</td>
<td>0,5%</td>
<td>-0,3%-points</td>
</tr>
<tr>
<td>Sweden Objective 1</td>
<td>€ 50.421.659</td>
<td>€ 92.367.114</td>
<td>10,4%</td>
<td>10,5%</td>
<td>+0,1%-points</td>
</tr>
<tr>
<td>France Objective 2</td>
<td>€ 188.451.277</td>
<td>€ 45.923.446</td>
<td>3,4%</td>
<td>4,6%</td>
<td>+1,3%-points</td>
</tr>
<tr>
<td>Germany Objective 2</td>
<td>€ 35.884.626</td>
<td>€ 17.616.742</td>
<td>1,1%</td>
<td>0,1%</td>
<td>-1,0%-points</td>
</tr>
<tr>
<td>Spain Objective 2</td>
<td>€ 61.084.973</td>
<td>€ 17.609.658</td>
<td>2,5%</td>
<td>4,1%</td>
<td>+1,6%-points</td>
</tr>
<tr>
<td>Sweden Objective 2</td>
<td>€ 57.892.874</td>
<td>€ 38.840.050</td>
<td>15,2%</td>
<td>15,1%</td>
<td>+/-0,0%-points</td>
</tr>
</tbody>
</table>

There is clear evidence that ERDF support in this area is mainly targeted at urban areas and that rural areas do not benefit directly. The case studies confirm this tendency. However, they also show that although ERDF support for R&D activities was low in rural areas, the impact was significant. ERDF support for R&D contributed towards closing the economic development gap between urban and rural areas and the results of R&D projects in rural areas exceeded expectations.

**Saxony, Germany**

In Germany, the evaluation of the effects of R&D related projects was especially difficult as several ERDF measures were a blend of R&D support and other support (e.g. supporting business networks). Due to the demand-driven funding approach in Saxony, rural areas only profited to a small extent (weak intermediate = 3%) from ERDF interventions. Most investments in R&D activities were allocated to urban areas. In the beginning, this was induced by the public subsidies, but in general the R&D employees continued to work in the companies after the funding ended.43

**Andalusia, Spain**

Although Andalusia still lags somewhat behind the Spanish average in terms of R&D expenditure, ERDF investments helped to narrow the gap. Moreover, rural areas in Andalusia directly benefited from some of the R&D activities supported by the ERDF, both by participating directly in these activities and by benefiting from advances made thanks to such R&D activities. However, looking at the ERDF expenditures per head, it is clear that the weak rural regions received less than the strong rural and the strong intermediate regions.

**Southern Sweden**

In the Objective 2 region of Southern Sweden, ERDF support for R&D was mostly channelled into the main business sectors such as wood, aluminium, glass and polymer. The support was targeted at the existing businesses in the region – based on the resources of that region – which shows the ERDF approach to support regionally appropriate rural development.

### 5.5 Supporting measures strengthening entrepreneurship

The ERDF supported measures such as workforce flexibility, entrepreneurial activity, innovation, information and communication technologies for different business sectors aiming to strengthen entrepreneurship. The emphasis on these measures is heterogeneous. The analysis of the expenditures shows that as a result of different programming strategies France seems to give slightly higher priority to strengthening entrepreneurship in rural areas, Germany concentrates such measures more on urban areas.

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43 Interview SAB. Use ibid
Table 8. ERDF support for measures strengthening entrepreneurship in rural areas

<table>
<thead>
<tr>
<th>Objective</th>
<th>Total ERDF expenditures on education and training and services fostering entrepreneurship in the Member State</th>
<th>ERDF support for education and training and services fostering entrepreneurship spent in rural areas in €</th>
<th>Share of ERDF support for education and training and services fostering entrepreneurship spent in the Member State</th>
<th>Share of ERDF support for education and training and services fostering entrepreneurship spent in rural areas</th>
<th>Difference of share of ERDF support for education and training and services fostering entrepreneurship spent in rural areas related to the share spent in the Member State</th>
</tr>
</thead>
<tbody>
<tr>
<td>France Objective 1</td>
<td>€ 271.178.388</td>
<td>€ 69.355.625</td>
<td>11,2%</td>
<td>23,5%</td>
<td>+12,3%-points</td>
</tr>
<tr>
<td>Germany Objective 1</td>
<td>€ 384.293.559</td>
<td>€ 23.851.527</td>
<td>3,2%</td>
<td>0,9%</td>
<td>-2,3%-points</td>
</tr>
<tr>
<td>Poland Objective 1</td>
<td>€ 0</td>
<td>€ 0</td>
<td>0,0%</td>
<td>0,0%</td>
<td>+/-0,0%-points</td>
</tr>
<tr>
<td>Spain Objective 1</td>
<td>€ 844.428.262</td>
<td>€ 257.220.016</td>
<td>3,6%</td>
<td>3,9%</td>
<td>+0,3%-points</td>
</tr>
<tr>
<td>Sweden Objective 1</td>
<td>€ 0</td>
<td>€ 0</td>
<td>0,0%</td>
<td>0,0%</td>
<td>+/-0,0%-points</td>
</tr>
<tr>
<td>France Objective 2</td>
<td>€ 192.762.950</td>
<td>€ 67.101.031</td>
<td>3,4%</td>
<td>4,2%</td>
<td>+0,8%-points</td>
</tr>
<tr>
<td>Germany Objective 2</td>
<td>€ 11.446.140</td>
<td>€ 0</td>
<td>0,4%</td>
<td>0,0%</td>
<td>-0,4%-points</td>
</tr>
<tr>
<td>Spain Objective 2</td>
<td>€ 38.240.802</td>
<td>€ 794.345</td>
<td>1,6%</td>
<td>0,5%</td>
<td>-1,1%-points</td>
</tr>
<tr>
<td>Sweden Objective 2</td>
<td>€ 0</td>
<td>€ 0</td>
<td>0,0%</td>
<td>0,0%</td>
<td>+/-0,0%-points</td>
</tr>
</tbody>
</table>

Andalusia, Spain

Most of the measures aimed at developing the entrepreneurial spirit are either financed by the ESF or by the EAGGF through the LEADER and PRODER Local Action Groups (LAGs) in rural areas. However, the second strategic priority of IDEA, the regional development agency which manages the ERDF Global Grant, was to promote an ‘entrepreneurial culture’. The aims were to provide an integrated system of business information and support in Andalusia, to introduce entrepreneurship into the educational curriculum, to reduce the red tape and administrative barriers for start-ups and to increase the social recognition of entrepreneurship. Furthermore, the ERDF was involved in financing the infrastructure required for improving educational centres, adapting them to take account of new information technologies and trends in the labour market, building and improving primary and secondary schools, professional training centres and universities. The ERDF budget for these measures was €200 million. However, ERDF expenditure on education, training and investment in human capital was only €77.8 m or 1% of total ERDF expenditure.

Southern Sweden

Within the Objective 2 region Southern Sweden, 53 projects contributed to human capacity building in the region. There was a clear connection between the ERDF funds invested and the development and establishment of teaching centres, so called lärcentran, which relocated college courses to peripheral areas. The establishment of teaching centres brought a wider range of post-secondary education offers closer to the population in rural areas. These centres have already been shown to enhance the transition to post-secondary education within the region.

The ERDF was also used to co-finance investments for the implementation of educational programmes. According to the 2007 Annual Report, 38 new teaching centres and competence and development centres for companies were established, and 15 centres were further developed with the support of ERDF measures. The interviewees emphasised the importance of these teaching centres as some of the most successful ERDF investments, which have led to an increase in education and training activities in the region.

5.6 Supporting rural initiatives

The ERDF can be used to strengthen rural initiatives. The regions (within the report’s sample) which received the highest share were Germany’s objective 2 regions with 3.9% used for projects strengthening rural initiatives. There were also programmes not using this measure at all (Poland, Spain objective 2). This type of project promoting the adaptation and the development of rural areas covered a wide range of (smaller) projects in rural areas, e.g. land improvement, setting up of farm relief and farm management services, the marketing of quality agricultural products, basic services for the rural economy and population, renovation and development of villages and protection and conservation of rural heritage, diversification of agricultural activities and activities close to agriculture, encouragement of tourist activities, encouragement of craft activities related to farms. Generally they have the following characteristics:

- They are often regionally/ locally initiated, i.e. bottom-up.
- They are targeted at strengthening regional endogenous growth potentials – e.g. quality of life, tourism.
Table 9. ERDF support for rural initiatives in rural areas

<table>
<thead>
<tr>
<th>Country</th>
<th>Objective</th>
<th>Total ERDF expenditures on rural initiatives in the Member State</th>
<th>ERDF support for rural initiatives spent in rural areas in €</th>
<th>Share of ERDF support for rural initiatives spent in the Member State</th>
<th>Share of ERDF support for rural initiatives spent in rural areas</th>
<th>Difference of share of ERDF support for rural initiatives spent in rural areas related to the share spent in the Member State</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>Objective 1</td>
<td>€ 77,774,719</td>
<td>€ 2,054,776</td>
<td>3,2%</td>
<td>0,7%</td>
<td>-2,5%-points</td>
</tr>
<tr>
<td>Germany</td>
<td>Objective 1</td>
<td>€ 4,925,547</td>
<td>€ 350,000</td>
<td>0,0%</td>
<td>0,0%</td>
<td>+/-0,0%-points</td>
</tr>
<tr>
<td>Poland</td>
<td>Objective 1</td>
<td>€ 0</td>
<td>€ 0</td>
<td>0,0%</td>
<td>0,0%</td>
<td>+/-0,0%-points</td>
</tr>
<tr>
<td>Spain</td>
<td>Objective 1</td>
<td>€ 42,704,519</td>
<td>€ 20,419,981</td>
<td>0,2%</td>
<td>0,3%</td>
<td>+0,1%-points</td>
</tr>
<tr>
<td>Spain</td>
<td>Objective 1</td>
<td>€ 12,392,149</td>
<td>€ 12,392,149</td>
<td>2,6%</td>
<td>2,6%</td>
<td>+/-0,0%-points</td>
</tr>
<tr>
<td>France</td>
<td>Objective 2</td>
<td>€ 126,049,759</td>
<td>€ 68,020,677</td>
<td>3,9%</td>
<td>11,1%</td>
<td>+7,2%-points</td>
</tr>
<tr>
<td>Germany</td>
<td>Objective 2</td>
<td>€ 9,652,680</td>
<td>€ 9,368,635</td>
<td>2,5%</td>
<td>2,5%</td>
<td>-0,1%-points</td>
</tr>
</tbody>
</table>

Several case studies highlight that the ESF and EAGGF (and especially the Community Initiative LEADER+) had a more positive impact on rural development in this respect. Apart from the case study findings, especially the Synthesis of mid-term evaluations of LEADER+ programmes 44 has provided strong evidence in this respect.

Centre, France

In France, the Objective 1 funds were focused on infrastructure projects. Many French actors understand ERDF as instrument designed for financing large-scale infrastructure projects, but not for regional initiatives. There was some attempt to fund such projects by ESF but, according to the regional services in the Centre region, this did not work well because of a lack of will among the local actors.

The ORAC 45 projects could have been the forum for creating more partnership and a better coordination of the local initiatives. These actions covered three complementary issues: investment, training of shopkeepers, and transversal actions (support to companies, quality approaches, etc.). However, these actions also faced difficulties, not so much by the actors but, according to the SGAR, by some institutions. As the approach was not a customary one, some paying agencies did not know exactly how to deal with them. The impact of the ERDF on rural initiatives is therefore very limited at the regional level and in rural areas.

Saxony, Germany

The relatively low amount spent in (weak and strong) rural areas under Objective 1 in Germany reflected the spatial distinction between the ERDF and the EAGGF: the ERDF was used for urban development whereas the EAGGF was allocated to rural areas (especially the Community initiative LEADER+).

44 see http://ec.europa.eu/agriculture/eval/reports/leaderplus/index_en.htm
45 Opération de restructuration de l’artisanat et du commerce – operations for the restructuring of the crafts and trade industries.
Świętokrzyskie, Poland

Despite the fact that according to the typology of projects no ERDF support went into projects strengthening rural initiatives in Świętokrzyskie, there are nevertheless examples of good bottom-up development. The Kije local community decided to apply a strategic approach by connecting projects implemented at regional level (regional road modernisation substantially improving access to the regional growth centre Kielce, modernisation of roundabouts of the regional road around Kije) with local projects. These local projects focused on connecting more rural households to the water supply and the sewerage system and building a sewerage treatment plant. According to data provided by Kije local authorities, due to the very visible improvement of the accessibility of Kije community to Kielce and of the standard of living for local inhabitants, the attractiveness of Kije as place to live increased. The number of formal approvals for new housing projects issued by the Kije local government doubled from 11 in 2002 to 22 in 2007.

Another example is Nowa Słupia, a special tourist area around the Saint Cross pilgrimage centre located in the heart of the Świętokrzyskie Mountains. The regional project supported by the ERDF to renovate monuments and the tourist infrastructure was complemented by a local project on the improvement of the road, water and sewerage systems. Such an approach required a common strategic vision shared by the regional stakeholders and local rural communities.46

Andalusia, Spain

In rural areas in Andalusia, there are large cooperatives, agrarian associations, commercial bodies, producers' organisations and professional and trade union organisations. There are also specific organisations dealing with water management and quality control. Local Agenda 21 actions played a role in stimulating participative processes in the region, e.g. in developing environmental diagnoses and plans with the involvement of the relevant actors. In rural areas, the Agenda 21 programmes have either been supported by or worked in parallel with LEADER Local Action Groups (LAGS).

Even though it was not its main focus, the ERDF contributed to rural initiatives in rural areas. The ERDF partially funds the Global Grant for the Endogenous Development of Rural Areas. Community support for this programme was set at €158.7 million for 2000-06 of which the EAGGF financed €141.5 and the ERDF financed the remaining €17.2 million. The global grant was used to finance the PRODER for the diversification and endogenous development of rural areas, which in Andalusia ran in parallel with LEADER and was managed by 28 of the 50 LAGs in Andalusia.

Interviews with representatives of the Department of Agriculture47 indicated that the ERDF proved useful in supporting a series of projects. ERDF supported small-scale infrastructures for craft businesses, hotels and catering and retail distribution, small-scale industrial workspace, improvements to village centres, the building of cultural centres, and support services for SME.48 However, ERDF support has been less significant than the contribution of the EAGGF and ESF.

46 However these examples are rather contributing to the regional infrastructure improvement and in due course, indirectly to an increase in quality of life. In this sense they are not really regional rural initiatives, but merely action towards the improvement of rural infrastructure.
47 Jose Luis Sanchez Teruel. Director General of Sustainable Development of Rural Areas. José Maria Ortiz. Head of Unit of Rural Development. Francisco Alba Riesgo Coordinator to the Deputy Minister of Agriculture.
48 Written reply from the Director General of Rural Development of the Regional Government
5.7 Supporting the environment

Another focus of the ERDF in rural areas was improving the quality of the environment. The ERDF supported measures improving (the use of) regional resources such as biomass, water etc.. The use of regional resources supported regional supply chains and consequently contributed to productivity and growth. A better use of regional resources and the environmental compartments\(^{49}\) (soil, water, air) reduced the need for imports of resources and consequently transport distances and fostered more sustainable development. Especially in rural areas, where there are many natural resources and where usually the environmental conditions are better than in urban areas, the ERDF contributed to a higher quality of life.

In some Member States (especially in Objective 2 in Spain and Objective 2 in Germany), the share of expenditures for environmental infrastructure in rural areas was clearly higher than the share at Member State level. This focus responded clearly to the need to protect, improve and capitalise on the natural assets in rural areas.

Figure 10. ERDF support for environmental infrastructure in rural areas


\(^{49}\) An environmental compartment is a dimension of the environment which is practical from the modelling point of view.
Table 10. ERDF support for environmental infrastructure in rural areas

<table>
<thead>
<tr>
<th></th>
<th>Total ERDF expenditures on environmental infrastructure in the Member State</th>
<th>ERDF support for environmental infrastructure spent in rural areas in €</th>
<th>Share of ERDF support for environmental infrastructure spent in the Member State</th>
<th>Share of ERDF support for environmental infrastructure spent in rural areas</th>
<th>Difference of share of ERDF support for environmental infrastructure spent in rural areas related to the share spent in the Member State</th>
</tr>
</thead>
<tbody>
<tr>
<td>France Objective 1</td>
<td>€ 331.876.597</td>
<td>€ 46.878.875</td>
<td>13,7%</td>
<td>15,9%</td>
<td>+2,2%-points</td>
</tr>
<tr>
<td>Germany Objective 1</td>
<td>€ 1.437.988.861</td>
<td>€ 278.105.835</td>
<td>12,0%</td>
<td>10,5%</td>
<td>-1,6%-points</td>
</tr>
<tr>
<td>Poland Objective 1</td>
<td>€ 327.318.907</td>
<td>€ 172.514.008</td>
<td>8,5%</td>
<td>9,6%</td>
<td>+1,1%-points</td>
</tr>
<tr>
<td>Spain Objective 1</td>
<td>€ 2.742.029.987</td>
<td>€ 822.764.324</td>
<td>11,7%</td>
<td>12,4%</td>
<td>+0,7%-points</td>
</tr>
<tr>
<td>Sweden Objective 1</td>
<td>€ 584.834</td>
<td>€ 584.834</td>
<td>0,1%</td>
<td>0,1%</td>
<td>+/-0,0%-points</td>
</tr>
<tr>
<td>France Objective 2</td>
<td>€ 295.048.251</td>
<td>€ 75.459.173</td>
<td>5,3%</td>
<td>4,8%</td>
<td>-0,5%-points</td>
</tr>
<tr>
<td>Germany Objective 2</td>
<td>€ 151.211.773</td>
<td>€ 103.627.576</td>
<td>4,7%</td>
<td>16,9%</td>
<td>+12,2%-points</td>
</tr>
<tr>
<td>Spain Objective 2</td>
<td>€ 326.005.585</td>
<td>€ 41.191.810</td>
<td>13,3%</td>
<td>25,4%</td>
<td>+12,2%-points</td>
</tr>
<tr>
<td>Sweden Objective 2</td>
<td>€ 1.574.555</td>
<td>€ 1.574.555</td>
<td>0,4%</td>
<td>0,4%</td>
<td>+/-0,0%-points</td>
</tr>
</tbody>
</table>


Environmental measures (improving the environmental compartments water, soil, air)

ERDF measures targeted at the improvement of the quality of the regional environment, e.g. the improvement of water quality and nature protection were significant for rural development. Generally, the impact of ERDF funds on the improvement of the environmental conditions in rural areas was considered high.

- Water quality improvements as well as water management were supported and had a significant impact especially in rural areas with water scarcity (Spain).
- Investments in the improvement of the environment were facilitated and implemented sooner than they would have been without ERDF support. However, it should be noted that these investments were mostly triggered by legal requirements and would have been made at some point anyway (although not that quickly).
- Synergetic projects linking nature protection measures based on EU legislation (e.g. Natura 2000) with economic activities (e.g. tourism) were fostered.

Centre, France

In the Centre region, a number of actions in the environmental field were financed through the ERDF: sewage purification plants, waste disposal areas, etc. Many of these actions were compulsory by law and were carried out in response to regulatory obligations. With or without the ERDF, the public structures would have had to implement them anyway but the ERDF made it possible to do things more quickly (and perhaps more efficiently).

Other types of ‘environmental’ project which have been financed by the ERDF are more transversal: establishing of Natura 2000 sites in regional natural parks, restoration of rivers, notably the Céphons, development of water management plans (SAGE – Schéma d’aménagement et de gestion des eaux), etc. The effect of the ERDF on these types of actions seems to have been significant both in terms of initiating action and of leverage effects. Indeed, even if the sums involved were sometimes not very high (e.g. €2,341 for the SAGE of the Yèvre Auron), they made it possible to launch projects, which might have not happened without the ERDF.
Świętokrzyskie, Poland

In Świętokrzyskie, €25.9 m, and €10.4 m of the ERDF were spent respectively on environmental measures and land improvement. The majority of projects were focused on the improvement of the sewerage network and, to a lesser extent, on sewerage treatment plants. These new infrastructure investments supported the provision of better quality water and substantial improvement in terms of environmental protection. In view of the high percentage of protected areas in the Świętokrzyskie region, the development of the water supply and sewerage treatment was a precondition for any form of development combining the goals of environmental protection and a better standard of living for the rural population.

The development of new hotels and tourist facilities in the Świętokrzyskie Mountains indicated that the improvement of public services in water management allowed for a better utilisation of available regional assets. New public facilities in conjunction with the upgrading of the connecting road to Kielce (30km away from Kije) provided incentives for settling in Kije community.

Andalusia, Spain

In Andalusia, the ERDF contributed significantly to improving the quality of the environment and especially to advances in water treatment and provision. Investment also went into soil regeneration and land improvement in rural areas.

Given that nearly 80% of water resources are consumed by agriculture in Andalusia and that water is becoming increasingly scarce, the improvements made in water management have been extremely important. Moreover, the extended drainage and water treatment network is particularly relevant for some of the previously unconnected remote villages.

The water and waste purification measure was, according to the Regional Ministry of the Environment, restricted to ‘Protected Natural Spaces’ and therefore rural areas were the main beneficiaries of most of this expenditure. In quantitative terms, 85.4% of the budget for this measure was invested in towns of less than 10,000 inhabitants. The Ministry of the Environment gave the following examples of projects:

- The construction of the purification plant in Jabugo (Huelva), in the Aracena Natural Park, and in the Picos de Aroche.
- The construction of wastewater collectors and a purification plant for urban waste in the Granada Valley.
- Construction work on the purification plant and primary ‘reuse’ infrastructure in Yunquera (Malaga) and in the Sierras de las Nieves Natural Park.

The measure for the ‘protection and regeneration of natural heritage’ accounted for €659.3 million and, according to the Regional Ministry of the Environment, benefitted rural areas almost exclusively. Actions under this measure included vital work to improve access via minor roads to mountain and forest areas, not only improving access for the local inhabitants but also facilitating rural tourism, forestry and protection against forest fires.

This measure also supported the regeneration of damaged ecosystems, especially in areas like the Sierra de Cazorla, Segura and Las Villas Natural Park, which were suffering from forest fires. Within this measure there were projects for the public use and accessibility of protected areas for leisure, cultural and educational activities.
5.8 Supporting investments in social infrastructure

Expenditure on investments in social infrastructure in rural areas was low in the analysed Member States. In Germany, under Objective 1, no projects for social infrastructure were financed. Only in Spain (Objective 2) and France (Objective 1) the share of expenditure for social infrastructure was higher in rural areas than the shares on Member State level.

Figure 11. ERDF support for social infrastructure in rural areas

Table 11. ERDF support for the social infrastructure in rural areas

<table>
<thead>
<tr>
<th>Country</th>
<th>Objective</th>
<th>Total ERDF expenditures on social infrastructure in the Member State</th>
<th>ERDF support for social infrastructure spent in rural areas in €</th>
<th>Share of ERDF support for social infrastructure spent in the Member State</th>
<th>Share of ERDF support for social infrastructure spent in rural areas</th>
<th>Difference of share of ERDF support for social infrastructure spent in rural areas related to the share spent in the Member State</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>Objective 1</td>
<td>€ 174.659.416</td>
<td>€ 26.865.813</td>
<td>7.2%</td>
<td>9.1%</td>
<td>+1.9%-points</td>
</tr>
<tr>
<td>Germany</td>
<td>Objective 1</td>
<td>€ 0</td>
<td>€ 0</td>
<td>0.0%</td>
<td>0.0%</td>
<td>+/-0.0%-points</td>
</tr>
<tr>
<td>Poland</td>
<td>Objective 1</td>
<td>€ 200.532.780</td>
<td>€ 91.589.738</td>
<td>5.2%</td>
<td>5.1%</td>
<td>-0.1%-points</td>
</tr>
<tr>
<td>Spain</td>
<td>Objective 1</td>
<td>€ 940.863.856</td>
<td>€ 229.991.049</td>
<td>4.0%</td>
<td>3.5%</td>
<td>-0.5%-points</td>
</tr>
<tr>
<td>Sweden</td>
<td>Objective 1</td>
<td>€ 1.983.630</td>
<td>€ 1.983.630</td>
<td>0.4%</td>
<td>0.4%</td>
<td>+/-0.0%-points</td>
</tr>
<tr>
<td>France</td>
<td>Objective 2</td>
<td>€ 58.438.719</td>
<td>€ 15.983.438</td>
<td>1.0%</td>
<td>1.0%</td>
<td>+/-0.0%-points</td>
</tr>
<tr>
<td>Germany</td>
<td>Objective 2</td>
<td>€ 78.530.114</td>
<td>€ 0</td>
<td>2.4%</td>
<td>0.0%</td>
<td>-2.4%-points</td>
</tr>
<tr>
<td>Spain</td>
<td>Objective 2</td>
<td>€ 125.727.231</td>
<td>€ 30.793.166</td>
<td>5.1%</td>
<td>19.0%</td>
<td>+13.9%-points</td>
</tr>
<tr>
<td>Sweden</td>
<td>Objective 2</td>
<td>€ 1.225.497</td>
<td>€ 1.157.669</td>
<td>0.3%</td>
<td>0.3%</td>
<td>+/-0.0%-points</td>
</tr>
</tbody>
</table>

Centre, France

In spite of the overall low share of ERDF expenditures in Objective 2 regions in France, in the Centre region in particular support for social infrastructure played an important role. The ERDF was used to improve the social infrastructure especially in terms of childcare centres, central cooking facilities such as school canteens and/or meal delivery services for older people, and facilities for local events. These social projects have been numerous and had a direct and tangible impact on the quality of life in rural areas.

However, these projects have often been developed at the level of the commune, which raises at least two questions:

- Sometimes similar projects have been developed within small distances. Some projects could certainly have been grouped in order to be more cost effective and also to provide a more complete set of services to the population from more than one commune. Should such projects rather be coordinated at a higher territorial level?
- How do these very local projects participate in the structural effects of the ERDF at a higher level? The structural effects of the ERDF at a higher level than the commune are not tangible in the field of socio economic activities and quality of life in rural areas.

Świętokrzyskie, Poland

In order to improve the situation of rural social infrastructure, investment targeted rural schools in marginalised areas in Świętokrzyskie. The measures focused mainly on the modernisation of sports facilities in rural areas and small towns located in rural areas (21 projects were supported with a total of €30.7m\(^{50}\)). The modernisation of training equipment for all types of vocational schools was a further priority.

22 projects with a total value of €10.85 m\(^{51}\) were funded in the field of regional health care infrastructure. The majority of these projects supported the upgrading of the infrastructure of the hospitals serving the whole or part of the region.

Andalusia, Spain

The Spanish case study shows quite clearly where the possible benefits of social infrastructure measures for rural areas lie:

- The gap in terms of social infrastructure (e.g. hospital beds, centres for elderly care) between the rural areas and the national average was closed considerably, although deprived groups and areas still exist.
- Social infrastructure projects showed leverage effects as the initial funding of social infrastructure through the ERDF triggered larger national/ regional projects enhancing the infrastructure investments.

One main focus of investment during the first phase of the Integrated Operational Programme was on health infrastructure and the number of hospital beds in the region has increased.\(^{52}\)

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\(^{50}\) rate of exchange as of 27/06/2008, 1 EURO=3.3671
\(^{51}\) rate of exchange as of 27/06/2008, 1 EURO=3.3671
\(^{52}\) NERA 2008 p107
5.9 Strengthening regional governance

The effective use of the ERDF requires the involvement of regional actors. The ERDF supports regional government structures and regional governance by:

- Providing the financial capacity to develop new projects.
- Contributing to the building of partnerships which make it possible to go beyond the very local level.

In particular with regard to the latter aspect, urban areas are advantaged. The critical mass for funding local initiatives, networking and exchange is – of course – higher in urban areas than in rural ones. Additional efforts would have been required in rural areas, which we could not detect in the case studies. The effect of the ERDF in terms of building partnerships and involving private structures was not as important as that of LEADER+.

Centre, France

In the Centre region, projects financed by the ERDF were usually chosen one by one, but rarely as part of an overall strategy. The public structures (collectivités) tended to use the ERDF to finance their own projects without regard for bringing together different actors or levels of governance. Some cooperation was found in projects implemented by some collectivités and in projects implemented or coordinated by chambers. In the mid-term review, a proposal was made for the modulation of the intervention rate according to the type of project promoter: collective projects in rural areas could receive a 10% funding bonus. This proposal supported other national policies pushing for a territorial structuring and gathering of local public structures in collective bodies, e.g. by building EPCI (Etablissement Public de Coopération Intercommunale: Public body of inter-communal cooperation). This ‘bonus’ brought about some changes and also prevented two similar projects being developed in close proximity.

Świętokrzyskie, Poland

At the regional level, the decision taken by the Polish government on the decentralisation of EU programme implementation supported the development of regional governance. Substantial improvements in regional strategic and programme/project management skills were observed as a result. At the local level, in order to meet the new EU project management requirements, decision makers in rural communities were forced to hire highly professional staff and substantially change their human resources policies in the direction of professional management. Partnerships operated in the region at two levels:

- Formal partnership – according to the EU regulation, the Regional Marshal Office involved the social partners in the monitoring of the implementation of ERDF measures. Through participation in the Monitoring Committees, representatives of the social partners had the opportunity to present their comments and suggestions regarding the ERDF measures.
- Informal partnerships between local authorities.

5.10 Fostering (business) networks

The ERDF supports the establishment and improvement of (business) networks in order to strengthen links between sectors and actors in the region and abroad. These networks indirectly affect the problematic population development in rural areas as they contribute to stopping the brain drain by offering employment and attractive regional settings.

Generally speaking, this aspect was not always considered significant for supporting rural development. In the majority of programmes, ERDF support for business networks and clusters was targeted at urban areas (see e.g. Germany). However, in those cases where measures
fostering business networks and clusters in rural areas were funded by the ERDF, the results and impacts on rural development were significant.

There are indications that ERDF support in this field will lead to lasting effects concerning the number of networks and co-operation between companies. Through the co-operation activities, companies have access to new knowledge and contacts that are necessary to maintain and strengthen their competitiveness and thus contribute to regional growth.

**Saxony, Germany**

The funding of business networks is highly complex, diverse and covered by a lot of national and regional programmes, e.g. the funding of network managers in the field of automobile, railway, aviation, textile and renewable energies through Free State aid, and the funding of co-operation between SME through the medium-sized businesses regulation, and the funding of networks and regional management through the Joint Task. 53 The ERDF was not used for the direct support of networks until 2004 and was dedicated to bigger projects of around €80,000 to €100,000. A differentiation between rural and urban was not made, as it was not considered useful. 54 Any assessment of the extent of the impact of the ERDF on fostering business networks is hardly possible.

**Southern Sweden**

One of the ways in which the ERDF fostered networks in the Objective 2 region of Southern Sweden was through investment in competence and development centres for small and medium sized companies. These centres were created in strong business sectors such as wood, aluminium, glass and polymer. According to the 2007 Annual Report, these centres showed a positive development and continuously adjusted their activities according to the needs of the companies. During the programme period, the share of private financing for these centres grew. This can be seen as a guarantee that the centres will be sustainable from a long-term perspective.

### 5.11 Conclusions on the importance of ERDF support for rural areas

Nine areas of ERDF intervention have been thoroughly analysed regarding the potential effects of ERDF support on rural development.

When looking at the total amount of Objective 1 and Objective 2 expenditures and its effects, the highest impact of ERDF measures in rural areas has been found in the area of supporting business with growth potential and supporting the improvement of technical infrastructure. This means that the ERDF was used for exogenous development in rural areas (see chapter 4.2).

**Support to R&D** and projects fostering innovation, support to measures strengthening entrepreneurship and fostering (business) networks proved to have some impact in rural areas, but their actual weight (expressed in terms of funding) has been limited. In other words, although the overall benefit of ERDF support in these fields for rural development was acknowledged by the Member States, they did not allocate the funds accordingly.

**The improvement (in the use) of regional resources** and the **strengthening of regional governance** are the weakest policy intervention areas in terms of observable impact. We have not been able to verify whether the ERDF did actually have a positive impact on rural development in these fields. This does not necessarily mean that these aspects have been neglected, but that the evidence from the empirical findings has been weak.

53 Interview SAB, Interview SMWA 4.
54 Interview SMWA 5.
Table 11. Distribution of ERDF support in rural areas in selected fields of ERDF support

<table>
<thead>
<tr>
<th>Analysis of ERDF support</th>
<th>others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investments into business units</td>
</tr>
<tr>
<td>France Objective 1</td>
<td>8.9%</td>
</tr>
<tr>
<td>Germany Objective 1</td>
<td>40.9%</td>
</tr>
<tr>
<td>Poland Objective 1</td>
<td>22.3%</td>
</tr>
<tr>
<td>Spain Objective 1</td>
<td>14.2%</td>
</tr>
<tr>
<td>Sweden Objective 1</td>
<td>57.4%</td>
</tr>
<tr>
<td>France Objective 2</td>
<td>43.4%</td>
</tr>
<tr>
<td>Germany Objective 2</td>
<td>55.3%</td>
</tr>
<tr>
<td>Spain Objective 2</td>
<td>13.2%</td>
</tr>
<tr>
<td>Sweden Objective 2</td>
<td>31.3%</td>
</tr>
</tbody>
</table>

6 The synergies and complementarities between the ERDF and other relevant Structural Funds (EAGGF, ESF) and national/regional policies

Besides the ERDF, the European Social Fund (ESF) and the European Agricultural Guidance and Guarantee Fund (EAGGF) supported development in rural regions in the 2000-06 period. The funds were used to support different approaches and strategies, often in combination with national and regional development policies and programmes. Any evaluation of the effects of one particular fund has to take into account the effects from other funds and programmes in the area. EU, national and regional funds have created a complex texture of public support, which produced synergies, but also overlaps.

The main challenges in disentangling the effects of the multiple programmes and measures fostering rural development were:

- Different policies and programmes are targeted at different territorial units (e.g. province, municipality, region, Member State) thus preventing a common frame of reference.
- Programmes follow different intervention logics and while they may appear to support the same measures (e.g. supporting rural initiatives, strengthening economic growth potential), they are targeted at different beneficiaries or actions. The synergies and overlaps between the different interventions in the same area are difficult to detect as in some cases effects of policy may only be detected at the project level. This is particularly true of those measures, which target broad policy objectives such as quality of life, regional governance etc.
- Some of the impacts of policy interventions are only evident after a certain period of time, in particular in the field of impacts on the environment (e.g. soil degradation). This is a problem for the impact assessment of single programmes, but is even greater when trying to distinguish between the effects of several programmes.

6.1 The contribution of the Structural Funds by project type

The analysis of the case studies shows very clearly that all three Structural Funds followed different strategies in the 2000-06 period. In all five Member States examined, the EAGGF supported nation-wide measures supporting agriculture. The EAGGF was especially relevant in the Objective 1 regions of Saxony (DE) and Andalusia (ES). In both regions it focused on intervention types that allowed direct investment in agriculture and forestry or were closely linked to the primary sector. No other fund co-financed projects in agriculture and forestry. Also, all projects strengthening rural initiatives were exclusively financed by the EAGGF.

In Andalusia, 47% of the EU funding for services fostering networks was provided by the EAGGF (see table 12).

ESF concentrated on investing in human capital. More than three quarters of the funding for services fostering entrepreneurship were supported by the ESF in the case study regions, and all projects in the field of labour market initiatives were co-financed through the ESF.

55 The FIFG was only relevant in Andalusia where it funded larger ports or those with high tourist activities. Consequently, it had only indirect effects on rural areas and is not treated in the context of the evaluation.
56 The following analysis is based on the evaluation of the different roles of the ERDF and other funds in five case study regions in five selected Member States: Andalucia (Spain), Centre (France), Saxony (Germany), South Sweden (Sweden) and Świętokrzyskie (Poland).
57 Expenditure category 13 Promoting the adaptation and the development of rural areas e.g. projects for land improvement, setting up of farm relief and farm management services, marketing of quality agricultural products, basic services for the rural economy and population, renovation and development of villages and protection and conservation of the rural heritage, development and improvement of infrastructure connected with the development of agriculture, encouragement of tourist activities etc.
Compared to these two funds, the ERDF financed a wide variety of different project types. Between 80 and 100% of all co-financed projects supported by the ERDF belonged to the following project types:

- Investments into business units
- Transport infrastructure
- Social infrastructure
- Telecommunication infrastructure
- Energy infrastructure
- Support for R&D
- Land improvement
- Environmental measures

Only a few project types were co-financed by the ERDF and the ESF to a significant degree:

- Projects supporting education (in Andalusia and Saxony)
- Services fostering networks (in Andalusia and the French Centre region)
- Services fostering entrepreneurship (in Andalusia, Saxony and the French Centre region)

In Andalusia and Saxony, some investments into business units were co-financed by the ERDF and the EAGGF.

### Table 12. Contribution of the ERDF, ESF and EAGGF to different project types in the case study regions

<table>
<thead>
<tr>
<th></th>
<th>Saxony</th>
<th>Andalusia</th>
<th>Centre</th>
<th>South Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ERDF</td>
<td>ESF</td>
<td>EAGGF</td>
<td>ERDF</td>
</tr>
<tr>
<td>Agriculture, forestry,</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>fisheries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments into business units</td>
<td>98%</td>
<td>0%</td>
<td>2%</td>
<td>83%</td>
</tr>
<tr>
<td>Transport infrastructure</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Social infrastructure</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Telecommunication</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and training</td>
<td>3%</td>
<td>97%</td>
<td>0%</td>
<td>19%</td>
</tr>
<tr>
<td>Support R&amp;D</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Services fostering</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>53%</td>
</tr>
<tr>
<td>networks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projects strengthening</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>rural initiatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services fostering</td>
<td>7%</td>
<td>93%</td>
<td>0%</td>
<td>23%</td>
</tr>
<tr>
<td>entrepreneurship</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy infrastructure</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Land improvement</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Environmental measures</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>98%</td>
</tr>
<tr>
<td>Labour market</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Total project types</td>
<td>67%</td>
<td>18%</td>
<td>10%</td>
<td>79%</td>
</tr>
</tbody>
</table>

Source: DG REGIO database. PO Objective 1 Sachsen 1999DE161PO006; PO Objective 1 Andalucia 2000ES161PO003; DOCUP Objective 2 Centre, DOCUP Objective 2 Södra 2000SE162DO004. (In Poland no data for the case study region is available in the DG REGIO database as the complete Member State territory was under Objective 1 and the data are related to the particular programming area.) Other relevant programmes with impact on the regional development are not covered by these data.
For many project types, a sharp distinction between the different funds was made, e.g. in France, the Single Programming Document of the Centre region, like in the other French regions, favoured a mono-fund approach at measures level. There was no mixing of funds in one action and/or measure, which led to a clear distinction between the funds and the projects, but also to a lack of integration between projects.

However, the analysis of the co-financed project types shows that, in contrast to the ESF and EAGGF, the ERDF allowed an integrated, cross-sectoral approach, supporting a variety of project types that responded flexibly to the needs of the regions. This is a different logic compared to EAGGF, which only supported project types in the field of agriculture and forestry and the ESF, which supported project types in the field of the development of human capital.

There was also a geographical aspect to the different approaches of the ERDF and the EAGGF: Whereas the ERDF focused on Objective 1 or Objective 2 areas, the EAGGF did not, several EAGGF measures apply to the whole country, several to specifically delimited “less favourite areas”.

This led to a regionally differentiated distribution of funding, e.g. in Sweden the ERDF was concentrated on the Objective 1 and 2 areas in the northern and very sparsely populated regions of the country while the CAP funding was concentrated on the agricultural areas in the south of the country. The CAP, including Leader+, gave substantial support to the case study region of Southern Sweden.

6.2 Complementaries between the ERDF, ESF and EAGGF

Given their different intervention logics and approaches, there was a kind of ‘task distribution’ between the different funds:

- The ERDF was generally used for infrastructure projects in the field of transport and environment, and for the direct support of enterprises (especially SME) and R&D;
- The ESF was person-related and used for ‘soft measures’ in the field of human capital, e.g. capacity building, education and training;
- The EAGGF was mainly used for the target group of farmers and other actors within the agricultural sector or closely linked with it, e.g. investments to aid the modernisation of the farming sector, infrastructure related to the development and planning of agricultural production. The EAGGF also supported a large number of small-scale local enterprises and initiatives through LEADER+.

In the Objective 1 region of Andalusia as well as in the French Objective 2 region Centre, this ‘distribution of labour’ between the ERDF and the ESF was very clear. While the ERDF supported the physical investments in social infrastructure (e.g. schools, training centres, social, health, cultural centres), the ESF focused on ‘soft measures’ (training, qualification, support for employment or services, etc.). Thus, the ERDF and the ESF played complementary roles with the ERDF focusing on the exogenous input necessary for the endogenous development of human resources.

In France, similar efforts were sometimes made to link the funding in a synergetic manner. In some départements, when a company submitted an application for ERDF co-financing, it was also provided with information on funding possibilities under the ESF which could complement its planned activity. However, this information was rather basic and there was no further incentive to create links between the Structural Funds, or even between the different actors, companies or local resources in the region.

In the Świętokrzyskie region, some measures implemented in the framework of the Sectoral Operational Programme for Agriculture and Rural Development 2004-2006, were intentionally complementary to the ERDF measures. Examples are measures supporting rural renewal and
the preservation and protection of cultural heritage, diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes.

6.3 Complementarities with national/regional rural development policies

The coordination between national and regional rural development strategies and the Structural Funds differed between the Member States studied in the 2000-06 period. Some Member States followed an integrated approach responding to the needs of the region - regardless of regional types (urban or rural) and sectors (Sweden, France). In the other Member States, rural development policy was identical with the agricultural policy according to the CAP (Germany, Poland, Spain).

Sweden followed an integrated approach in which regional policy addressed the specific development needs and conditions of every region mainly focusing on economic development. Agricultural policy focused explicitly on rural areas with a strong focus on the agricultural sector and related activities. Most Swedish Regional Growth Programmes addressed issues of concern for rural areas and the archipelago which were also the focus of the Swedish Operational Programmes.

In France, the rural development national plan (PDRN) provided the framework for rural development. It reflected the importance of agriculture and forestry in France. The Structural Funds, implemented through the Single Programming Document, complemented the national tools for rural development. The interventions of the EAGGF were complementary to the actions of the Contrat Territorial d'Exploitation (CTE). This tool integrates agriculture, spatial planning, environment and employment policies and promotes collective projects and structures. Further to its impact on farming, it had a direct impact on rural development in terms of land use, water, heritage and landscape preservation and diversification towards non-farming activities like tourism.

In Germany, rural development policy closely follows the CAP. The Rural Development Programmes are based on the Gemeinschaftsaufgabe zur Verbesserung der Agrarstruktur und des Küstenschutzes (GAK; Joint Task for the improvement of the agrarian structure and coastal protection), the central national instrument for implementing and coordinating EU rural policy between the national and the federal level. The GAK is very much focused on the agricultural sector. It has been criticized by the OECD for being too sectoral in its approach and not responding to the manifold challenges faced by rural areas.

Spain did not have a genuine rural development policy independent of the EU programming processes. The Law for the Sustainable Development of Rural Areas was approved in 2007 (Law 45/2007). Before rural development policy was virtually synonymous with the application of the first and second pillars of the CAP. In Andalusia, around two thirds of the expenditures by the EAGGF were focussed on agriculture and food while the remaining third was spent on the LEADER+ and PRODER networks. The latter were directed to the broader needs of rural areas. While this expenditure was important, it was far less significant than the total amount spent by the ERDF in rural areas.

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58 Glesbygdsverket 2007
59 Contracts signed by farmers which aim at preserving the natural resources by improving the quality of soil, water, biodiversity and landscape.
6.4 Fuzziness between the funds and the importance of delivery mechanisms

For the project promoters applying for co-financing of projects in line with the goals of the overall regional development policy, the difference between the funds was not always clear. Whether a project could be financed through the ERDF or through LEADER sometimes depended on the local situation and the regional authorities. For people applying for subsidies, finding out to which office to go to was sometimes challenging. The regional organisation of the delivery mechanisms was therefore very important for the effectiveness of the Structural Funds.

In Świętokrzyskie in Poland, the Integrated Regional Operational Programme was implemented directly by the regional government whereas the Improvement of the Competitiveness of Enterprises Operational Programme was nationally managed with regional involvement limited to administrative functions as part of the ‘regional package’. A third programme with a definite impact on rural areas was the Sectoral Operational Programme for Transport, which was also managed at central level. The lack of a formal relationship between different units of local self-government created a real problem for the coordination of activities. Therefore, some local governments in the region established community/gmina associations to coordinate and implement jointly designed development policies. Others still preferred to carry out their development policies without any attempt at coordination with neighbouring self-governments.

In France, in the Objective 2 programming documents, individual measures were financed by one fund only. Theoretically this avoided overlaps. However, things were not as clear-cut in practice. One problem was that the application forms for the ERDF could only be submitted when all the other co-financiers had confirmed their support for the project. This meant that the project could only be modified (to better suit the requirements of the ERDF) after being reconfirmed by all the other co-financiers. As each authority had its own logic and requirements (in line with the national co-financing mechanism), little synergy could occur between the funds.

A further phenomenon in shrinking regions was that of conflicting and contradictory interventions, if two programmes were not harmonised at regional level. This might have neutralized the effects on the labour market: In the Polish region of Świętokrzyskie, the ERDF supported the diversification of the workforce out of the agricultural sector while, at the same time, the EAGGF supported the maintenance of the same workforce in the agricultural sector. This example emphasises the necessity to coordinate policy efforts at the regional level.

6.5 Findings

The case studies confirmed the ‘division of tasks’ between the ERDF, ESF and EAGGF. The EAGGF followed a sectoral understanding of rural development. It focused on supporting development based on the agricultural sector through increasing its competitiveness and multi-functionality. The ESF focused on person-related measures in the field of human capital while the ERDF assisted a broader range of measures following the specificities of the regions. In order to compensate for the decline in employment within the primary sector, it fostered the creation of new economic activity in rural areas, as well as the improvement of the regional governance structures and policy coordination.
Conclusions

Although the ERDF is not a funding mechanism specifically designed for rural areas, the analysis of the five selected Member States (France, Germany, Poland, Spain, Sweden) and the five case studies (Centre, Saxony, Świętokrzyskie, Andalusia, South Sweden) showed that the ERDF supported a significant number of projects in rural areas. The variety of supported project types in the different regions demonstrated the high flexibility of the ERDF to respond to the different needs of the different rural areas. The ERDF co-funded projects corresponding to both an exogenous and endogenous development approach, providing external stimulus to growth through infrastructure investment and promoting endogenous development through the support of regional initiatives and social infrastructure. In comparison, the EAGGF followed a sectoral development approach supporting projects in the field of agriculture and the ESF the development of human resources. The institutional approaches in the Member States and the regions proved crucial to bringing the ERDF to the (potential) applicants and consequently to the success of the implementation of the ERDF. In the following we present the main conclusions of the evaluation.

1. It is impossible to find a definition of rural areas that serves all purposes

Although many countries have a long experience of analysing ‘rural’ areas, there is no single commonly accepted international definition with the exception of the OECD definition, which is used mainly for statistical purposes. As the OECD definition is based on population density, it only reflects one – albeit important – characteristic of rural areas. What is considered a rural area in a Member State depends strongly on the national context. Consequently, any European-wide typology of rural areas competes with national typologies.

When trying to find a general definition of rural areas we also have to be aware that rurality cannot be captured by a set of indicators alone. Rurality is influenced by historic, administrative and cultural concepts. Definitions based on statistical indicators such as population density, demographic trends, commuting effects, accessibility etc. do not reflect these other concepts and the ensuing ‘self-image’ of regional actors and their perception of whether they are an urban or rural area.

Whether a region can be categorised as ‘urban’ or ‘rural’ depends on the context of the analysis. In some contexts, a NUTS3 region can be the appropriate unit for classification, even if many NUTS3 regions range on a scale between ‘urbanity’ and ‘rurality’. In other contexts even units below NUTS3 such as a municipality can have both urban and rural attributes. Larger units, e.g. at NUTS2 level, can include different types of NUTS3 regions and therefore are not very useful for an analysis of rural areas.

This evaluation used the following definitions of rural areas:

- **Strong rural regions** are growing rural regions that have managed to keep most of their value added inside the region or benefit from spill over effects from urban regions.
- **Weak rural regions** are sparsely populated regions with population decline.

The other regions were classified as urban regions or strong or weak intermediate regions.

2. The ERDF invested significantly in rural areas in the five selected Member States

The figures show that in the five Member States analysed (France, Germany, Poland, Spain and Sweden) the ERDF supported a significant number of projects in rural areas. 28% of the ERDF in Objective 1 and 24% of the ERDF in Objective 2 was spent in rural areas whereas 20% (Objective 1) and 35% (Objective 2) was spent in urban areas. The rest was allocated to intermediate areas.
The distribution within each of the countries examined varies widely:

- In Sweden, 99% of the Objective 1 and Objective 2 expenditures (together) were in rural areas where 67% of the population lived.
- In Poland, the rural areas received more per capita than the national average of Objective 1 ERDF support. Expenditures per head were €547 in weak rural areas and €213 in strong rural areas compared to €93 in urban areas.
- In Spain, the ERDF Objective 1 expenditures per head were €1,116 in weak rural areas and €884 in strong rural areas compared to €114 in urban areas.

3. The ERDF supported weak regions independently of their rural, intermediate or urban character

In the period 2000-06, the ERDF supported regions with structural weaknesses independently of their rural, intermediate or urban character. This can be observed in particular in the Objective 1 support in Germany, where the ERDF spent over ten times more per head in weak rural and weak intermediate regions than in strong rural and strong intermediate regions (weak rural €874/head, weak intermediate €919/head; strong rural €82/head, strong intermediate €72/head). The Objective 2 support in France was also concentrated on weak regions: the ERDF spent €204/head in weak rural regions compared to €124/head in strong rural regions.

4. The ERDF had the flexibility to respond to the different needs of the regions

Within the programming and funding framework of the ERDF, appropriate measures can be developed to meet the various needs of the regions. This flexibility of the ERDF enables adaptation to different contexts and consequently also to rural areas. In the 2000-06 programme period, the ERDF supported a wide range of intervention types some of which were found more in rural areas and others more in urban areas.

In rural areas, a higher share of expenditure was invested in transport infrastructure. The case studies in Saxony, Świętokrzyskie, South Sweden and Andalusia showed the importance of ERDF support for improving the accessibility of rural areas, one of their major problems. The funding was focused on the development of the rural road system (Saxony, South Sweden) and on improving the linkage between the major towns in rural areas (Świętokrzyskie, Andalusia) and on strengthening the accessibility of the regions from other parts of the country. This resulted in the increased attractiveness of the areas concerned for economic activities. Without ERDF support, large-scale infrastructure investments would have been postponed and therefore regional development slowed down. However, transport infrastructure that only cuts across the region without being connected to local transport arteries, impact little on the accessibility of these regions.

In some Member States (especially in Objective 2 in Spain and to a lesser extent in Objective 1 in France), the ERDF supported investments in social infrastructure in rural areas. These investments contributed to improving the quality of life. In the Spanish Objective 1 regions and in the German Objective 2 regions the ERDF was used to strengthen rural initiatives promoting the adaptation and the development of rural areas e.g. by supporting diversification of agricultural activities, the development of tourism and the crafts industry, although the support of such initiatives did not represent a significant amount of ERDF expenditure. Up to 3.9% (Objective 2, Germany) of the ERDF was spent on projects strengthening rural initiatives, although it was nothing in some countries (e.g. Poland).
5. The ERDF supported both endogenous and exogenous development strands

In the context of this study and based on economic literature, regional development measures have been classified along two strands: exogenous and endogenous. Exogenous development theories assume that regional development is the result of an external impetus (e.g. industries, policies etc.) and that only this input from outside can activate growth potentials and lead to development. Endogenous development theories explain regional development as the result of the activation of the potential found within the region (e.g. natural resources, human capital etc.). In practice, policy reflects both approaches and most intervention measures cannot be unequivocally attributed to one of the two strands.

The ERDF was used for measures corresponding to both strands of economic thinking. The ERDF supported infrastructure, businesses with growth potential and other intervention fields reflecting exogenous development theories. However, it also supported (to a lesser extent) various endogenous approaches to developing the growth potentials of rural regions (e.g. social infrastructure, regional initiatives to promote the adaptation and the development of rural areas).

6. Some intervention types had a strong urban focus, others a strong rural focus

For some intervention types a certain critical mass in terms of economic activity and functionality, which is usually found in urban areas, is required:

- Projects fostering business development need a certain entrepreneurial base to absorb the EU grants and tend to be implemented in regions with large business units. In the five Member States examined, investments into business units were lower compared to the total share of ERDF support for rural areas. The only exceptions were Objective 1 regions in Germany and Objective 2 regions in France where a stronger industrial base exists.
- Funding for R&D projects was mainly targeted at urban areas where institutions that can use this funding were located. Rural areas benefited to a lesser extent.

In contrast, the following intervention types were more prevalent in rural regions:

- Investments in transport infrastructure were mainly used to improve the rural road system or the linkage between the major towns in rural areas strengthening the accessibility of the region from other parts of the country.
- Projects strengthening rural initiatives to promote the adaptation and the development of rural areas.
- Environmental infrastructure, e.g. treatment of waste, drinking water collection, storage, treatment and distribution and sewerage and purification.

7. The delivery mechanisms are important for bringing ERDF support to the people

The case studies showed that the institutional setting in the Member States and the regions was important for the population's perception of the amount of support they received from the EU. This related to the level of decision-making on the allocation of funds and whether this was perceived as being near or far from the local population and reflecting its needs. The provision of information on the available EU funding at regional level was also important in this regard and was reflected in the number of applications for ERDF support.

In some regions and for some intervention types, a ‘demand driven approach’ without any institutional structure to support project applicants was used. In these regions, the ERDF support was mainly allocated to regions where people and institutions had knowledge about funding procedures and the capacity to draft successful applications. This was partly observed in the case study regions Saxony, Świętokrzyskie and Andalusia with regard to support for investments in enterprises and in Saxony and South Sweden with regard to R&D projects.
In other regions, special support for applicants was provided. In the trade and crafts sector in the French Objective 2 region Centre, local stakeholders developed projects addressing local problems in a co-ordinated way at the level of the Pays. In the Objective 1 region of Saxony, the funding for transport infrastructure was organised in accordance with the Landesentwicklungsplan (Spatial Development Plan) which also ensured that all regions benefited. In the Świętokrzyskie region in Poland, the Kije community connected regional projects with local development projects.

8. Complementarity, demarcation and competition between the funds

In the case study regions, all three Structural Funds were used in Objective 1 (ERDF, ESF, EAGGF) and two in Objective 2 (ERDF and ESF). Whether this led to overlaps or to synergies depended strongly on the implementation mechanisms in the Member States.

In the programming documents of Centre, South Sweden and Saxony, a clear distinction was made between the different funds either at the level of the axes/priorities or at the level of the measures. Projects under one measure were financed by one fund only. In Poland, the Integrated Regional Operational Programmes was funded by the ERDF and the ESF and there was a specific Sectoral Operational Programme for the EAGGF. Spain and Germany had a strong sectoral approach with no rural development policy outside the CAP.

This approach led to a kind of ‘division of labour’ between the ERDF and the ESF. Whereas the ERDF was used for infrastructure, e.g. transport infrastructure, environmental infrastructure, direct support to enterprises (especially SME), R&D projects and training infrastructure, the ESF was used to support person-related measures (training, qualification, support for employment or services, etc.).

However, even if there was a separation of the funds according to axis or measures at planning level, the themes covered by each fund were not always clear to project applicants.

In some regions (Andalusia, Centre, Saxony) both the ESF and the ERDF co-financed projects in the project types: ‘projects supporting education’, ‘services fostering networks’ and ‘services fostering entrepreneurship’. This shows that in practice the delimitation between the funds was not so strictly implemented. In some cases this fuzziness was counteracted by an integrated approach to organising the allocation of resources:

- In rural areas in France, the Leader Local Action Groups implemented the strategies of the Pays according to the Contrat de Plan Etat Région, which is the main planning document for development at the regional level. The measures foreseen therein were financed through different sources (ERDF, EAGGF Guarantee and Guidance, ESF as well as subsidies from the national, regional and département levels). This allowed the coordination of the use of the different available sources of funding and also avoided double financing. Furthermore, in some départements, when a company submitted an application for the ERDF, it received information from the consulting service about funding possibilities under the ESF, which could complement the action initially planned.

- In Swedish regional policy, there is no separate strand focusing on rural areas. Consequently, most Regional Growth Programmes contained measures concerning rural areas and the archipelago, which were also integrated into the Structural Fund Programmes.

- In the Polish Świętokrzyskie region, some measures implemented in the framework of the Sectoral Operational Programme Agriculture and Rural Development 2004-2006, were explicitly complementary to the ERDF measure.

These approaches showed that common instruments and common structures for all funds not only helped to avoid overlaps between the funds but also contributed to a better co-ordination.
Recommendations

The following recommendations are inspired by the findings from this evaluation exercise. In all cases we have tried to distinguish the addressee of the recommendation – being either the Commission or the Member States.

1. Do not try to find a ‘one size fits all’ typology to differentiate between rural and urban areas

The use of urban-rural typologies cannot be recommended for the evaluation of ERDF effects, as the differentiation of policy effects between rural and urban contexts cannot be done in a straightforward way. However, if a comparative assessment of policy effects between the ERDF and the EAGGF is intended, a breakdown of these effects in the same territorial context (i.e. rural areas) is needed.

The Commission should therefore reflect on the necessity of establishing commonly accepted and useful typologies of urban and rural areas designed according to the purpose of the evaluation or the research (e.g. in the case of a comparative analysis of the ERDF and the EAGGF). In the case of a single policy analysis, the purpose of the chosen typology and its limitations should be made transparent.

2. Stick to the existing approach: support weak areas, not rural or urban ones

In order to focus support effectively, the policy should continue to target ‘weak’ areas regardless of their rural or urban character. The first challenge of this approach is to define the target areas. This might be done on the basis of two core questions:

- **What is a weak area?** – The definition of ‘weak’ should go beyond the standard approach of GDP/capita to include criteria better representing EU strategies (Lisbon and Gothenburg agendas).
- **What size does an area have?** – The target areas of policy intervention should be defined in such a way that policy delivery is optimally linked to the societal needs of the area and at the same time the area is large enough to be efficiently administered.

The Commission should apply the same definitions and criteria of structural weakness across the different funds covering different aspects (economic, social, and environmental). This will call for few, but effective criteria determining ‘weak’ areas (economic performance, quality of life, accessibility), which could be applied at the same regional scale (e.g. NUTS3) all over Europe.

In a second step, the Member States should use the pre-defined criteria to delimitate areas that are eligible for support of the Cohesion policy. The size of the area should not follow a general scale all over Europe (e.g. NUTS3 level for all regions), but take into account the different territorial patterns and governance structures of the Member State. This means that the scale of the areas can differ from Member State to Member State.

3. Diversify policy delivery mechanisms according to the character of the measure

The delivery mechanisms of regional development funds play a pivotal role in the effectiveness of policy interventions. The different policy measures call for different approaches to delivery.

A differentiation of the policy measures should take into account:

- Complementarities of multiple support programmes - while infrastructure (e.g. road, rail) should certainly be mono-funded, support to specific sectors such as renewable energy in rural areas and construction enterprises based on local building traditions should
integrate the ERDF and the EAGGF in order to embrace all actors involved in the delivery. Soft measures (e.g. supporting the ‘entrepreneurial spirit’, venture capital, education and training, social infrastructure, governance, local initiatives) are even more complex and various funds should be considered for these areas of intervention. Complementarities should be sought and cooperation is needed to ensure effective and efficient delivery at regional level.

- Size of single interventions – while infrastructure projects tend to be large, soft measures tend to be smaller thus supporting a more differentiated, simpler policy delivery (administrative procedures, controlling prerequisites).
- Number of (potential) project promoters – interventions targeting a potentially high number of applicants call for simplified delivery mechanisms in terms of administrative procedures and need direct access to administrative bodies and funding authorities.

This differentiated delivery of different types of measures by the Member States should require attention to the following issues:

- Coordination between all programmes in the programming area
- Closeness to the citizen – different types of measures call for different degrees of connectedness to the citizen at regional level. When the number of beneficiaries is high and located in a rural area, decentralised delivery mechanisms are called for that ensure that transaction costs for the programme applicant are as low as possible. It would add to the effectiveness of ERDF support if mechanisms were established to bring EU funding closer to the citizens where needed. This would mean that the distribution of the funds would have to be delegated to the local level.
- Adapting administrative procedures – the smaller the single support, the more likely will be a trade off between the benefits achieved and the administrative burden of obtaining the funding. An increasing number of project applicants (especially in rural areas) do not apply for funding due to this cost-benefit ratio. It will therefore be necessary to use this classification of measures to differentiate in terms of administrative procedures.

This could lead to a division of responsibilities as outlined below:

- Large scale ‘traditional’ infrastructure (i.e. road, rail and telecoms) could be delivered centrally at national level. However, mechanisms for regional feedback and reflection should be provided.
- Support to specific types of infrastructure (e.g. (renewable) energy) calls for complementarities between different funding sources due to the various economic sectors involved (agriculture, engineering, etc.). Funding should be regionally coordinated in terms of defining strategic goals. The delivery and administration should be local and as close as possible to the beneficiaries.
- Interventions improving the institutional framework (i.e. measures supporting the entrepreneurial spirit, education and training, social infrastructure, governance, local initiatives) and infrastructure interventions (i.e. support of business units, investment support) need the central (national) coordination of funding programmes and local decision making.

The Commission should coordinate programmes by insisting on cross-sectoral strategic frameworks in the Member States. Only one strategic framework programme should be applied in each programming area, embracing all sectors and aspects of territorial development regardless of the urban or rural character.
4. Use a common analytical framework (including evaluation)

The shift towards a more differentiated delivery of regional development support together with the stronger coordination of the available funds at regional level calls for the adaptation of the analytical framework for the assessment of the need for intervention (and of the success of the policy measure).

An assessment of the ‘success’ or ‘failure’ of an intervention should take the following aspects into account:

- Success of policy for the citizens in a region: this includes ‘bottom-up’ feedback loops in the regions and evaluations in the form of learning loops which assess the extent to which policy has contributed to quality of life in the most effective and efficient way.
- Success of policy for the European taxpayer: this means an aggregated result at EU level and calls for evaluations that provide an assessment of the policy as a whole.

The Commission should promote research to develop such ‘two-tier’ assessment tools.

The Member States should ensure that the application of such an analytical framework is possible across all the programmes.
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Table 13. Types of projects and the classification of areas of intervention according to the Commission Regulation (EC) No 438/2001

<table>
<thead>
<tr>
<th>project type</th>
<th>Areas of Intervention 2-digits level</th>
<th>Areas of Intervention 3-digits level</th>
</tr>
</thead>
<tbody>
<tr>
<td>agriculture, forestry, fisheries</td>
<td>11 Agriculture</td>
<td>111 Investments in agricultural holdings&lt;br/&gt;112 Setting up of young farmers&lt;br/&gt;113 Agriculture-specific vocational training&lt;br/&gt;114 Improvement of processing and marketing of agricultural products</td>
</tr>
<tr>
<td></td>
<td>12 Forestry</td>
<td>121 Investments in forest holdings&lt;br/&gt;122 Improving the harvesting, processing and marketing of forestry products&lt;br/&gt;123 Promoting new outlets for use and marketing of forestry products&lt;br/&gt;124 Establishment of associations of forest holders&lt;br/&gt;125 Restoring forestry production potential damaged by natural disasters and introducing prevention instruments&lt;br/&gt;126 Planting of non-farm land&lt;br/&gt;127 Improving and maintaining ecological stability of protected woodlands&lt;br/&gt;128 Forestry-specific vocational training</td>
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<td></td>
<td>14 Fisheries</td>
<td>141 Adjustment of fishing effort&lt;br/&gt;142 Renewal and modernisation of the fishing fleet&lt;br/&gt;143 Processing, marketing and promoting of fisheries products&lt;br/&gt;144 Aquaculture&lt;br/&gt;145 Fishing port facilities and protection and development of aquatic resources&lt;br/&gt;146 Socioeconomic measures and aids for temporary cessation of activities and other financial compensation&lt;br/&gt;147 Operations by members of the trade, small-scale coastal fishing and inland fishing&lt;br/&gt;148 Measures financed by other Structural Funds (ERDF, ESF)</td>
</tr>
<tr>
<td>projects strengthening rural / regional initiatives</td>
<td>13 Promoting the adaptation and the development of rural areas</td>
<td>1301 Land improvement&lt;br/&gt;1302 Reparcelling&lt;br/&gt;1303 Setting up of farm relief and farm management services&lt;br/&gt;1304 Marketing of quality agricultural products&lt;br/&gt;1305 Basic services for the rural economy and population&lt;br/&gt;1306 Renovation and development of villages and protection and conservation of the rural heritage&lt;br/&gt;1307 Diversification of agricultural activities and activities close to agriculture, to provide multiple activities or alternative incomes&lt;br/&gt;1308 Agricultural water resources management&lt;br/&gt;1309 Development and improvement of infrastructure connected with the development of agriculture&lt;br/&gt;1310 Encouragement for tourist activities&lt;br/&gt;1311 Encouragement for craft activities related to farms&lt;br/&gt;1312 Protection of the environment in connection with land, forestry and landscape conservation as well as with the improvement of animal welfare&lt;br/&gt;1313 Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments&lt;br/&gt;1314 Financial engineering</td>
</tr>
<tr>
<td>Project Type</td>
<td>Areas of Intervention 2-digits level</td>
<td>Areas of Intervention 3-digits level</td>
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</table>
| Investments into business units | 15 Assisting large business organisations | 151 Investment in physical capital (plant and equipment, co-financing of state aid)  
152 Environment-friendly technologies, clean and economical energy technologies  
153 Business advisory services (including internationalisation, exporting and environmental management, purchase of technology)  
154 Services to stakeholders (health and safety, providing care for dependants)  
155 Financial engineering |
|                             | 16 Assisting SMEs and the craft sector | 161 Investment in physical capital (plant and equipment, co-financing of state aid)  
162 Environment-friendly technologies, clean and economical energy technologies  
163 Business advisory services (information, business planning, consultancy services, marketing, management, design, internationalisation, exporting, environmental management, purchase of technology)  
164 Shared business services (business estates, incubator units, stimulation, promotional services, networking, conferences, trade fairs)  
165 Financial engineering  
166 Services in voluntary/third sector (providing care for dependants, health and safety, cultural activities)  
167 SME- and craft-specific vocational training |
|                             | 17 Tourism                            | 171 Physical investment (information centres, tourist accommodation, catering, facilities)  
172 Non-physical investment (development and provision of tourist services, sporting, cultural and leisure activities, heritage)  
173 Shared services for the tourism industry (including promotional activities, networking, conferences and trade fairs)  
174 Tourism-specific vocational training |
| Support R&D                 | 18 Research, technological development and innovation (RTDI) | 181 Research projects based in universities and research institutes  
182 Innovation and technology transfers, establishment of networks and partnerships between businesses and/or research institutes  
183 RTDI Infrastructure  
184 Training for researchers |
| Education and Training      | 23 Developing education and vocational training | No specification in 3-digit units |
| Services fostering entrepreneurship | 24 Workforce flexibility, entrepreneurial activity, innovation, information and communication technologies | No specification in 3-digit units |
| Labour Market               | 21 Labour market policy  
25 Positive labour market actions for women | No specification in 3-digit units |
| Transport Infrastructure    | 31 Transport infrastructure | 311 Rail  
312 Roads  
313 Motorways  
314 Airports  
315 Ports  
316 Waterways  
317 Urban transport  
318 Multimodal transport  
319 Intelligent transport systems |
<table>
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<th>project type</th>
<th>Areas of Intervention 2-digits level</th>
<th>Areas of Intervention 3-digits level</th>
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<tbody>
<tr>
<td>tele-communication infrastructure</td>
<td>32 Telecommunication infrastructure and information society</td>
<td>321 Basic infrastructure</td>
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<td>322 Information and communication technology (including security and safe transmission measures)</td>
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<td>323 Services and applications for the citizen (health, administration, education)</td>
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<td></td>
<td>324 Services and applications for SMEs (electronic commerce and transactions, education and training, networking)</td>
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<tr>
<td>energy infrastructure</td>
<td>33 Energy infrastructure</td>
<td>331 Electricity, gas, petroleum products, solid fuel</td>
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<td></td>
<td>332 Renewable sources of energy (solar power, wind power, hydroelectricity, biomass)</td>
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<td>333 Energy efficiency, cogeneration, energy control</td>
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<tr>
<td>environmental measures</td>
<td>34 Environmental infrastructure</td>
<td>341 Air</td>
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<td>342 Noise</td>
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<td></td>
<td></td>
<td>343 Urban and industrial waste (including hospital and dangerous waste)</td>
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<td></td>
<td></td>
<td>344 Drinking water (collection, storage, treatment and distribution)</td>
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<td></td>
<td></td>
<td>345 Sewerage and purification</td>
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<tr>
<td>land improvement</td>
<td>35 Spatial planning and rehabilitation</td>
<td>351 Upgrading and rehabilitation of industrial and military sites</td>
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<td>352 Rehabilitation of urban areas</td>
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<td></td>
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<td>353 Protection, improvement and regeneration of the natural environment</td>
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<tr>
<td></td>
<td></td>
<td>354 Maintenance and restoration of the cultural heritage</td>
</tr>
<tr>
<td>social infrastructure</td>
<td>22 Social inclusion</td>
<td>No specification in 3-digit units</td>
</tr>
<tr>
<td></td>
<td>36 Social and public health infrastructure</td>
<td>No specification in 3-digit units</td>
</tr>
</tbody>
</table>

Source: Commission Regulation (EC No 438/2001)