Ex-post Evaluation

Rural Development Programme (RDP) of Mecklenburg-Western Pomerania (M-V) 2007 to 2013

Summary

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Summary

1 Introduction

The ex-post evaluation report of the Rural development programme (RDP) of Mecklenburg-Western Pomerania (M-V) 2007 to 2013 consists of a printed EU report in which all evaluation questions are answered, and an electronic appendix with more detailed module reports and supplementary material on individual measures and evaluation questions.

2 Context of evaluation

Mecklenburg-Western Pomerania (M-V) commissioned the evaluation of its rural development programme for 2007 to 2013 in conjunction with six other federal states (Hesse, Schleswig-Holstein, Hamburg, Lower Saxony, Bremen and North Rhine-Westphalia) in one package. The terms of reference comprised ongoing evaluation, drafting of annual evaluation reports, a mid-term evaluation in 2010, and an ex-post evaluation. The evaluation was conducted with the Thünen Institute of Rural Studies as lead partner, in cooperation with the Thünen Institute of Farm Economics, the Thünen Institute of International Forestry and Forest Economics, and the environmental planning agency entera. A steering committee comprising the Mecklenburg-Western Pomerania EAFRD Fund Administration, the administration authorities of the other federal states and the evaluators was set up to manage the evaluation activities.

Results from the ongoing evaluation have been prepared continuously and presented in committees such as the steering committee and the monitoring committee, in briefing meetings, at specialist conferences and/or published as a written module report. These module reports are also incorporated into the ex-post evaluation.

3 Programme structure and implementation

Of the EU co-financed programmes in Mecklenburg-Western Pomerania, the ERDF had the biggest share in the total public funding (45%, without private funds used for co-financing). The EAFRD accounted for around 35% of public funds, followed by the ESF with just under a fifth. Analysis of the policy areas of the Common Agricultural Policy (CAP), however, shows that, despite adjustments, the financial dominance of the first pillar with its direct payments persists. Of the average annual disbursements for land-related policies, the CAP (first and second pillar) accounted for a total
According to the planning, a total of around €1.3 billion of public funding was available for the funding period 2007 to 2013, plus around €15 million of national public funding for top-ups (Article 89 measures). Most of the public funds were earmarked for Axis 3 “Quality of life in rural areas and diversification of the rural economy” (40%), followed by Axes 2, “Improving the environment and the landscape” and 1, “Improving competitiveness”, with 29% and 24% respectively. LEADER accounted for 6% of the public funding.

Of the 41 (sub-)measures included in the programme under Axes 1 to 3, 17 were implemented on the basis of the National Framework (NF) and with funds from the Joint Task for the Improvement of Agricultural Structures and Coastal Protection (GAK). These included, in particular, the financially strong measures under Axes 1 and 2 targeted at the agricultural sector. However, there was also a large number of (sub-)measures offered on the basis of other state aid rules, such as the Joint Task for the Improvement of the Regional Economic Structure (GRW). As in other federal states, LEADER was implemented entirely outside the NF.

As a result of the Health Check and other financial adjustments, M-V RDP was increased by €119 million public funding since 2010. The additional funds were initially assigned to Axes 1 to 3, but were subsequently focused on Axes 2 and 3. The funds were mainly spent on existing measures. There were just two new sub-measures under 214 to protect biodiversity.

The planned public funds were almost entirely spent according to the final financial settlement. Axis 3 remained below the projections (as of 2009). Axis 1 was slightly below the 2009 projection, the two other axes were above it. The Health Check funds had to be accounted for separately. As far as the EU support was concerned, 100% of the funds were used.

An analysis of the paying agency data (only up to 2011 because of the district area reform) shows that in absolute terms the most funding from the M-V RDP went to the former district of Ludwigslust. Support for Processing and Marketing (P&M, 123a) had a geographical focus there. If the absolute payments for agriculture-related measures are set against the total area used for agriculture and the money spent on rural development measures are set against the population, regional differences in the intensity of support appear. The average annual figure per ha of agricultural land was €33 – a low amount in comparison to other federal states – with a range from €51 in Uecker-Randow to €14 per ha of agricultural land in the former district of North West Mecklenburg. The average annual funding intensity per
capita from the rural development measures was around €33 in the former districts of Mecklenburg-Western Pomerania. The scattering of the funding intensity was significantly smaller than in other federal states. This is the result of LEADER covering the whole rural areas of M-V and the geographically widespread approach to support in Axis 3. Overall, per capita payments for the rural development measures were significantly above those of other German states.

Almost half of the public funding went to municipalities and other public bodies. In Axis 3 and LEADER in particular, this target group accounted for a large share, but this was also true of Axis 1 because of measures 125 and 126. Agricultural holdings were in second place with a share of 39% of public funds. They constituted the main target group of Axis 2. In Axis 1, the Farm investment support (FIS, 121) was the central measure for farms.

The M-V RDP was an inter-departmental programme. In addition to the Ministry of Agriculture as the central ministry, four other ministries were involved. Moreover, the tasks of the EAFRD Managing authority were distributed over two units: the EAFRD Fund Administration in the Ministry of Agriculture and the Joint Managing Authority in the State Chancellery. The State Agencies for Agriculture and the Environment (StäLU), the District administrations and the State Development Agency (LFI) had important functions in project approval and administration of funding.

4 Methodology

The ex-post evaluation was based on the structure and findings of the mid-term evaluation. The modified report and question structure in the guidelines for the ex-post evaluation were taken into account. Measure-based questions of the original CMEF useful in evaluating the measures and relevant in the original study design have been retained.

Evaluation was realised at three different levels: measure, axis and programme. At the measure level, either individual measures or groups of measures were examined in terms of their results and impacts (Questions 15 to 24). Outstanding obligations were not included in the evaluation. At the axis level, the measure-based findings were brought together with reference to common output and result indicators. At programme level the impact related Questions 1 to 11 were dealt with in specific in-depth analyses. Question 13 relates to the use of Technical Assistance, question 14 summarises the findings of the measure evaluations from the perspective of funding efficiency.
The evaluation was based on existing secondary data. For the agricultural and environmental measures in particular, high-quality data was available, which also allowed for with/without comparisons. The most important were the German Farms Accountancy Data Network, impact controls and Integrated Administration and Control System (IACS) data. The secondary data was inadequate for measures under Axis 3 and LEADER, but also for forestry measures and issues relating to running the programme. Additional data had to be obtained by various survey methods. Thus, for example, recipients of funding and experts were surveyed or case studies were conducted.

The impact analysis comprised a variety of qualitative and quantitative methods that were applied in accordance with the measure or the evaluation question to be answered. Among other methods, descriptive/associative analyses, econometric approaches at the micro and/or macro level, analysis of documents/literature, and GIS analyses were used. The methods were combined in such a way that complex interdependencies could be mapped as well as possible (mixed method approach).

5 Axis 1 “Improvement in the competitiveness of agriculture and forestry”

Mecklenburg-Western Pomerania offered nine sub-measures in six EAFRD codes. The measures were aimed at agriculture, forestry and the food industry. In addition to investments in individual businesses, qualification measures and infrastructures were also supported. Flood defence (126) was included in the programme in the 6th amendment application.

Including top-ups, about €320 million was spent on Axis 1 (25% of the total public funds spent). The financially strongest measure by some distance was farm investment support (FIS, 121).

A wide range of secondary and primary data was used for the evaluation.

The analysis of impact is based on a mixed method approach.
In relation to the output targets set in the M-V RDP 2007 to 2013 in its version following approval of the 1st amendment application (2009), the target achievement level is between 20% and 384%. The output figures achieved reflect changes in implementation in comparison to the planning. For example, in the area of vocational training, more participants were involved despite limited finance. Under the FIS, fewer farms were supported but with higher average investment volumes. In Adding Value (AV), the number of businesses supported was significantly below the projections. As far as the funded infrastructure measures (125/126) are concerned, target achievement was as projected or above.

Under Axis 1, three result indicators were to be taken into consideration. The result indicators could be applied in a meaningful way only to some of the measures (111, 121, and 123). The number of participants who successfully completed a training course in the field of agriculture and/or forestry was 11,040 and was therefore above the projected figures. The targets for gross value added (GVA) in the M-V RDP 2008 were set too high for both the FIS (121) and AV support (123) and could not be achieved. In the area of AV, this can be explained by the significantly smaller number of projects compared to the projections. For the AFP, the discrepancy in GVA can also be explained by a heavier emphasis on public assets, with the result that improving competitiveness became less of a priority. The result indicator ‘Number of farms/businesses that are introducing new products and/or new processes’ is difficult to interpret, as there was no explanation of how to apply the term ‘new’.

The Common Evaluation Question for Axis 1 is: “How and to what extent has the measure contributed to promoting the competitiveness of the beneficiary?” Improving competitiveness is not a priority for all Axis 1 measures. In particular, the infrastructure measures under 125 and 126 covered, as public investments, a wide target spectrum in rural areas. In the individual farm measures, an increasing emphasis on public assets was also identifiable.

In the context of the vocational training and information measure (111), the project lists show that over 2,600 training days were held with approximately 450 courses and about 11,200 participants (around 6,900 from agriculture, about 4,200 from forestry and approximately 80 from the food industry). The range for employees from the state forests largely comprised IT and software training. The number of participants from agriculture corresponds to about 35% of the workforce on farms in 2010 (not including seasonal workers). Around 40% of courses covered topics in vocational training (111) funded many courses in the area of “business, administration and management”.

Output targets in Axis 1 were achieved to varying degrees.

The common result indicators could be used to assess the programme’s successes only for selected Axis 1 measures.

Competitiveness was not the focus of all Axis 1 measures.
business, administration and management.

In particular, the range of courses supported improvement in the competitiveness of farms and the knowledge and skills of the participants, and contributed to improving the environment. In the view of those surveyed, the impact on business development was less pronounced overall than it was on personal professional development.

The training measures should continue to receive funding. The most important areas remain new diversification strategies to secure income, the creation of market-orientated quality products, professional training for employees and social skills for those with management roles (line management). Courses on operational handovers and stress management are also becoming increasingly important.

In the context of FIS support, a total of 1,081 projects from 763 farms received around €123 million of public funds. As a proportion of full-time farms this amounts to 24%, or 16% of all agricultural holdings. As the focus of the support was on the construction of dairy cattle stalls (44% of the approved funding), funding as a proportion of all dairy farms in Mecklenburg-Western Pomerania was 43% of farms or 59% of all dairy cattle. Overall, the coverage of the FIS support in relation to all agricultural businesses was very extensive.

The funding conditions were changed several times over the period of the M-V RDP 2007 to 2013. From 2012, support was targeted more at animal welfare and environmental protection objectives. This led to a significant decline in the take-up rate. The animal welfare impacts of the FIS cannot uniformly be assessed as “positive” or “negative”, as the investment support was used to build welfare-friendly housing (e.g. freestalls with access to pasture for dairy cattle) as well as housing in which animals have difficulties in expressing their natural behaviour (e.g. cattle and pig fattening stalls with fully slatted floors). Deadweight effects limit the positive and negative impacts of the FIS on animal welfare.

The impact of the support on competitiveness was not distinct either. The supported investments on average led to significant growth on the supported farms, due to rationalisation and an increase in productivity. These gross effects of the funding were partly reduced by deadweight. On the sectoral level, effects of the FIS on competitiveness could not be substantiated. However, the analyses provided clear evidence that the supported investments contributed to achieving the objectives of increasing the value added and safeguarding or extending employment in rural areas.
The FIS should continue to be directed towards the provision of public goods (animal welfare and environmental protection, in particular). General support for an improvement in competitiveness (basic support without specific animal husbandry requirements) should be cancelled.

In the context of the funding for processing & marketing of agricultural products (PM), 83 projects were supported with a total investment volume of €117.7 million and €29.3 million of public funds. The uptake was lower than expected, because the measure was only available to small and medium-size enterprises (SMEs), the minimum investment volume and the financial crisis of 2009.

The investments supported with funding have on average led to significant growth in individual enterprises and a rationalisation or increase in turnover, GVA, quality and employment. This suggests improved competitiveness for the businesses supported. On the other hand, it was not possible to demonstrate whether a structural improvement and an increase in the competitiveness of the sector was brought about as a result of the funding, as it was not possible to investigate displacement effects and cross-enterprise synergies. Deadweight effects suggest little net impact.

The unspecific funding of PM is not effective. The funding should therefore be focused more on innovations and public goods. However, there always is a risk of distorting competition and causing significant deadweight effects when trying to influence investment decisions with grants.

The implementation of sub-measure 123b remained significantly below the output targets set. Twelve businesses were supported. The focus of the support was on investments to provide wood for use as a source of energy. The objective of supporting cooperation to set up value chains in particular was not achieved. The gross value added in the supported businesses developed very positively through the funded projects.

If the sub-measure is to be offered in future, it should be directed more forcefully at overcoming the weaknesses formulated in the programme and developing new sales channels (apart from use as fuel).

Measure 124 was designed to develop and introduce new products or techniques and thus to contribute to opening up new sales channels. The take-up rate was significantly below the original output targets. Only one project was supported in the area of agriculture and food industry. The measure should not be continued, especially since similar approaches will be pursued in future with the European Innovation Partnership.
Three cooperation agreements were supported in the area of forestry. The M-V forest owners’ association was also involved in these co-operations. In terms of content, the projects focused on the issue of forest moorland management and the creation of a data set that can be used in day-to-day operations in Mecklenburg-Western Pomerania. In this way, issues of significance throughout the state and irrespective of ownership were dealt with. The measure should continue to be available with this intention.

The most important impacts of land consolidation lay in greater legal security for the farms. Overall, 1,892 eligible projects were supported with funding of around €105.3 million in the framework of land consolidation (125a). Around €31.5 million of EU and co-financed funding was paid out for service contracting by third parties (125b). In addition, there was just under €4.6 million of top-ups. In total, the flow of funding roughly met expectations.

In relation to the total funding for 125a, road construction and bridge maintenance together accounted for just under 91%. Landscape conservation measures and water management measures took up a total of just under 5% of the funding. Road construction, in particular, serves to improve the competitiveness of agriculture and strengthen regional value creation. Over an upgraded distance of 566 km, there is a cost benefit to the agricultural sector alone of at least approximately €1.4 million a year.

The positive environmental impacts of land consolidation lie in particular in the provision of areas for nature and water conservation projects. This amounts to 2.2% of the operation area.

Land consolidation is an appropriate and, in many cases, the only possible means of solving conflicts of use. Where appropriate, non-investment implementation costs should be supported through purely national funds, since processing of the numerous funding projects (including attendance fees) through the EAFRD is connected with disproportionately high administrative costs.

A total of around €38.5 million of funding went into developing the rural infrastructure. A total of 362 km of roads, paths and bridges were supported. Road construction serves to improve the competitiveness of agriculture and to strengthen regional value creation. Over an upgraded distance of 352 km, there is a cost benefit for the agricultural sector alone of approximately €0.9 million a year.
Most of the upgraded roads are used multifunctionally. Through the support, the appeal of rural areas for tourism thus increased and the quality of life of the rural population was enhanced.

As many municipalities that are struggling financially are barely able to find their own funding contribution, alternative finance concepts should be explored (set up of maintenance associations, collection of recurring road development contributions).

Measure 126 was included in the M-V RDP only with the sixth programme modification in 2012. In total, around €5.9 million of public funding was used in 25 prevention projects and one reconstruction project. The level of protection was increased on around 23 km of watercourses and around 90 ha of water retention. As a result, adapted agricultural or forestry use can be made of around 760 ha in future. A total of almost 40,000 residents benefited.

Flood defence and flood prevention are still relevant issues, requiring large financial efforts at the potential danger points and in flood areas. In future, appropriate funding will continue to be required from the public purse.

6 Axis 2: “Improvement of the environment and the landscape”

In the M-V RDP, nine EAFRD codes were included in Axis 2, of which the agri-environmental measures (214) comprised a multitude of sub-measures. With the 6th amendment application, the (sub-)measures 216a and 221/223 were removed from the programme.

Including top-ups, about €369 million was spent (29% of the total programme funds). The dominant measures by some distance were the agri-environmental measures (214), followed by animal welfare measures (215) and less favoured area compensation payments (212). The other measures were of subordinate importance financially.
Compared with the 2009 planning, more funds were spent on Axis 2 than projected. Less money than planned was spent on animal welfare measures (215) and the two forestry measures 225 and 227. In the other measures, the 2009 projections were exceeded.

The output indicators quantified in the M-V RDP (as of 2009) were achieved to varying extents. Measures like the less favoured area payments can be planned easily in terms of area and number of farms. Target achievement was therefore 100%. In other measures, the material target achievement corresponded to the size of the budget.

Target quantification was carried out based on the extent of funding aimed for and the main resource target of the various Axis 2 measures. In the original 2009 planning, the area supported with forestry measures was larger than that of the agricultural measures. However, more agricultural land measures with resource protection targets were implemented.

The Common Evaluation Question for Axis 2 (How and to what extent did the measure contribute to improving the environmental situation?) has been applied differently to the protected areas of biodiversity, water and soil (and to climate in the forestry measures). For the less favourable area compensation payments, reference has been made to the questions from the previous period 2000 to 2006.

Up to 2014, around €55.6 million was spent on the less favoured area compensation payments (CPs), while the budget provided was topped up several times. As an annual average, around 1,100 farms and 120,000 ha of grassland were supported. The payment per ha of supported land was scaled according to the agricultural comparability index. The payments per farm were capped.

There were income handicaps of between €50 and €100 per ha of agricultural land for farms in less favoured areas compared to farms outside less

More funds than planned were spent on Axis 2.

Some output targets exceeded considerably

Biodiversity and water quality were at the centre of the measures implemented.

The common evaluation question is applied differently according to the environmental resources.

The budget for the less favoured area compensation payments (212) was increased.

(Additional) effects of compensation payments
favoured areas in the funding period. The compensation payment offset these income differences by only around 20%, however. The formulated objective of preserving permanent grassland could not be achieved through the compensation payments but was achieved in part by changes in regulatory legislation. Nor was it possible to achieve environmental impacts that go beyond maintenance of the status quo, as only limited farming requirements were associated with the measure (0.3 livestock units per ha of forage area).

With the new Rural Development Programme 2014 to 2020, the support was cancelled in favour of significantly more targeted agri-environmental measures. Loss of the compensation payment should be economically feasible for average farms.

In 2012, the area receiving support under agri-environmental measures was around 168,500 ha, corresponding to 12.5% of agricultural land. It was possible to reach 3.6% and 7.3% of agricultural land respectively with the two financially strongest programme packages, environmentally friendly grassland farming (214a) and organic farming procedures (214c), which together accounted for just under 90% of public funding in the reference year 2012.

Positive area-related impacts on biodiversity were supported on around 138,989 ha or 10.4% of the agricultural land in M-V (38% of permanent pasture and 3.4% of arable land). A very positive impact on species and habitats was achieved on just under a third of the supported areas (42,689 ha). The versatile measures under environmentally-friendly grassland farming (214a) made the largest contribution in terms of area. In the area of arable land, only minor stimuli for improving the state of biodiversity were anticipated across the state. That was true, for example, of birds on arable land and fields with HNV quality. As far as grassland is concerned, it can be assumed that special habitats such as nutrient poor grassland, salt grassland and wet grassland were covered to a very large extent by AEMs.
and as a result, their ecological condition was frequently preserved or improved. A significant contribution was also made here to preserving HNV stocks dependent on grassland. Overall, it can be assumed that the AEMS were very important in achieving the biodiversity targets on a good 10% of the agricultural land covered, even if the basic negative trend could not be reversed.

As an annual average, an area of 167,400 ha received funding via measures with water protection objectives. This corresponds to just under 13% of the agricultural land of Mecklenburg-Western Pomerania (8% of the arable land, 40% of the grassland, 73% of the permanent crop land and 88% of the vegetable-growing land). The take-up rate remained slightly below expectations. On average, the contribution of the AEMs to reducing the nitrogen balance in M-V was around 7,650 t of nitrogen per year. In relation to all of the agricultural land, this was a reduction of 5.8 kg N/ha or, measured against the average balance calculated by the biota office (2013) for 2007 to 2010, a good 8%. 73% of the reduction was achieved by organic farming procedures (214c) and 22% by the extensive use of grassland (214a).

In 2012, just under 4.7% (around 1,100 ha) of arable land at medium to high risk of water erosion and 6.7% (29,700 ha) of arable land at medium to high risk of wind erosion were covered by the sub-measures to prevent erosion, namely integrated production of fruit and vegetables (214b) and production processes to reduce erosion in arable farming (214d). The prevented soil erosion from water amounted to 5,760 t per year net. In addition, support for organic farming increased the fertility of the soil or its humus content. The increase in the humus content on arable land resulting from support for organic farming totalled around 22 kt of humus C.

Most sub-measures should be continued, with some modifications. The agri-environmental measures with a soil protection objective should fundamentally be retained and developed, particularly in view of the predominant problem of wind erosion. However, it will not be possible to solve the problem of erosion protection in future with voluntary measures such as the AEMs alone. A critical aspect of the success of agri-environmental measures with impacts on biodiversity is the small proportion of agricultural land affected (about 10%). Both the extent of their coverage and their effectiveness should therefore be increased. Most of the measures should be continued but optimised in detail, e.g. better adaptation of the obligations to the actual situation and the target species on the ground. Sheep and goat pasture (214f) should be integrated as a very small sample contract into 214a, in accordance with 10.1.c Environmentally friendly

A total of 400 farms with approx. 112,000 livestock units took part in “Animal welfare payments” (215). The measure covered 13% of the cattle farms in M-V and 14% of pig farms (Federal Office of Statistics, 2013). Poultry was not eligible for support. Subsidies amounting to around €39.4 million were disbursed to the participating farms.

Various sub-measures promoted housings with straw bedding and access to pasture, access to pasture being of little relevance in M-V. The support creates relatively good conditions for the aspect “behaviour” of animal welfare while on the other hand problems in the health status of the dairy cows were detected during a survey and assessment of animal welfare on a sample of dairy farms (e.g. lameness, udder infections).

Additional instruments, such as result oriented approaches should be considered to improve the animal welfare aspects “health” and “emotions”. Funding should be discontinued for projects in which the farms have hardly any adjustment costs (access to pasture for farms which always had pasture) or that do not provide particular animal welfare advantages (e.g. raised bedding with minimal straw input in dairy housing).

Sub-measure 216 focused on the field kettles that are characteristic of M-V. The take-up rate for funding exceeded expectations by a considerable distance. A total of 100 farms with 179 projects were supported. About half of the project area was in Natura 2000 sites. The area affected directly by the projects was around 240 ha (including fringe structures and buffer strips).

In view of the particular importance of field kettles for biodiversity (especially for the endangered species of amphibians as per Annex II of the FFH Directive) and for the appearance of the landscape in Mecklenburg-Western Pomerania, continuation of the support in this area is recommended.

Support was given to increase the ecological stability of forests, especially in Natura 2000 areas. Overall, it was possible to conclude contracts for 2,115 ha. Limitations on use were the subject of the contracts in most cases. The measure therefore contributed to increasing and safeguarding the supply of old and dead wood. Old and dead wood is of central importance in maintaining biodiversity in forests.
The take-up rate for the measure remained below the established output targets. The support was not very attractive to forest owners (private and public), particularly in view of the effort involved in making the application and the associated requirements. For nature conservation support in particular, a practical funding and monitoring process is extremely important when it comes to gaining acceptance from forest owners.

Around half of the forest area of Mecklenburg-Western Pomerania is at high risk of forest fire. In addition, the extensive pine monocultures are at high risk of disaster. Among other things, approx. 3,200 km of firebreaks and completion of camera-based wildfire monitoring were supported. Now a total area of approx. 277,000 ha is under surveillance. Because of the ash dieback restructuring/restoration played a more important role than planned at the start of the programme because of ash dieback. 1,156 ha were restructured/restored. Also in the sub-measure “deciduous wood substructure for disaster prevention”, significantly more support was provided than planned. It was possible to restructure 608 ha.

Along with long-term transformation, forest restructuring/reforestation is a central measure in future site-appropriate and stable development of forests, where environmental factors had severely detrimental effects. The measure therefore has directly positive impacts on the conservation areas of biodiversity, water/soil and climate.

The risk of forest fire will continue to be relevant in the future. Therefore forest restructuring/reforestation should continue to form part of the support. In the context of the uncertainties associated with climate change, the support for mixed stocks that was implemented must be viewed positively.

Four different sub-measures were offered under non-productive forest investments (227): long-term transformation, maintenance of young stock, nature conservation and landscape protection measures, and investments to improve the public value of forests. A total of €12.3 million of public funding was deployed to implement the measure.

Alongside forest restructuring/restoration, the long-term transformation that took place on around 2000 ha is the central measure in site-appropriate and stable development of forests in future. It has directly positive impacts on the conservation areas of biodiversity, water/soil and climate. Maintenance of young stock (just under 5,000 ha of land) contributed to cultivation of strong and qualitatively valuable stocks and there-
fore has an indirect impact on preserving the function of forests and thus also on the conservation areas of biodiversity, water/soil and climate. Nature conservation measures and measures to maintain the landscape were implemented on around 3,100 ha, making a direct contribution to preserving and improving the biodiversity of the forest. Opportunities for tourists to use the forest were also supported. The support here was concentrated largely on the main tourist areas.

Long-term transformation, nature conservation and landscape protection measures should continue to form part of the support. Further support for the maintenance of young stock, on the other hand, should be reconsidered, as maintaining young stock properly is in the commercial interest of the forest and should be part of normal forest management. In the case of future support for the recreational infrastructure, it must be ensured that the capacity limits of the main recreational sites are not exceeded.

7 Axis 3: “Quality of life in rural areas and diversification of the rural economy”

With the exception of 331 and 341, M-V offered measures and sub-measures under all of the EAFRD codes. 321 and 323, in particular, were provided with a heterogeneous set of sub-measures in the programme. A distinctive feature was the integration of the GRW as the basis for finance in measures 312 and 313.

Including top-ups, about €478 million was spent on Axis 3 (38% of the total public funds spent). At the level of sub-measures, most of the funding flowed into support for tourism (313), followed by castles and parks (323f) and basic services (321c). Mecklenburg-Western Pomerania implemented a wide range of measures that went far beyond the limitations in content of the NF. The small amount of funding allocated to village renewal (322), which played a large part in other federal states, is only the result of the technical funding decision to finance GAK village renewal (mainly) through purely national funds outside the M-V RDP.
In relation to the 2009 financial planning, the flow of funding was 92% (without top-ups). More funding was spent on measures 313, 321 and 322, while expenditure was below the projections in all other measures. This was clearest in measure 312, business creation and development.

The financial budget for Axis 3 was largely exhausted.

The common output indicators specified for Axis 3 are not very meaningful. Essentially the indicators are restricted to the number of beneficiaries or projects and the overall investment volume. Whether targets set on the basis of the common output indicators were not reached or were surpassed is not particularly meaningful for assessing the effectiveness of the measures. Target achievement varies a lot between the measures; in particular, this is the result of deviations in the assumed average project sizes.

Common output indicators have limited significance

Insofar as outcome indicators were quantified in the programme planning document, the results achieved up to 2015 were below the projected figures. This is true primarily for the GVA and employment indicators related to investments in individual businesses.

Effects on jobs shown in EU monitoring.

There are two Common Evaluation Questions (17 and 18) for specific Axis 3 measures that relate to economic factors and quality of life. They are relevant for most of the (sub-)measures. Where the measures had impacts beyond these, they were described under question 20. This relates to many of the sub-measures under 323, which were directed either at biodiversity/Natura 2000 or water protection/WFD.

The common evaluation questions for Axis 3 were extended to include environmental factors.

In the period 2007 to 2013, a total of 74 farms were supported. In other words, it was only possible to reach 1.7% of all farms and 7.4% of farms with an existing income combination in M-V. The impacts of the support on the agriculture sector in M-V may therefore have been only marginal.

The range of diversification support (311) may be regarded as limited.
Support for biogas systems ran out after 2011.

Measured against revenue in the area of diversification, the supported businesses showed extremely dynamic development on average. Although some positive employment effects came about through the diversification activities, it is suspected that in part there was a redeployment of employees from a production branch of the farm (e.g. primary agricultural production) to diversification. These developments would have happened probably without the support for investment, at least in part.

General support for profitable investments in enterprises with no financial difficulties should stop as a matter of principle. The situation may be different regarding the provision of public goods (e.g. animal welfare or environmental/climate protection, local supply, age-appropriate living) and for those starting income combination for the first time.

In the context of business creation and development (312), a total of 137 enterprises were supported in the funding period 2007 to 2013. Around €7.2 million of public funds was spent respectively on creating 57 business premises and on extending 79 existing premises. One project concerned the takeover of a business premise. The implementation of the measure was therefore below expectations. Nor did the extension of the sectors eligible for support bring about the anticipated increase in take-up. Essentially, the support went to the sectors of manufacturing industries, tourism and skilled crafts.

Support for business creation and development (312) was aimed explicitly at creating jobs, and over half of the new jobs created directly in the entire M-V RDP came about through it. Extrapolated survey data indicated that in the funding period 2007 to 2013 a total of 512.5 FTE (full-time equivalent) new jobs were created, of which 246.8 FTEs were in newly created businesses and 265.7 FTEs in expansions.

As the creation of jobs continues to be a high priority in M-V, support for business creation and development should be continued and complemented by other job-creation measures (e.g. start-up funding, personnel cost subsidies). By using a negative list, with which individual sectors can specifically be excluded from the support, the range of sectors could be opened up and demand stimulated. This also requires further development of the range of information and advice and extension of the personal advice and support provided by the approval agency.
Around €84.1 million of public funding was spent supporting 414 tourist projects. Around 70% of the public funding was used in the context of the GRW (313d-g) and 30% on the M-V Integrated Rural Development Programme (313a-c). Around 90% of the public funding of measure 313 went to public bodies. The distribution of the public funding in the state largely followed the importance of districts for tourism.

Important segments of the M-V State Tourism Plan were served by projects directed primarily at active holidays, improvement of services and day trip tourism. By contrast, equally attractive areas such as wellness/health were largely untouched.

Support for tourism should continue to be seen as part of an overall package of various instruments and funding programmes and it should follow the action framework for tourism policy of the M-V state government. In this context, coordinated implementation of investment projects and strategies is very important. LEADER regions can play a coordinating part here.

In its current format, measure 313 has no direct impact on employment policy. The high quantification of the employment target should be dispensed with in future, as was already the case at the end of the funding period.

The public funds spent (EU and state) on the 200 public waste water projects amounted to around €58 million, and the total investment volume supported in this way to approximately €137 million. Over 86% of the recipients of funding were joint water supply and sewage removal companies, which received over 91% of the funding volume. The remaining share of the funding was given to municipalities or municipal companies. Although it was possible to connect 10,000 new residents to the central public sewage system, this number was far below expectations.

In most cases, sewer networks were built, extended or renovated, or bridges or connections (e.g. pressure pipelines) to existing sewage plants were created. Other projects served to eliminate phosphates from sewage plants or to convert or build smaller sewage plants. The support for the sewage plants led to fewer pollutants entering the water cycle, lifting the pressure on small and inefficient water bodies.

Although funding for waste water facilities (321a) has not been provided since 2015, there will presumably be a demand in a series of municipalities to modernise outdated sewage disposal systems. Support from the state
of M-V with national funding seems to make sense in this area.

In the context of support for small sewage treatment plants (321b), around 23,300 projects were assisted with public funds (EU and state) amounting to around €27.5 million. The total volume of investment was approx. €161.5 million. The output (number of projects, total volume of investment, purification capacity created) remained below the targets (67%, 81% and 90%). Over 90% of beneficiaries were individuals or private partnerships. The remaining 10% went to enterprises, farms or public bodies.

In future, sewage disposal using small sewage plants and cesspits will still be necessary for around 11% of the population. In view of the large number of small sewage plants in M-V, it is recommended that the state and the districts concerned offer support to improve the running of sewage plants in instances of very negative service records and measurement results. Provision of targeted information and advice, on proper maintenance for example, is conceivable for the owners operating the plants and for maintenance companies.

The support for basic services (321c) includes four different funding objects which were in part new: child day-care centres, local heating networks, sports facilities and the extension of broadband, with most money going to support for sports facilities. In the programme period, a total of 489 projects with eligible expenditure of around €101 million were implemented with around €64.2 million of public funding. In relation to the projections from 2009, significantly fewer projects were implemented (approx. 82%), but the planned total eligible investments were achieved exactly. While significantly more projects and funds were used for child day-care centres/schools than planned, there were fewer in local heating networks and sports facilities in particular. Broadband exceeded the targeted funding only slightly.

The distribution of funding largely followed the demand for action in public services in M-V, which was particularly strong in the district of Ludwigslust-Parchim but somewhat weaker in the district of North West Mecklenburg.

The impacts on quality of life are positive as a result of the supported projects. In both child day-care centres/schools and sports complexes, facilities were extended, improved and, in some cases, newly created. In addition, the child day-care centres/schools contribute to dealing with demographic change; the sports complexes are used by young people in particular and promote involvement of citizens through associations.
Mecklenburg-Western Pomerania has a large demand in the area of broadband development with the worst broadband availability nationwide. The EAFRD support contributed to the development of basic provision. Increased efforts are required in future (including by the federal government) so that better service beyond comprehensive basic provision is achieved in Mecklenburg-Western Pomerania, too.

Village renewal (VR) from purely national funding accounted for the majority of the support in this area, in terms both of project numbers (around 65%) and public funding (around 76%). In the context of overall VR, a total of 3,816 projects were supported with around €187.4 million of public funding (of which about €32.1 million was EU funding). It was predominantly small rural communities in M-V that received support. Thus, around 70% of public funding went into VR projects in communities with less than 2,000 inhabitants.

The key area of impact of the VR funding was at the local level, in measures to shape the appearance of a locality through public and private projects, to improve the traffic infrastructure, and to support community facilities. The objective of developing/consolidating social structures and mobilising the initiative of the rural population through VR was met only in part. Although there was involvement in the “construction” phase of projects for public community facilities, these projects made up just a fraction of the total. The opportunity to integrate participatory approaches into the creation of VR concepts was taken on only a few occasions.

In future, the creation of VR concepts with participatory approaches could be promoted as a funding option in M-V. Fundamentally, the municipalities are the central stakeholders – there must be a readiness for participation, and VR concepts should not be seen just as a means to the end of obtaining funding. Work to convince people should be carried out in this context with events and examples of good practice.

Village renewal support is provided at the local level (village/community level, individual measures). Even though the impact focus of the projects is at local level, the planning of and investment in village-based community facilities (e.g. village community centres, basic services) in particular should be coordinated in an effective way at the supra-local level. This can contribute to the sustainability of the support. Opportunities for better integration with the “Mecklenburg-Western Pomerania College of Land Development” should be explored.
The funding object of sub-measure 323a was primarily to create management plans for FFH areas. By the end of 2015, it had been possible to support a total of 337 projects with public funding of around €9.5 million. As a result, around 54% of the terrestrial FFH areas in M-V were covered. The management planning was completed for 43 FFH areas, for forest habitat types 207 technical contributions were created. The large and important FFH areas, in particular, have now been completely covered or are currently being dealt with. As a result of FFH management planning based very much on consensus in M-V, significant effects were also achieved in relation to acceptance of nature conservation.

Around €38 million of public funding was spent on a total of 145 projects for watercourse development. Approximately €21.9 million of Health Check funds was included in the payments. Just under 33% of the funding spent was used to restore passage (e.g. bed pitches, fish ladders). 61% of the funding went on near-natural watercourse development (measures to improve structure). Dismantling of pumping stations and other plants had little financial significance.

The projects implemented under sub-measure 323b led to enhanced watercourse structures and improved ecological conditions over a stretch of 488 km. This made an important contribution to achieving good ecological conditions or good ecological potential for the watercourses concerned as defined by the EC Water Framework Directive (EC WFD).

There is still a high demand for support in this area. Crucial to the further implementation of the measure is the willingness of the municipalities and, in particular, of the water maintenance associations to continue to implement appropriate projects despite a shortage in their own funds. An important signal was sent to the stakeholders on the ground by a rise in the funding rate and payment of the VAT by the state in 2009.

In the context of sub-measure 323c, around €11 million of public funding was spent on cleaning up 25 lakes in projects covering a total area of around 1,500 ha. After slight difficulties in starting up, the funding rate was set to 100% from 2010. Receipt of applications then improved significantly.

Projects to reduce input of nutrients and sludge removal were tackled most frequently. Interventions into the stock of fish (bio-manipulation) and the reduction of phosphate were also important. The largest project by some distance was the clean-up and restoration of the Penkun chain of lakes.
Through the implementation of the funded projects, it is possible to achieve significant positive impacts in the medium to long term on water quality and the targets of the EC WDF. In addition, the sub-measure made a contribution to improving the quality of life in rural areas, as the local recreational opportunities were enhanced by improving the water quality for bathing in heavily polluted lakes. This was the case in 63% of the lake areas that received support.

In view of the ambitious targets of the WDF, there is a continued demand for funding in this area.

The sub-measure sustainable development of habitats (323d) was used essentially to implement Natura 2000 and the moorland conservation programme. Total spending ran to around €21.5 million, of which €2.5 million was Health Check funding. In total, 74 projects were funded, bringing positive impacts in terms of the measure’s objectives to an area of approximately 5,200 ha and a stretch of water of around 42 km. About €11.2 million (approximately 52%) was spent on projects under the moorland conservation programme.

Directly (habitat management) or indirectly (purchase of land, safeguarding land), positive impacts on biodiversity are apparent in different forms in all project areas. The moorland conservation projects contribute to reducing CO₂-equivalents by about 26,000 t annually.

However, implementation of projects was hampered in individual cases by a lack of available land and, in part, by low acceptance of the projects among the local population. Whether the purchase of land and land management could be supported to a more significant extent by introducing a land consolidation process should be explored for the future.

To increase the appeal of rural areas for local recreation and tourism, 72 landscape conservation projects (323e) were supported with around €1.02 million of public funding. The design and maintenance measures in parks occupied an important place, as did maintenance measures in wooded areas/avenues. In individual cases, maintenance measures were carried out in FFH habitat types.

Overall, sub-measure 323e corresponded perfectly with the objectives of Axis 3 because of the combination of impacts in the areas of landscape, biodiversity, local recreation and tourism. It should continue to be offered. Possible adaptations relate to the provision of pre-finance loans at favourable interest rates for the implementation of larger landscape mainte-
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Maintenance projects and direct support for management in association structures.

There are more than 2,000 castles, mansions and manor houses, parks and gardens in Mecklenburg-Western Pomerania. Around half of these sites are protected monuments. In addition to EAFRD funds, state funding, ERDF funding, foundations, etc. were used to renovate them. Up to 2014, take-up of EAFRD support was only hesitant. Just under 60% of the eligible total investment volume came only in 2015. One of the reasons for this was the problem of adapting the funding documents to the EU specifications.

A total of 40 projects with an eligible total investment volume of about €65 million and EU funds amounting to just under €49 million were implemented. The largest proportion of the funding by some distance (almost half) went to the two castles of Bothmer and Ludwigslust.

In future, the castles and parks that receive funding should be integrated more fully into the tourist landscape. Along with the marketing of individual sites, joint marketing should be taken forward. The development of castle and park routes, which were originally considered in the M-V RDP but have not yet been implemented, could be a starting point here.

Under measure 323g, a total of 296 projects with around €49 million of eligible costs were implemented with approximately €26.2 million. 67% of the projects, accounting for about three quarters of the public funding, were implemented with public beneficiaries (including church/church institutions). As far as the type of projects is concerned, churches were clearly in the majority.

The geographical focal point of the support was in the district of Mecklenburgische Seenplatte, with around €12.6 million of eligible overall costs. In particular, projects from private beneficiaries were implemented. While all other districts operated with sums between €6 and 10 million, North West Mecklenburg brought up the rear with just €3.7 million of eligible overall costs.

The written survey made the urgency of the funding projects clear: almost 80% of those surveyed stated that, without the renovation, significant dilapidation would have set in or continued. In addition, a quarter of those surveyed stated that the site was not in use or was empty before the support. For around 23% of the beneficiaries surveyed, it was possible to use the site again after the support. The most common new forms of use were social/community facilities and housing.
The objective of sub-measure 323h was to plant hedges, field shrubs and lines of trees, which shape the landscape in a particular way. However, implementation remained a long way below expectations (four projects, public funding amounting to just under €52,000). Implementation of the support measure failed largely because the land owners were not prepared to provide land for protective planting.

Together with the other federal states, the state should push for a redesign of the funding object in the GAK and offer the funding object via other measures outside the GAK (e.g. Natural Heritage).

8 Axis 4 “LEADER”

106% of the funding projected in 2009 was spent, amounting to €76 million. As a result, LEADER accounted for six percent of the public funds spent. Around €68 million went into projects under 413 (90%). Around €7 million was spent on regional management in the LAGs. To a limited extent, funds were also used in 411. Projects in the area of the environment/landscape (412) and cooperation projects (421) played no part.

With 13 LEADER regions, the approach was comprehensive. As a rule, the boundaries of the regions corresponded to the “old districts” before the administrative district reform of 2011.

The projects addressed a wide range of problems. A large proportion of the projects were aimed at tourism and the quality of life in the region.

The establishment of LEADER features (such as participation and networking) was very largely successful in the regions. Positive aspects worth men-

[Diagram of public expenditure (incl. national top-ups) 2007 to 2015 for measures in Axis 4 - LEADER]

Implementation was comprehensive with 13 LEADER regions.

The focal points were tourism and quality of life.

Successful establishment of LEADER fea-
tioning include very good networking across the state and the coordinating function of the regional management. The (lack of) implementation of cooperation projects under measure 421 should be regarded critically, however.

On the question of the extent to which the establishment of LEADER features was able to contribute to the desired LEADER added value, positive impacts were emerged through participation and the regional approach. Improvements in relationships, contacts, knowledge and the capabilities of the stakeholders were noted. As a result, there was an improvement in regional cooperation between public and private stakeholders, in particular, and across regional areas. The LEADER approach offers particular opportunities for dealing with demographic change. Thus, it was possible to implement innovative ideas e.g. in the form of local supply, health, care and mobility projects.

Problems for private stakeholders (e.g. from associations) as project managers included both the complexity of the process and, above all, access to public co-funding. The heavy bias towards the mainstream measures in the programme severely restricted the regions’ options and their scope for innovation in comparison to LEADER+ at the beginning of the funding period. It was possible to lift these to a large extent in the course of the funding period with the new support options of “LEADER alternative”. The implementation structures were distributed over a multitude of approval agencies. In the surveys, the State Agencies for Agriculture and the Environment as the approval agency for the IRD measures got a largely positive response, but there was significant dissatisfaction with the approval agencies for non-IRD measures.

Some population groups were under-represented in terms of participation (especially young people). There were some problems in integrating the economic stakeholders into the processes.

To exploit the potential of the LEADER approach more effectively, modifications are required in three areas in particular:

- To facilitate the development of an “objective conformity instead of directive conformity”, correspondingly open modes of funding should be ensured.
- The urgent need for action to resolve the co-funding problem should be addressed by the use of state funding or through support from regional funds.
- A “one-door principle” should apply to all LEADER projects as far as the
approval agencies are concerned.

Significant improvements have been introduced for these three points in the new funding period.

The issues addressed by the LAGs are based on the need for regional action, but the state can “promote” certain issues in the course of the funding period (through information, opportunities to share ideas, thematic competitions).

9 Programme impacts

The M-V RDP made a negligible contribution to implementing the Lisbon objectives. This results from the conflict of interest between the growth objective of the new Lisbon strategy and the balancing objective of sectoral, regional rural development policy and policy based on public assets in the EU. Support for sectors with low profitability or regions with weak growth may enhance their economic strength, but overall economic growth will be strengthened only to a lesser extent than would be the case with investments in other areas of the economy or regions.

This explains why the quantifiable impacts of the M-V RDP on economic growth were minor, at 0.05% to 0.2% of annual gross value added (not adjusted for price). However, the M-V RDP made good use of the limited opportunities that the EAFRD Directive provided to support economic growth outside the primary sector. About one third of the added value effects came about in the primary sector and two thirds in the non-primary sectors. Further, largely indirect added value effects were created by the development of public services and the rural and tourist infrastructure. The extent of these indirect effects on gross value added, particularly in the tourist industry, could not be quantified.

On balance, between 317 and 965 new jobs were created by the M-V RDP. This corresponded to an increase of 0.01% to 0.04% of full-time equivalent workers in M-V. The employment impacts achieved can be regarded as good, in view of the limited potential of the EAFRD Directive to create new jobs. The original target of 2,180 new jobs (adjusted down to 415 jobs in 2011) was not achieved, however. Additional jobs were created almost exclusively outside the primary sector and primarily through support for business creation and development (312) and improvement of the market structure (123a). About 70% of the jobs created comprised compulsorily insurable employment and women benefited from about half of them. It is likely that the development of the rural and tourist infrastructure indirect-
ly supported growth in and safeguarding of employment – especially in the tourism sector. In the agricultural sector, the RDP funding contributed mainly to safeguarding jobs; a small number of new jobs were created through support for FIS investment.

In the context of the ongoing negative trend in biodiversity and in view of international conservation obligations, there is a strong need for action to protect biodiversity. Along with regulatory legislation, the M-V RDP was of considerable importance. A wide range of measures in the area of agriculture and forestry with impacts on biodiversity were implemented. Environmentally friendly grassland management, certain other agri-environmental measures and measures involving investment in nature conservation should be highlighted as being particularly positive. In the forestry sector, forest environmental measures, nature conservation measures in the forest and conversion of forests to near-natural mixed stocks were particularly effective, as was forest margin management on a small scale. The impact on biodiversity of the M-V RDP was good, but the wider impact is always limited by the powerful drivers outside the programme that tend to bring about a loss of biological diversity.

Positive impacts of the M-V RDP on the competitiveness of the agricultural sector resulted both from land consolidation (125a and b) and to a limited extent from improvement of the rural infrastructure (125c), investments in individual businesses (121, 123 and 311) and the vocational training and information measures (111). But particularly in the context of the relatively large budget and taking account of deadweight and displacement effects, the impacts of agricultural investment support (121) can be described as marginal. Overall, it is possible to identify only a small effect of the M-V RDP on the development of working productivity and GVA of the primary sector. Compared to the first pillar of the CAP, the M-V RDP was of relatively minor financial importance.

For dairy farms and the dairy sector, investment support measures for individual farms and the animal welfare subsidies (215) of the M-V RDP were particularly relevant and effective. The area-related measures such as the compensation payments, on the other hand, had more of an impact on other types of livestock farming, in particular extensive livestock farming on grassland (e.g. suckler cow and sheep farming). Over the funding period 2007 to 2013, the basic political and economic conditions changed in particular for farms keeping dairy cattle. The FIS and PM measures that are relevant to support for restructuring had ambivalent impacts on this process. On the one hand, it was possible to modernise or extend production capacities. On the other hand, the increased quantities of milk, espe-
cially in the milk production years 2014/15 and 2015/16, led to significant price cuts, putting numerous producers into difficulties that threatened their very existence. In addition, other developments, such as the rent increases and dramatic rise in the purchase price for land, had a much stronger effect on the expenses and earnings of dairy farms.

Potential contributions of the programme to climate protection were distributed across the production of renewable energy, avoidance of greenhouse gases and adaptation to the consequences of climate change. In the best-guess scenario (average), a total of 274 kt CO$_{2}$eq of emissions (gross) was avoided annually by an extensive portfolio of measures. This corresponds to 1.6% of the greenhouse gas emissions of M-V in 2012 or around 5.7% of the agricultural emissions. Some of the agri-environmental measures, the forestry measures and support for biogas plants under code 311 (the latter was cancelled in 2012) proved to be particularly efficient in saving greenhouse gas emissions (without taking account of displacement effects). In addition, through funding for the building stock (energy-efficient renovation), connection to local heating networks and the moorland conservation measures in Axis 3 and LEADER, contributions were made to avoiding greenhouse gases and support was provided for dissemination of renewable energy. The amount of public funding for measures for which a climate protection impact can be quantified or at least postulated qualitatively is around €354 million, or 34% of the entire programme expenditure.

In the area of water protection, there was regional pressure for action in Mecklenburg-Western Pomerania because of the excessive nutrient surpluses in agriculture and the consequent nutrient discharges into the bodies of water (ground water as well as surface and coastal waters). There are also significant shortcomings in the ecological condition of the surface waters. The contribution of the M-V RDP to reducing the nitrogen balance in Mecklenburg-Western Pomerania was a total of around 7,950 t N a year, which corresponds to a reduction of 6 kg N/ha or 8% in relation to the agricultural land throughout the state. Organic farming procedures and environmentally friendly grassland management accounted for the largest proportion of this. The EAFRD measures just managed to offset the opposite trend towards an increase in N surplus, which is determined by extrinsic factors.

The most important components in improving the ecological state of watercourses and lakes were support for the near-natural development of watercourses through public investment (323b, in part also 323d), the clean-up of lakes (323c) and kettle holes (216). Land consolidation to
make appropriate areas available and in part AEMs (214) to support riparian strips complemented this.

In view of the absence of definitions and methodological specifications, the term “quality of life” first had to be defined. A concept developed in the social sciences was used, according to which quality of life can be subdivided into various dimensions. Most of the funds used in the area of quality of life can be classified under the dimensions “Conditions in residential locations” and “Personal activities (e.g. leisure)”. As a result of the employment effects, the dimensions of “Material prosperity” (gainful employment) and “Personal and economic insecurity” were important. Above all, national policy at federal, state and municipal level can have an impact on improving quality of life. The central policy areas are economic and employment policy and social policy. With its emphasis on the areas of employment and public services in rural areas, the M-V RDP was able to bridge a gap in relation to the specific requirements of rural development.

Approaches to innovation were described in the programme, particularly in Axis 1, but were anchored in only a few measures as a condition for funding or a selection criterion. In terms of practical implementation, only a few innovative projects could be identified, however the categorisation “innovative” depends on the definition of the term. As a result of the open conditions in Leader, new ideas and approaches to taking action were carried out in the regions from the perspective of the stakeholders, for example.

Broadband expansion was funded under 321 on the basis of the GAK. The support under the GAK was aimed at developing extensive basic access in the funding period 2007 to 2013. Expansion towards next generation access networks, which now seems to be the way forward, was not the objective of this focus on basic supply and was also hardly feasible. Along with the issue of expansion, the question of usage is also relevant. Expansion alone does not guarantee that wide commercial and social use will take place. Only a few projects were implemented here in the course of the M-V RDP; this may be reinforced in future funding (e.g. in the education sector or in the LEADER regions).

Mecklenburg-West Pomerania offered measures to improve animal welfare in the area of investment support (121) and “Animal welfare payments” (215). No specific use was made of the training measures (111), although guidance and training of farm-managers can be a crucial lever for reducing animal welfare problems. A central recommendation of the evaluation is the development of an animal welfare strategy for all species and
categories of farm animals, which takes into consideration which measures should be funded through the EAFRD in future and in which combinations.

Even though the majority of funding measures in the M-V RDP can be classified as equality-neutral, in the areas of “employment”, “training and gender competence” and “reconciliation of family and career”, it was possible to identify contributions to objectives relating to gender equality policy. The M-V RDP therefore opened up new employment prospects for women to a large extent. It was also possible to counteract the high proportion of atypical marginal employment of women through the very high proportion of compulsorily insurable employment. In relation to the proportion of women in part-time jobs, by contrast, no contribution was made to the state’s equal opportunities target of getting more women into full-time employment; rather, the tendency was to reproduce the existing imbalance between men and women. There was also a mixed picture as far as contributions to “participation in decision-making processes” were concerned. While good conditions for equal gender participation were created for the participatory process in LEADER with 50% of women in the LAGs, women tended to be under-represented on the monitoring committee.

10 Implementation of the M-V RDP

Mecklenburg-Western Pomerania spent a total of around €18 million on Technical Assistance (511), which was 184% of the 2009 projection. Most funding went into support and monitoring (43%), followed by database systems (32%) and evaluation (22%). In last place was information, with just three percent of the public funds.

M-V paid for personnel and IT systems in particular to implement its RDP. In addition, the costs for the external evaluation were met from Technical Assistance. The funds for Technical Assistance have been extended in the M-V RDP 2014 to 2020. In our view, however, it should be ensured that tasks such as content-related coordination and environmental monitoring, which are part of the core activities of a ministry, are financed by the state.

To evaluate how efficiently resources are used, recourse was made to the mid-term evaluation and subsequent empirical studies on administrative implementation in the context of measure evaluations. Overall, the response to the question is based on the following dimensions: (1) Efficiency in processing the support and deploying the funding, (2) Extent of...
deadweight, limited additionality and incorrect allocations and (3) Occurrence of synergies.

In assessing the efficiency in processing the support and deploying the funding, reference was made to the findings of the implementation cost analyses (IC analyses) carried out as part of the 7-state evaluation for Hessen, North Rhine-Westphalia, Niedersachsen/Bremen and Schleswig-Holstein. The findings arrived at there were reflected in the programme, measure and implementation structure of the M-V RDP. It was possible to draw conclusions about the strengths and weaknesses of the implementation framework and implementation efficiency in Mecklenburg-Western Pomerania. Of a total of six dimensions that affect the expenditure and costs of an RDP, the two dimensions support strategy/measure structure and organisational structure were identified as being particularly relevant in M-V. It was possible to identify features that both raise costs and lower them in this context.

The M-V RDP had a very broad portfolio of measures because of a cross-fund strategy adopted by the state, in particular in the support for rural development under Axis 3. For all (sub-)measures, administrative and control pathways had to be set up and mapped accordingly in the IT system.

A particular feature of the M-V RDP was the strong focus on support approaches outside the National Framework. This points to a consistent focus of the portfolio of measures on state-specific support appropriate to specific problems. The result of this is additional work for the state administration, as it was not possible to draw on federal “services” in the areas of approval, amendment and aid-related appraisal. Moreover, measures outside the National Framework are often less standardised, which makes checking conformity more complex. The integration of GRW co-funded (sub-)measures (312, 313) was also complex.

High average funding amounts per project tend to lead to lower relative implementation costs. The same applies to a higher number of projects implemented per year, as it is possible in this way to build up sufficient expertise in the approval agencies. In many measures, the number of projects supported and the average size were above the figures for the other federal states considered. This was the result, for example, of the farm size structure in M-V and the focus on public beneficiaries (in LEADER and also in support for forestry). Only in land consolidation were all implementation costs funded, including some rather small cost items such as reimbursement of expenses or survey costs, which were financed purely from national funds in other federal states.
For area-based measures, the structural starting conditions in agriculture and the natural local conditions played out in different ways on the work involved in implementation. Thus, the agricultural structure has a direct impact on implementation work through the number of applicants. In organic farming, in particular, which involves a funding approach that covers the entire farm, the agricultural structure of M-V which is shaped by large operating units became clear.

The take-up rate for measure 214 in M-V was determined to a large extent by organic farming with just under 55% of the funding. This had, according to the implementation cost analyses, the lowest implementation costs of all agri-environmental measures. On the other hand, about 34% of funding went into contractual nature conservation. Contractual nature conservation was also – as in other federal states – based on a technical survey of the individual area. This individual approach is important for the success of the project but is associated with higher implementation costs.

The form of the funding strategy, measure structure and design together resulted in a range of variants in terms of the interactions of implementation costs and effectiveness. The following three variants are provided as examples: (1) The wide variety of measures and the breadth of the rural development approach adopted in Axes 3 and 4 in particular made implementation costs increase, but in line with the effectiveness of the support. (2) The focus on organic farming led to a decrease in the implementation costs for agri-environmental measures. At the same time, organic farming is a measure associated with a high degree of multi-functional impacts. (3) The simple format of the compensation payments was comparable in terms of implementation costs with the direct payments of the first pillar. However, it could not be associated with impacts on land use or conservation of resources.

Along with the support strategy, the implementation structure is a central factor affecting implementation and support efficiency. The structure is essentially determined by the number and variety of the institutions involved, the types of institution and the form of the interfaces. The implementation structure in M-V was very complex with significant differences at both the level of programme management and the structure beneath it responsible for project approval. The learning costs for “new” stakeholders were high because of the limited EAFRD expertise. There were also some delays in implementation. The differentiated forms of organisation for implementation largely resulted from the state strategy of wide use of EU funding programmes.
Numerous departments — including some outside the Ministry of Agriculture — were involved, some with “mono-responsibility” for individual EAFRD measures. The Landesförderinstitut (LFI- State Institute for the Advancement of the Economy) first had to adapt to the forms of EAFRD support. In addition, technical supervision of the LFI lay with a wide variety of specialist sections of various departments, some of which themselves were new to EAFRD funding. This led to difficulties and frictional losses, even extending to unsatisfied customers.

Individual measures were spread over as many as four different approval agencies, depending on the geographical location of the project and the type of beneficiary. This unique structure compared to other states brought with it high costs for technical supervisory checks, quality assurance of procedures and management of the measures. For some measures, this arrangement led to structural inefficiencies because of the small number of funding cases. It is still to be verified whether this fragmented approval structure is actually offset by technical added value.

To examine the overall efficiency of the use of funding, the amount of money that went to top performers and those who missed their targets was determined in relation to areas of impact relevant to the programme. Top performers were defined as measures with proven impact and particular (local) intensities of impact. A good half (54%) of the funding went into the implementation of – in at least one impact area – particularly effective measures. It was possible to identify top performers for all impact areas, in larger numbers for environment-related impact areas and for improvement in the quality of life. Missed targets came about in connection with only a few measures: in 311 biogas because of deadweights and in measures 221/223 and 124 because of the low up-take (if any at all). Only 2.4% of the programme funding was therefore associated with missed targets.

Deadweight effects reduce the efficiency of deployment of the funding, as the money spent is not associated with impacts. In cases of support with complete deadweight effects, the way of land use or projects would also have been implemented in an identical way without any funding. Partial deadweight effects exist when similar action would have been taken without funding, but it was possible to achieve certain effects intended by the support policy, such as enlargement, preference or adjustment effects. Identifying and quantifying deadweight effects are a challenge from a methodological point of view. They were examined in particular with regard to private beneficiaries.
Around 14% of funds paid to private recipients across all measures were associated with full deadweight effects. This was just under three percent of the funding disbursed during the period of the programme. The estimated dead weight effects were therefore on the low side compared to the other states examined. Approximately the same proportions of animal and area-based measures and investments in individual farms made up the effects identified. As far as the former were concerned, it was primarily the compensation payments (212) that were unable to trigger any (additional) effects. In agri-environmental measures (214) it was largely possible to exclude deadweight effects entirely, as the format of the measures turned out to be challenging overall.

The problem of a lack of additionality in funding measures for public recipients played a subordinate role overall. With only a few exceptions, additionality associated with the funds deployed was high. Public budgets are so stretched that even areas of primary services can now only be covered using support programmes. Through the EAFRD support, the municipalities’ capacity to take action increased, especially in projects for which no funding would have been possible despite the demand.

It was possible to identify synergies between measures which had a positive effect on funding efficiency. It was primarily complementary bundles of measures and control structures for water protection and improvement in biodiversity that contributed to interaction between measures to intensify impact. The financial support and dissemination of the content of the LEADER approach, in combination with a wide range of Axis 3 measures, were of central importance for synergies to create regional development impulses and improve the quality of life. Fundamentally, the LEADER process and the area-related local development strategies (GLES) proved to be appropriate ways of bringing together projects at a regional level and creating a coherent coordination and decision-making framework through the LAG committee. This also applies in relation to quality enhancement of Mecklenburg-Western Pomerania as a tourist location, to which a whole bundle of measures in the M-V RDP contributed. Moreover, the range of synergetic, so-called multifunctional measures, such as organic farming and moorland regeneration, strengthened funding efficiency, as the funding used for this had impacts on several topic areas.

Taken together, the analysis of the efficiency of implementation and use of funding, including deadweight effects, additionality and synergies, leads to the conclusion that the resources were largely used efficiently. Many of the features of the support strategy, implementation structures and ex-
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The execution framework of the M-V RDP that indicate that implementation was linked with relatively high costs were associated with added value on the impact side. There are various starting points for further enhancement of resource efficiency.

In relation to the organisational structure, it should be ensured in M-V for the RDP 2014 to 2020 that the delineation of responsibilities, especially at the level of the approval agencies but also in the technical departments, does not lead to isolated EAFRD responsibilities and numbers of support cases per approving unit that fall below critical levels. These structural inefficiencies should largely be avoided, as the development and maintenance of EU expertise is associated with high costs. The proposed integration of responsibility for measure 312 into the Ministry of Agriculture, taking it out of the Ministry of Economy, is therefore pointing in the right direction. This also applies to the completed introduction of the one-door principle for future LEADER funding at the State Agencies for Agriculture and the Environment.

A critical discussion (of costs) should be held about which measures are offered with EU co-financing and which without. A key criterion in this is the amount of funding. High fixed costs are associated with the establishment of administrative and monitoring pathways. At the same time, the costs relating to the programme overheads depend only to a limited extent on the size of a measure. For these reasons, measures that come with only low levels of funding are less suitable for co-funding from the EU. A further criterion to check should be the degree to which the administrative, monitoring and IT systems to be set up can be standardised.

The measures that remain in the programme should continue to be aimed consistently at specific targets. However, this requires awareness that high-profile measures with an effective use of funding are often associated with higher implementation costs. An ambitious approach to support accordingly requires appropriate human resources. Especially in conjunction with the LEADER approach, there are often additional costs involved for the approval agencies in processing projects because of the specific configuration of the projects. It is therefore important that, along with the administrative bodies, the regional management is well set up in terms of quality and quantity to ease the pressure on the administrative bodies as far as possible. Even measures such as environment-friendly grassland management, the success of which depends, among other things, on staffing numbers, e.g. for land surveys, should not suffer as a result of too few staff to cover the work.
11 Overall assessment and general recommendations

The overall assessment covers the impact of the M-V RDP on the main objectives of EAFRD funding and aspects of programme implementation. Overall, M-V set largely realistic targets which corresponded to the potential of EAFRD funding. This is also reflected in the very small number of measures that can be classified as having missed their targets in the overall picture.

In Mecklenburg-Western Pomerania, there was a strong need for action in almost all impact areas considered at programme level. The effective funding from the M-V RDP was distributed relatively evenly between impact connected with socio-economics and environmental impacts.

The EAFRD funding is the most important financial instrument in Mecklenburg-Western Pomerania for measures to protect biodiversity and ground and surface water. To enhance the so far modest impacts on biodiversity and water protection of the M-V RDP, the funding of dark-green measures should be increased, especially in conservation areas. In the socio-economic impact areas – economy, work, the agricultural sector and quality of life – and in the area of climate, the M-V RDP was just one of many available sources of finance. Other instruments were better placed in terms of content and/or finance to achieve these objectives than EAFRD support.

The quality of life in rural areas also depends on functioning public services, a fact which has been addressed to a significant extent by the M-V RDP. These approaches should be continued. The EAFRD alone cannot solve the large challenges being created by, among other things, demographic change. Sufficient overall funding for municipalities and public bodies must therefore be ensured.

Apart from a few exceptions, additionality of the EU funding was high. Through the EAFRD support, the municipalities’ capacity to take action increased, especially in projects for which no funding would have been possible despite the demand. In some measures, state funding was replaced in part by EU funds. Against the background of increasingly stretched public budgets, this development may be understandable from the state perspective, although it contradicts the basic principle of additionality of EAFRD support.

The significant increase in complexity and rigidity in the EAFRD-specific legal framework has led in part to disproportionate costs. However, there are also factors that increase costs, for example, the organisational structure
chosen by the state of Mecklenburg-Western Pomerania, such as the multitude of specialist ministries and approval agencies involved.

The increasingly complex regulatory framework of the EU negatively affects the implementation of the EAFRD programme. The implementing administrative bodies are already putting a lot of effort into avoiding procedural errors and are increasingly trying to implement measures outside EU-funding that may be highly effective but are prone to errors. On the other hand, measures that can be standardised are less target-orientated and are associated with low adaptation costs tend to be marked by lower intensity of impact and deadweight effects. Both effects increase the costs of missing targets.

A fundamental resetting of the legal framework conditions is therefore essential and it must be tackled promptly. The central points are greater legal clarity, the implementation of the single audit principle for the EAFRD, greater emphasis on the principle of proportionality enshrined in the treaties, a ban on retrospective application of changes to the legal framework and legal interpretations, and a higher tolerable risk of errors in the policy field of rural development.
Conclusion

Mecklenburg-Western Pomerania has used second-pillar EU funding to offer a wide range of measures in a consistent strategic framework in the M-V RDP. It was possible to identify positive impacts of the RDP funding in most of the measures in the ex-post evaluation. The objectives and impacts of the measures went far beyond the programme questions and indicators specified by the EU. Particularly in the area of rural development, the measures were directed at specific local needs, potentials and strategies and led to extremely heterogeneous projects and impact pathways, particularly in the area of public services and quality of life. Narrow limits were therefore inevitably set for the aggregation of overall effects. Simply focusing on changes in the impact indicators specified by the EU will not do justice to the impacts of the programme. Even in Mecklenburg-Western Pomerania, where the limited instruments of the EAFRD were used extensively for economic growth and employment, it was not possible, for example, to measure any effect on the impact indicators set by the EU using regional economic model calculations, even though there were some extremely positive measures. In the area of the environment, impacts were measurable, but the counteracting factors outside the programme had too strong an influence to maintain the status quo or bring about an improvement in the global impact indicators. Important and, in part, more effective levers often lie outside funding policy.