

Ex-post Evaluation of the Hamburg Rural Development Plan 2007 to 2013

Summary

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by:

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and
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together with:

entera – Umweltplanung & IT



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1 Context of evaluation

Hamburg commissioned the evaluation of its rural development programme for 2007 to 2013 in conjunction with six other federal states (Mecklenburg-Vorpommern, Schleswig-Holstein, Niedersachsen/Bremen, Nordrhein-Westfalen and Hessen) 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 taking the lead, in cooperation with the Thünen Institute of Farm Economics and the environmental planning office entera. A steering committee comprising the EAFRD administration authorities of the federal states and the evaluators was set up to control the evaluation activities.

Evaluation of the Hamburg RDP as part of the 7-state evaluation

Results from the ongoing evaluation have been prepared continuously and presented in committees such as the steering committee, the Hamburg monitoring committee, briefing meetings and specialist conferences and/or published as a written module report. These module reports are also incorporated into the ex-post evaluation and are appended as background information to the evaluation. Module reports relate, for example, to overarching thematic studies (e.g. biodiversity) or to individual measures (e.g. case studies on Natural Heritage 323A).

Evaluation results have been communicated and discussed continuously within the state

2 Methodology and data

The ex-post evaluation builds on the structure and findings of the mid-term evaluation and, in particular, the very detailed evaluation report of 2013. The modified report and question structure in the guidelines for the ex-post evaluation have been revisited. However, the measure-based questions of the CMEF have been retained insofar as they appear useful in evaluating the measures and they link in with the study design established for the mid-term evaluation. A distinction was made between three levels in the evaluation: measure, axis and programme. At measure level, the results and effects of either the individual measures or a group of measures were examined (questions 15 to 24). At the axis level, the measure-based findings were brought together and extended in relation to the common output and result indicators. This was done in a similar way at programme level, too (questions 1 to 11).

Ex-post evaluation builds on the methodological design of the mid-term evaluation

The analysis of impacts comprised a varied set of qualitative and quantitative methods that were applied in accordance with the measure or complex of issues. The impacts analysed formed the basis for the response to the evaluation questions. The analytical procedures that were used include, for example, descriptive/associative analyses, analyses of documents/literature and GIS analyses. Each of these methods has its strengths and weaknesses, not least in relation to the identification of the causal effects of individual measures and of the programme. The methods were therefore combined in such a way that complex interdependencies could be depicted as effectively as possible (mixed method approach). The methodological approach was established by the evaluators of the measures in the context of the specific issue and in consultation with the specialist departments.

Depiction of interdependencies with a mixed method approach

3 Programme implementation and budget distribution

According to the programme version of 2009, a total of around €51 million of public funds was available in Hamburg for the funding period 2007 to 2013. In addition, €22 million in public funds were available for horizontal top-ups (Article 89 measures); this was intended to be used to strengthen measure 125.

Hamburg had the smallest programme compared to the other federal states.

Most of the public funds were intended for Axis 1 "Improving the competitiveness of the agricultural and forestry sector" (45%), followed by Axis 2 "Improving the environment and the countryside" (24%) and 3 "Quality of life in rural areas and diversification of the rural economy" with 18%. The Axis 4 "LEADER" comprised 11% of the public funds, while 3% was earmarked for Technical Assistance (TA). The relative importance of the different axes with respect to one another has changed only slightly over time as a result of the programme amendments.

Most funds were earmarked for Axis 1

The HC funds amounted to €1.78 million, 4% of the volume of public funds in the Hamburg RDP. The HC funds were initially directed exclusively to the LEADER Axis. In the course of the 5th programme amendment, the HC funds in the LEADER Axis were reduced significantly and shifted to Measure 323A in Axis 3. It was possible to allocate 93% of the additional funds taken up within the framework of the Health Check.

The HC funds were initially allocated to LEADER only

Despite considerable efforts, Hamburg had to return some funds. In total, it was possible to disburse €38.4 million of public money. In relation to the budget planned in 2009, this corresponds to an execution rate of 75%. The implementation was above the projection in LEADER only. For the Article 89 funds originally planned in Axis 1, no outflow of funds took place.

Despite considerable efforts, Hamburg did not manage to spend all the money

Most public expenditures (as of 31.12.2015) went to farms (55%). Public

Farms and public

promoters came second with 39%. In relation to the programme as a whole, other types of beneficiaries were of minor importance. Only in the LEADER area were around half of the public expenditures allocated to the category “Other”. These were mainly associations and local action groups (LAGs).

promoters were the focal points of the funding

4 Measure-related results and conclusions

Axis 1:

Hamburg drew up measures to improve the competitiveness of the agricultural and forestry sector in four EAFRD codes. With the exception of the Qualification measure (111), all other measures were offered on the basis of the National Framework (NF). Between 2009 and 2013, the plan estimates had to be lowered for all EAFRD codes under Axis 1. The execution rate (actual 2015 versus target 2009) averaged 64% in Axis 1. The deviation in EAFRD codes 123 (Adding value to agricultural and forestry products) and 125B (Projects for managing water resources) was particularly striking. As regards EAFRD code 123, the low take-up was explained by the lack of demand, for EAFRD code 125B it was the significant delay in the planning processes in advance of the actual project implementation. Measure 121 was well received (Farm Investment Support = FIS).

Low implementation status for Axis 1

The measure **Vocational Training** (111) met with a largely positive response thanks to its broad thematic direction. The knowledge and skills of people working in agriculture and horticulture were developed through the wide range of training courses leading to a vocational qualification and advanced training courses. Approximately the same number of mainly one-day events was held every year, with an average of 24 participants in each. The proportion of women among the participants was around 27%.

Vocational training measure meets with a positive response

From mid-2009, course evaluation questionnaires were used in the events. A total of over 1,000 participants in more than 50 events evaluated their courses and the benefits they brought for their futures. Almost 80% of respondents stated that their expectations of the courses they attended had been “completely met” or “met”.

High level of satisfaction among participants

The range of advanced training courses and advisory services should be consolidated in the coming years, once resources are pooled in the “Competence and Advice Centre for Horticulture and Agriculture”. Selective extension of topics in horticulture, plant protection and energy, among others, is recommended, to include innovative production techniques and business management. The established fee model, which creates incentives, should be retained.

Consolidation of the advisory services and retention of the fee model are recommended

The Farm Investment Support Scheme (FISS) (121) primarily pursued the

Investment support

objectives of improving the efficiency and competitiveness of financially supported farms and horticultural companies and faster realisation, implementation and introduction of technical developments (in particular techniques to save energy and water). Since the application process began in 2008, disbursements have amounted to around €8.9 million, of which around €3.1 million went to existing obligations. The measure budget was therefore almost entirely used up (97%). The funding was distributed to 224 projects with an eligible investment volume of €27.03 million. Of the 149 enterprises supported, 128 belonged to horticultural production (including fruit growing) and 14 to agriculture.

primarily for fruit
growing and
horticultural
businesses

In the context of a before-and-after comparison, only an approximate analysis and evaluation of the effect of the FISS on the competitiveness of the supported enterprises was possible because of the wide range of influences and the lack of data. The results of written questionnaires showed that the business managers surveyed rated the investment support extremely positively and they would do the same thing again. From the point of view of the enterprises, no wrong investments were made. Although overall the enterprises were able to increase their turnover significantly on average in comparison to the situation before the investment support (horticultural enterprises + 10.4%, fruit growing enterprises +28.2%), annual profit only increased slightly in the before-and-after comparison.

Business managers
rate investment
positively

Demonstrable
increase in turnover
in supported
companies

The objective of bringing about innovative investment (more quickly) was only achieved to a very limited extent with the FISS. "Real" innovations, i.e. sectoral or regional innovations, were hardly supported at all. The crucial development problems in Hamburg's horticulture result rather from circumstances that cannot be influenced by financial support (especially a shortage of space, a fragmented structure, and environmental constraints).

Hardly any
innovative
investments
supported,
other development
obstacles more
important

The objective of the "**Processing and Marketing**" measure (P&M 123) was to increase the competitiveness of P&M companies and producer associations through investment support. As there was only one project, no single-case impact analysis (e.g. before-and-after comparison) was carried out for data protection reasons. No sectoral effects are to be expected from this support, so the measure's intended objectives were impossible to achieve. The low level of take-up is the result, among other things, of the fact that there is already an active and wide-ranging producers' association at Hamburg's wholesale market for fruit, vegetables and flowers.

Low demand for
"Processing &
Marketing" measure

The sub-measure "**Projects for management of water resources**" (125B) was intended, in particular, to optimise the water management conditions in the Süderelbe region. The Dritte Meile fruit-growing area is affected to a large extent by projects involving development of the traffic infrastructure and,

Measure 125B was
intended to develop
new areas for fruit
growing

associated with this, a loss of land for fruit growing and horticulture. Individual projects were intended to optimise water management arrangements and develop new areas for fruit growing. The focal point for the planned implementation of the measure was the optimisation of the water cycle in the area around the eastern arm of the Alte Süderelbe.

The budget originally planned for code 125B, which was raised in third programme amendment (2010), was reduced several times in the course of the funding period as it was not possible to issue the planning approvals required to implement the water management measures (because of various legal actions, among other things). Only sub-projects that were not subject to planning approvals could therefore be implemented. If the existing plans are fully implemented, however, an important contribution to ensuring the survival of fruit growing companies can be expected.

Far from complete implementation because of delays in the planning process

Projects outside the Süderelbe area involved strengthening of weirs and pumping stations primarily in the district of Bergedorf. This made an important contribution to the regulation of water management in the Vierlande and Marschlande areas and thus ultimately to safeguarding the agricultural and horticultural usage of the area.

Strengthening of weirs in the Bergedorf district

Axis 2:

Hamburg offered measures in four EAFRD codes in Axis 2. The payments in the context of Natura 2000 (213) were implemented in close coordination with the Agri-Environment Measures (214). These were complemented by animal welfare payments (code 215) and support for Non-productive Investments (code 216). An average implementation level of 87% was achieved for Axis 2.

Implementation status of 87% in Axis 2

The distinctive feature of the **Natura 2000 funding** (213) in Hamburg was the linkage between compensation payments and contractual nature conservation measures (214). It was not possible to conclude a single contract in the framework of the Natura 2000 funding. Compensation payment was granted only in combination with contractual nature conservation measures on plots that are located in Natura 2000 areas and for which regulatory farming requirements resulting from conservation area regulations were in place at the same time. With this in mind, the evaluation of the Natura 2000 funding took place in conjunction with the Agri-Environment Measures (214).

Natura 2000 funding only in combination with contractual nature conservation

The Agri-Environment Measures (AEM 214) comprised two components: the contractual nature conservation measures and the AEMs for market and location-adapted agriculture (MLA). The MLA measures covering the largest area were the branch-related grassland extensification (2012: 1,758 hectares) and organic farming (847 hectares). The proportion of supported organic land in relation to the total agricultural area was 6% in Hamburg.

Proportion of supported organic land in total agricultural land: 6%

AEMs were taken up in just under 4,900 hectares or 35% of the agricultural area in Hamburg. The Agri-Environment Measures can therefore be regarded as extremely successful in terms of acceptance. It should be pointed out that almost a third (around 1,650 hectares) of the AEM area is accounted for by highly effective contractual nature conservation measures. In addition to the main target group of meadow birds, grassland habitats with valuable flora have also been preserved in this way.

35% of agricultural land in the framework of AEM under contract

In total, AEMs with biodiversity targets amounted to just under 30% of the permanent pasture and 21.6% of Hamburg's agricultural area. If the farm extensification of pasture (without biodiversity targets) is added to this, a total of around 56% of the pasture was covered. The most effective measures relate to pasture. The crucial levers for improving the impact indicators "farmland birds" and "high nature value farmland" (HNV) can be found here, although the trends in the indicators show that further efforts are required in terms both of quantity and quality.

AEMs for pasture effective in protecting biodiversity

In order to offset the higher costs of environmentally and animal-friendly production, a premium was granted for **maintaining summer grazing** for dairy cattle, breeding cattle and beef cattle (215). The purpose of the funding was to bring about an improvement in the standard farming techniques practised previously. In the final year of the funding period, 32 farms participated in the measure. Organic farms represented only a small proportion of the farms receiving support.

Animal welfare measures support farms with grazing

The written survey among beneficiaries leads to the conclusion that the measure can only make a small contribution to encouraging farms to maintain or extend grazing. Farms that practise pasture farming are rewarded, however. Factors "beyond" the funding seem to be more important for maintenance of grazing in Hamburg. The loss of land and the availability of grazing land close to the farm (dairy cattle), in particular, play a part here. As the City of Hamburg acts as a landlord, it has the opportunity to play a regulatory role in the land and rental market and to create favourable conditions for maintaining pasture farming.

Actual changes to farming practices rather small

Through funding for **Non-productive Investments** (code 216), the state made a contribution to the maintenance and development of valuable habitats on farms. Case studies show that the projects implemented (keeping ditches open and maintaining them, cutting back trees, planting hedgerows) made an important contribution to protect the environment and the landscape. As an example of this, impact monitoring of the projects for maintaining ditches demonstrated their effects on the amphibian fauna. The supporting measure is fully effective in improving the environmental situation in Natura 2000 areas and other areas with high natural value.

Non-productive investments with a heavy emphasis on Natura 2000 areas

Axis 3:

Axis 3 originally comprised a broad spectrum of measures for developing rural areas. In the end, only the Diversification measure (311) and Conservation and Upgrading of the Rural Heritage (323) were implemented. In any case, only a small budget was included in the programme for measures 312 (Business Creation and Development), 313 (Tourism), 322 (Village Renewal) and 341 (Skills Acquisition). No take-up could be identified here (projects to promote tourism were implemented via LEADER and financed from the LEADER budget and individual funding items that could have been allocated to village renewal were implemented through Cultural Heritage). In relation to the initial planning in 2009, the take-up of funds was 66%.

Implementation status of 66% in Axis 3

The measures under code 311 comprised support for **Diversification of Income Opportunities** (311A) and **Conversion** of agricultural buildings (311B). A total of 59 projects were funded, as a result of which about 96% of the budget could be spent. One focal point was support for photovoltaic plants. These represented 70% of approvals and 50% of the eligible investment volume. Because of the low funding rate for PV plants of 10%, their proportion of the total grants awarded was only around 29%. In Measure 311B, six support schemes were approved, which led to the conversion of farm buildings into accommodation (support for tourism).

Just under 30% of grants awarded for photovoltaic plants

Overall, the funding for diversification and conversion (PV and accommodation) had no significant effect on jobs, apart from temporary employment.

Little effect on employment

Farms in Hamburg depend increasingly on generating income outside agriculture because of the limited opportunities for growth. In this context, the funding areas for the measure “Diversification into non-agricultural activities” should be carefully checked. From the point of view of the evaluators, however, support for profitable investments in enterprises with no financial difficulties should stop, as should support for unprofitable investments that do not contribute to providing public goods.

Focus on public goods is recommended

The guidelines on support for the **Natural Heritage** under code 323A were left relatively open and covered the entire area of investment measures in the conservation of nature and water. The primary aim was sustainable protection for the Natura 2000 areas and safeguarding and developing a good ecological condition for the bodies of water in line with the WFD. Case studies showed that these objectives were met. In addition, individual projects were also able to contribute to maintaining the landscape and to raising the environmental awareness of the population.

Measure 323A achieves positive effects in relation to the implementation of Natura 2000 and the WFD

The positive development in the take-up of funds in the sub-measure “**Water**

Protection", in particular, highlights the high demand for support in this area and results from the significant need for action to achieve the objectives of the Water Framework Directive. The City of Hamburg will mobilize significant funding in this area in the next few years. After withdrawing from the EAFRD, GAK funds can be used as a substitute for this.

The **Cultural Heritage** measure (323B) has contributed in particular to the conservation of buildings of cultural historical importance and to their sustainable preservation. This benefits both residents of rural areas and tourists. Alongside the visual impact, a contribution has also been made to improving the quality of life in rural areas by maintaining or creating new opportunities to use the buildings that are receiving support. To a small extent, new income opportunities have been created through economic diversification. The conceptual integration via LEADER did not take place, as direct application to the cultural authorities without going through the LAGs was more practical, especially for small, private projects.

Maintenance and preservation of buildings important in cultural history is not only of visual benefit but also creates more opportunities for use

Axis 4:

Compared to planning in the HC programme, execution in Axis 4 is at 114%. It was possible to achieve the original financial objectives. However, there was no demand for cooperation projects.

Implementation status of 114% in Axis 4

There was one LEADER region in Hamburg. The LAG "*City-Land-River*" area covered approx. 236 km² with about 143,000 inhabitants. As the basic administrative effort was required for a single LAG and the responsible authority, unlike in the other regions in the 7-state evaluation, had no previous experience of LEADER, the LEADER funding in Hamburg was successful only after a slow beginning and overall it required a very large amount of administrative work. The implementation of the LEADER principles was largely successful, even though the surveys in the areas of participation and PR work indicate a need for improvement. The projects that have been created can be regarded as effective, however, and their innovation and integrated alignment can also be assessed positively.

High administrative workload for implementation of the LEADER funding

An improvement in governance aspects was also noticeable in better collaboration between various stakeholders, for example, and in better networks/relationships. The evaluations indicate that, even in an urban region such as Hamburg, positive effects can be achieved with a participatory approach to rural development support.

Improved collaboration between groups of stakeholders demonstrable

One weakness was that the use of funds for the Health Check did not work through LEADER. In the area of "inter-district collaboration", further emphasis will also be important in the future. One of the strengths were the projects in the topics of "School" and "City-countryside links". The promising approaches here should be drawn on in the future (e.g. by extending the group of

Good approaches in the action areas of "Schools" and "City-countryside links"

participating schools). The topic of local recreation was also dealt with successfully. However, the projects here were largely related to individual districts. In the area of marketing, too, it was possible to implement individual projects.

In comparison to the non-city states, the LEADER tool was working less effectively in Hamburg. The complexity of the funding regulations at the start of the funding period led to a lack of interest among many stakeholders. In future, it will therefore be necessary to facilitate a more flexible focus on specific needs for action in Hamburg.

LEADER funding overall less effective than in rural states

5 Results and conclusions regarding programme impacts and implementation

Question 1: “To what extent has the RDP contributed to the growth of the whole rural economy?”

43% of the total disbursements of the RDP were spent on measures with a corresponding objective. The majority of the funds went to the FISS (121). The impact of the Hamburg RDP on economic growth (additional gross value creation in agriculture, forestry and the non-primary sectors) could not be quantified because of a lack of information and low funding figures. In the context of the Lisbon Strategy, the Hamburg RDP had low importance for overall economic growth because the focus of support was on agricultural and environmental measures. This focus of the Hamburg RDP was appropriate to the conditions in the surrounding area of a metropolitan region such as Hamburg.

Hamburg RDP had only a small significance for the Lisbon strategy

The obstacles to growth in Hamburg’s agricultural sector and in horticulture and fruit growing are, above all, caused by the limited availability of land for the growth of farms. This problem cannot be solved by further incentives for business investment (121, 311). Only support for management of water resources (125B) picked up on this point, as substitute areas (for land losses) for cultivating fruit were to be created. The support of farm investments and infrastructure had a positive effect on gross value creation in the primary sector. However, this effect was rather limited because of significant deadweight and displacement effects of the FISS.

Obstacle to growth above all in limited availability of space

Q2: “To what extent has the RDP contributed to employment creation?”

The Hamburg RDP included few measures with an employment objective, as other goals tend to be more important in the metropolitan region of Hamburg. Irrespective of the limited employment effects of individual funding measures, the programme made no significant contribution to achieving the employment targets of the new Lisbon Strategy.

Few measures with employment objective

Question 3: “To what extent has the RDP contributed to protect and enhance natural resources and landscapes, including biodiversity and HNV farming and forestry?”

Positive effects on biodiversity were identified in particular in measures from Axes 2 and 3. The contractual nature conservation measures on around 1,700 hectares (on average over the funding period) were particularly important, with very positive effects on species, habitats and biotopes and with a focus on grassland. High quality biotope characteristics in grassland with accompanying structural elements and on heathland also contributed to conserving HNV stocks. On average, the wide range of MLA measures had a slightly positive effect over the funding period on 3,240 hectares, amounting to 24% of the agricultural area.

Positive effects for biodiversity through contractual nature conservation

Overall, land measures had positive impacts on around 4,950 gross hectares, which was 36% of the agricultural area or about 56% of the permanent pasture and 21% of the arable land. In Natura 2000 regions, AEMs covered a particularly high share. 82% gross of the agricultural land and almost all of the grassland was covered by measures having positive effects.

High level of acceptance for Agri-Environment Measures

Significant contributions to the maintenance of biodiversity were therefore expected from the Hamburg RDP. Using the two impact indicators for areas with a high ecological value (HNV) and farm birds, this effect could only be ascertained to a limited extent. They showed stagnation or slightly negative trends over the programme period. The circumstances described suggest that, on the one hand, negative trends in the indicators would have been more pronounced without the implementation of the Hamburg RDP and on the other, that no successes could have been identified in the redevelopment of lost values, especially with regard to avifaunistic concerns. In the city state of Hamburg, strong external factors play a significant role in the trend in basic indicators.

Indicators reflect positive effects to a limited extent only

Question 4: “To what extent has the RDP contributed to the supply of renewable energy?”

In accordance with climate objectives, most of the measures offered with relevance to the climate were aimed at reducing greenhouse gas emissions (see question 7). Nevertheless, measures to support the development of renewable energies were offered in Axis 3. In the funding period, 41 projects were implemented in the context of diversification (311A) through the installation of photovoltaic plants. Quantitative information about the effect on climate protection is not available. The EAFRD contribution to the state-wide proportion of 15% renewable energy in net electricity generation (corresponding to around 322,000 MWh) turned out to be rather small, however.

Contribution of EAFRD to provision of renewable energy rather small

Question 5: “To what extent has the RDP contributed to improving the competitiveness of the agricultural sector?”

Almost 40% of the total disbursements went to measures in the agricultural sector aimed at competitiveness. Approximately two thirds of this was spent in the context of Farm Investment Support (121). The most significant limiting factor for the competitiveness of Hamburg’s agricultural sector is the limited availability of land. Slightly more than a quarter of the disbursements for measures aiming at the competitiveness of the agricultural sector went to funding for management of water resources (125B). This was the only measure that was linked directly to the issue of the shortage of land. The Vocational Training and Information measures (111) had positive effects on the competitiveness of the agricultural sector. Because of the declining production area and the threat of a shortage of young and well-trained workers, there will still be a need for vocational training in fruit and vegetable growing in the future.

Need for vocational training measures

Question 7: “To what extent has the RDP contributed to climate change mitigation and adaptation?”

Measures with climate-related objectives appeared in all of the axes, but their justification varied. Indicators in connection to this were only available in part and a quantification of targets was the exception. A total of 24 relevant sub-measures and variants were identified. Most of them caused a reduction in greenhouse gas emissions either through better nitrogen efficiency or additional fixing of CO₂, by the build-up of humus, for example. The overall optimisation of water management, specifically the extension of frost protection watering in fruit cultivation (125B), served the aim of adaptation to the consequences of climate change. Effects in Axis 2 are to be expected, on the one hand, through the reduction of nitrogen oxide emissions because of greater nitrogen efficiency, and on the other hand by storing carbon in the soil. In the best guess scenario (average), a total of 2.8 kt CO₂-Äq of emissions (gross) was avoided annually by the AEMs. This corresponds to approximately 0.02% of the greenhouse gas emissions of Hamburg.

Numerous sub-measures cause a reduction in greenhouse gases, but overall effects rather small

Against the backdrop of existing tools that have been implemented for climate protection (e.g., the Energy Saving Ordinance) and for supporting renewable energy (e.g., the Renewable Energy Act), the recommendation is not to develop the EAFRD programme primarily as a strategic tool for climate protection. Other instruments are more effective and probably more efficient, too.

EAFRD programme not to be developed as a strategic instrument for climate protection

Question 8: “To what extent has the RDP contributed to improvement of water management (quality, use and quantity)?”

In the completed funding period, the Hamburg plan for rural development

AEMs reduce surplus

contributed to implementing the objectives of the WFD with various offers of support. The AEMs, in particular, have made a large contribution to maintaining the water quality in Hamburg. At the same time, not only the AEMs with a water protection objective deserve mentioning. The flowering plant areas/buffer strips and, in particular, the contractual nature protection measures also achieved relevant impacts regarding the reduction of the nitrogen balance as a side effect. Overall, the nitrogen surplus was reduced by an average of around 130 tonnes a year by AEMs over the funding period. In relation to the total agricultural area, this means a saving of more than 9 kg N/ha. Because of the location of the supported areas, it is estimated that around a quarter of the impact was achieved in water protection areas. The relevant measures therefore also contributed to maintaining and improving the quality of drinking water. In addition to the AEMs, the investment measures under code 216 (Non-productive investment) and code 323A2 (Development of semi-natural bodies of water) made important contributions to the implementation of the Water Framework Directive.

N by more than 9 kg N/ha and make a significant contribution to protecting drinking water

Question 9 “To what extent has the RDP contributed to improving the quality of life in rural areas and encouraging diversification of the rural economy?”

In accordance with the conditions of a city state, the Hamburg plan prioritised the development on the city-countryside-relationship and put the main focus on improving the image and identity of rural areas.

Development of the city-countryside relationships

The strengthening of tourism, local recreation and horticulture triggered by individual projects extended the scope and fields of activity for a **diversification** of farms. Individual projects achieved diversification through the development of new branches of business and also had a direct effect on employment. The large proportion of projects in the field of tourism and local recreation has also led to a greater variety of leisure opportunities and more attractive leisure facilities and activities in rural areas.

Diversification restricted to a few individual cases

Overall, the effects on diversification within the LEADER process remained small. For living conditions in the rural parts of Hamburg, which are closely linked to the urban centre, other areas of action are more relevant in many respects than those that are usually supported within the frame of rural development. The withdrawal from EAFRD support presents the opportunity to develop more specific approaches and funding opportunities which are better suited to the conditions of Hamburg’s rural areas.

LEADER approach made only limited contributions to diversification under the conditions of a city state

Question 10: “To what extent has the RDP contributed to introduction of innovative approaches?”

Innovative approaches in the RDP could be identified in the descriptions of several (sub-)measures (111, 121, 123 and 311) and of the complex “Measures

Only a few innovative projects

for rural development and LEADER” (341 and SP 4). In the measure-related funding guidelines, innovation was only embedded – if at all – on the margins (except in the LEADER area). There were only a few innovative projects; “standard projects” with little innovative content predominated.

6 Programme implementation

Question 13: “Use of technical assistance”

In the RDP 2007 to 2013, Hamburg had an estimated expenditure of €1.06 million of public funding at its disposal for technical assistance (TA). This corresponded to 2.1% of the programme volume. This estimate was increased to €1.39 million with the amendment of 2013. In the end, the disbursement was €1.4 million and therefore significantly above the original planning estimate of 2009 (133%). Hamburg focused on financing “obligatory tasks” in implementing its programme. Around 57% of the public funding was spent on support and evaluation. A further 38% was spent on software. 5% of the public money went on additional personnel and the supporting committee.

Technical assistance predominantly for obligatory tasks

Question 14: “Improvement of support efficiency”

The efficiency of funding administration was already analysed critically in the mid-term evaluation. Regarding the findings of the mid-term evaluation, nothing significant has changed since then. The implementation of an EU programme requires staffing that is adequate in terms of both quality and quantity to meet the varied requirements of the programme. The administration had too few staff for the demanding tasks they faced and they were continuously under heavy pressure; the same applied to the paying agency. In the funding departments, too, the personnel cover was not adequate. Part of the reason for the slow implementation in the area of LEADER at the beginning of the funding period, for example, was certainly a lack of personnel, along with the fact that Hamburg was entering uncharted funding territory. As far as the water management measures of code 125B are concerned, the lengthy planning processes led to significant delays in implementation.

A small federal state quickly runs into limits to its capacity in implementing complex EU programmes.

Hamburg has decided to withdraw from EAFRD funding. The evaluators’ view is that this is a good decision in terms of efficiency, regarding the increasing demands on implementation and strategic orientation. The other option of entering into a cooperation agreement with another federal state, like Bremen and Berlin have done, was examined in detail by Hamburg but was rejected because of the limitations associated with it.

Withdrawal from EAFRD funding strategically expedient

For any type of portfolio of measures which Hamburg decides on outside EAFRD in future, sufficient, suitably qualified staff is a basic prerequisite. The

Qualified staff required also for

savings potentials compared to an EU co-financed implementation lie, above all, in not having to provide further administrative resources (e.g. for monitoring, statistics, control specifications, reporting). Even without EU involvement, however, Hamburg is subject to European state aid legislation. Despite these limitations, the path taken seems to be consistent and expedient from the point of view of administrative costs.

purely national
funding

7 Outlook

The Free and Hanseatic City of Hamburg has set out the guidelines for its future support for agriculture and rural areas outside the EAFRD in the form of an **Agricultural Policy Concept 2020** (APC 2020). The evaluation team gave its views on the first drafts of this concept in detail in the 2013 evaluation report.

Agricultural Policy
Concept 2020 as the
basis for future
support

From the evaluators' view there is still a need for funding, in particular in the field of Agri-Environment Measures, in the areas of vocational training/advice as well as regarding support for investment in fruit growing and horticulture. In all of the areas listed, future support in the context of the Joint Task for the Improvement of Agricultural Structure and Coastal Protection (GAK) or with state funds alone is possible.

Future funding needs

The funding areas regarded by the evaluators as paramount are addressed in the context of the APC 2020. Funding gaps are not anticipated in future. Hamburg's withdrawal from EAFRD funding is therefore also supported by professional bodies, as it is intended that Hamburg's farms will have access to the funding opportunities of the GAK and to specific state measures funded from Hamburg's own budget.

Fruit-growing and horticulture has a particular importance in Hamburg and shapes the rural area in a very obvious way. The unfavourable structural conditions for agriculture (shortage of land, farming requirements) lead to significant competitive disadvantages and force enterprises to respond rapidly to ever-accelerating changes in market conditions. Hence, there is a significant need for support, in particular with regard to investment support for generating public goods required by society, vocational training and advice on business management and production technology. Important prerequisites for efficient provision of advice have been put in place with the pooling of advisory activities in the "Competence and Advice Centre for Horticulture and Agriculture". In relation to marketing support, too, various promising initiatives are worthy of mention (wholesale market, weekly/farmers' markets, school meals, large consumers). There is potential here for integrated approaches to development which combine the issues surrounding schools, local recreation and regional products. This makes contributions to climate protection and to education for sustainable development possible.

Further need for
funding in fruit
growing and
horticulture because
of structural
problems

<p>The BWVI (Authority for Business, Traffic and Innovation) should check, under the circumstances after withdrawing from EU financial support, which administrative structures are most suitable to identify and coordinate funding requirements, organise local participation and implement the funding. In the area of pure implementation of established support measures, Hamburg is in a good position because of its centralised responsibilities with a high degree of continuity in structural and process organisation.</p>	<p>Hamburg in a good position to implement funding outside of EAFRD in terms of administrative structure</p>
<p>Fundamentally there is a trade-off between needs formulated in the fields of production technology/agricultural structure on the one hand and agri-environment/nature conservation on the other; this is not discussed further in the evaluation and can only be resolved politically. The problems with the implementation of water management measures (code 125B) are just one example that reveals this conflict.</p>	<p>Trade-offs must be solved politically</p>
<p>Any sort of future funding policy for rural areas in Hamburg must be embedded in a land policy that does not regard rural areas as a resource that can be disposed of for infrastructure projects and the implementation of compensation measures, but protects and maintains the unique historical and cultural features of Hamburg's rural areas.</p>	<p>Protection of the unique historical and cultural features of Hamburg's rural areas</p>