

Integrated Rural Development Programs in Greece: Management, Practice and Results

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Abstract

Under the framework of the 3rd Community Support Framework and especially as part of the Operational Program for the “Agricultural Development and Reform of the Countryside 2000 – 2006” the Integrated Rural Development Programs, having as a total budget 506 millions euro, is applied in forty mountainous, island and disadvantageous areas of Greece. The planning of the integrated programs was based on the intention of the European Community to support programs which target the territorial approach, as well as on the strategy for the integral and sustainable development of rural areas. The integral rural development concerns the viability of the agricultural countryside and refers to the whole net of functions which are developed in these areas. Moreover it is an approach that has multiple variations and considers the interactions and the correlations among productive, social and environmental factors. The project investigates the so far practices and management of the Integrated Rural Development Programs as well as the differentiation that the managing practices and tactics produce among the primary targets and the final results of the programs.

Keywords: Integrated Programs, Rural Development, Community Support Framework, Projects Management

Introduction

The speculation concerning the capability of Common Rural Policy (C.R.P.) to solve developmental problems of the agricultural sector, especially of rural areas with disadvantageous structures, emerged at the ‘70s and lead to the reinforcement of the structural policy and to the adoption of pilot programs for integrated rural development. These first interferences did not only concern the agricultural activities, but also aimed to reinforce supplementary occupation of rural population besides agriculture.

The reclamation of Common Rural Policy back at the ‘80s set as Community Policy objectives, the market balancing of agricultural products and the preservation of economically and socially viable rural areas (Bazin 1993). In the Green Book in 1984, the need for

environmental protection was acknowledged for the first time and a report on the multisectional approach of rural development was made. The multisectional approach implies the reinforcement of conjunctions between the sectors of economy of rural areas and the productive activities, resulting to the generation of job opportunities and supplementary income for countryside population (Bryden et al. 1991).

The causes that driven the Community to sequentially broaden the integral development policy, are mostly due to the increase of regional inequalities concerning social and economical conditions among the rural areas, the decrease of agricultural incomes by the reformation made by C.R.P., and the improvement of services provided in the rural areas that lead to the decrease of the contribution of the agricultural sector and the agricultural occupation (Bryden 1993). The conferences that took place in Cork (1996) and in Salzburg (2003) concerning Rural Development associated, even more, the integrated approach with the effort for a living countryside.

The Regulations (EEC) number 2328/91 and (EC) number 1257/99 included in the E.U. policy for rural development, the integrated approach for the mountainous and disadvantageous areas, through interventions that are fulfilled by community initiatives and operational programs in terms of national and regional level (European Union 1999). Via these programs, measures for the modernization of agricultural exploitations, the reinforcement of new farmers, the improvement of trading and manufacture of agricultural and forest products, the enhancement of mountainous and disadvantageous areas and agro tourism, are promoted. Meanwhile, from the accompanied measures, measures for the environment and the protection of forest resources are exploited.

After the recent, during 2003 and 2004, Common Rural Policy reviews and the changes they brought up, the European Agricultural Fund of Rural Development was established and the Regulation (E.C.) number 1698/2005 determined the directions of support of Rural Development from the specific fund during the coming programming period. Under the framework of the new Regulation, two of the main axis for the support of rural development, are the followings: the first one is implemented through local programs (Leader approach) and the second one through measures concerning life quality and the modification of rural economy. These two axis, avouch the faith of the European Union in the integrated, local approach for the development of its rural areas (European Union 2005).

Taking into consideration the structural characteristics of Greek mountainous and disadvantageous areas, the policy of integrated

development offers a developmental framework with important capabilities for these areas. Specifically, the tight bondage between the mountainous and disadvantageous areas and the agricultural occupation, and the last decade's boost of alternative tourism, define the need for multisectional and integrated policy for the modification of their productive bases under a framework of economical, social and environmental equilibrium (Bryden 2003).

The substantial practice of Integrated Rural Development policy in Greece started at the beginning of the '90s, mainly with the implementation of local programs in mountainous and disadvantageous areas, through Leader I Community Initiative. The pioneering of this undertaking has been tightly connected to the formation and operation of local frames under the name of "Local Action Groups" which legally are Limited Companies and they know the features, the problems and the developmental capabilities of their regions. These local action groups plan and organize their local operational programs mainly with Bottom-up approach and they manage their implementation.

The pilot dimension of the Community Initiative has been continued emphasizing the innovation, via Community Initiative Leader II, of the 2nd Community Support Framework.

The success of these two initiatives in Greece was mainly determined by the realistic approach of local needs or of local investing interest in the intervened areas, and by the "decentralizing" immediacy and suppleness in implementation of the local programs.

Under the framework of the 3rd Community Support Framework, the approach of Integrated Rural Development is broadened by the increase of the number of intervened areas and by its adoption in the framework of more Operational Programs.

Specifically:

- in the Operational Program "Leader+ Community Initiative" of the Ministry of Rural Development and Food and in the measures 1 and 2, which refer to the local programs, forty (40) operational programs of mountainous and disadvantageous areas are subsumed and implemented
- in Axis 7 (Integrated Rural Development Programs) of the Operational Program for the "Agricultural Development and Reform of the Countryside 2000 – 2006" of the Ministry of Rural Development and Food, forty (40) Integrated Programs for the opposite number of mountainous and disadvantageous areas are subsumed and implemented

- under the framework of the “Regional Operational Programs” (R.O.P.) forty six (46) Integrated Programs at mountainous and disadvantageous areas are subsumed and implemented

The totals of 126 Local Integrated Programs have partial overlap in point of their subject of action and the area they are practiced (Chatzitheodoridis et al, 2003).

Integrated Rural Development Programs (I.R.D.P.): Identity and course of practice

The concern of this essay is focalized on the Integrated Programs (Axis 7) of the Operational Program for the “Agricultural Development and Reform of the Country side 2000-2006” (O.P. A.D.-R.C.) which are implemented by the Ministry of Rural Development and Food, as it is the first time they are practiced and for their implementation a new legislative and applying framework has been created.

Table 1. Axis 7 Identity (I.R.D.P.) according to its initial approval and intermediate review.

	AXIS 7 (I.R.D.P.) Initial Approval E 845/ 6-4-2001	AXIS 7 (I.R.D.P.) 2 ND Review C 4571/ 19-11-2004
Total Budget	581,97 mil. €	506,08 mil. €
Public Expenditure	311,90 mil. €	361,90 mil. €
Intervened Areas	Mountainous & Disadvantageous	Mountainous & Disadvantageous
Number of Programs	40 Integrated	40 Integrated
Coverage: Administrative Population Expanse	221 Municipalities 810.000 inhabitants 34.200 sq. km.	223 Municipalities 810.000 inhabitants 34.200 sq. Km.
Final Beneficiaries of public projects	O.L.S. of I.R.D.P.	O.L.S. of I.R.D.P.
Final Beneficiaries of private projects	Special Agency Implementing Co-financed Actions from EAGGF-GUIDANCE	Special Agency Implementing Co-financed Actions from EAGGF-GUIDANCE
Beneficiaries	O.L.S. and residents of I.R.D.P.	O.L.S. and residents of I.R.D.P.

Source: Ministry of Rural Development and Food, Programming Supplement, 2004a

The total budget of O.P.AD-RC is 3.567,6 million €, out of which the Public Expenditure is 2.136,2 million € (national and community participation), according to the last 3rd Review (C 33940/15-12-2005). The Operational Program’s implementation begun at the time of its approval on 6/4/2001 and by this time today three reviews have been made. The most important of these reviews is the one that took place in 2004 (2nd Review C 4571/19-11-2004) after the intermediate review of

the program. Nowadays, Axis 7 of the O.P.AD-RC is of a total budget of 506,08 millions €, out of which the Public Expenditure is 361,9 millions € (Table 1). In terms of the Operational Program, Axis 7 constitutes 16,9% of the total Public Expenditure for the program.

Table 2. Axis 7 Measures, the kind of projects and the project categories included

MEASURE	TITLE	KIND OF PROJECT	PROJECT CATEGORIES
7.1	Land Improvements	Public	-Antifouling -Flood preventing -Torrent set out
7.2	Establishment of services for the administration of exploitations	Private	-Technical support -Replacement services
7.3	Trading of agriculture quality products	Private	-Consulting services -Quality Ensuring systems -Staff training -Export promotion
7.4	Basic services for rural economy and agricultural population	Public & Private	-Multi-activities Centers -Baby farms -Library erection -Local events, etc
7.5	Renovation and formation of villages – Protection and preservation of rural inheritance	Public & Private	-Water supply, waste pipe networks -Internal roads constructing -Reformation of built-up areas
7.6	Modification of agricultural activities that relate to agriculture, for the creation of multiple activities and the acquisition of alternative income	Private	-Tourism investments -Manufacturing investments -Home handicraft by farmers of full plate or partial occupation
7.7	Administration of Agricultural aquatic resources	Public	-Ταμίευση επιφανειακών υδάτων -Irrigation networks
7.8	Creation and improvement of infrastructures related to the growth of agriculture	Public & Private	-Rural Road constructing -Mild sources of energy
7.9	Encouragement of tourism and small industry activities	Private	-Tourism activities -Small industry activities -Intervened areas promotion
7.10	Environmental protection in combination with agriculture, forestry, landscape preservation and animal living conditions improvement	Public & Private	-Forest protection -Ecosystem administration -Degraded rehabilitation -Environment briefing
7.11	Competitive improvement of the agricultural utilizations	Private	-Investment encouragement of a.b. -Small utilizations back up
7.12	Investments for competitive boost of businesses handling first manufacturing and agricultural products trading	Private	-Animal production investment -Plant production investments
7.13	Investments for the improvement and rationalism of woodcutting, manufacturing and marketing of forestry products	Private	-Equipment supply -Implementation of substructure projects
7.14	Basic services for rural economy and agricultural population	Management	13 Support Frames

Source: Ministry of Agriculture, Programming Supplement, 2001

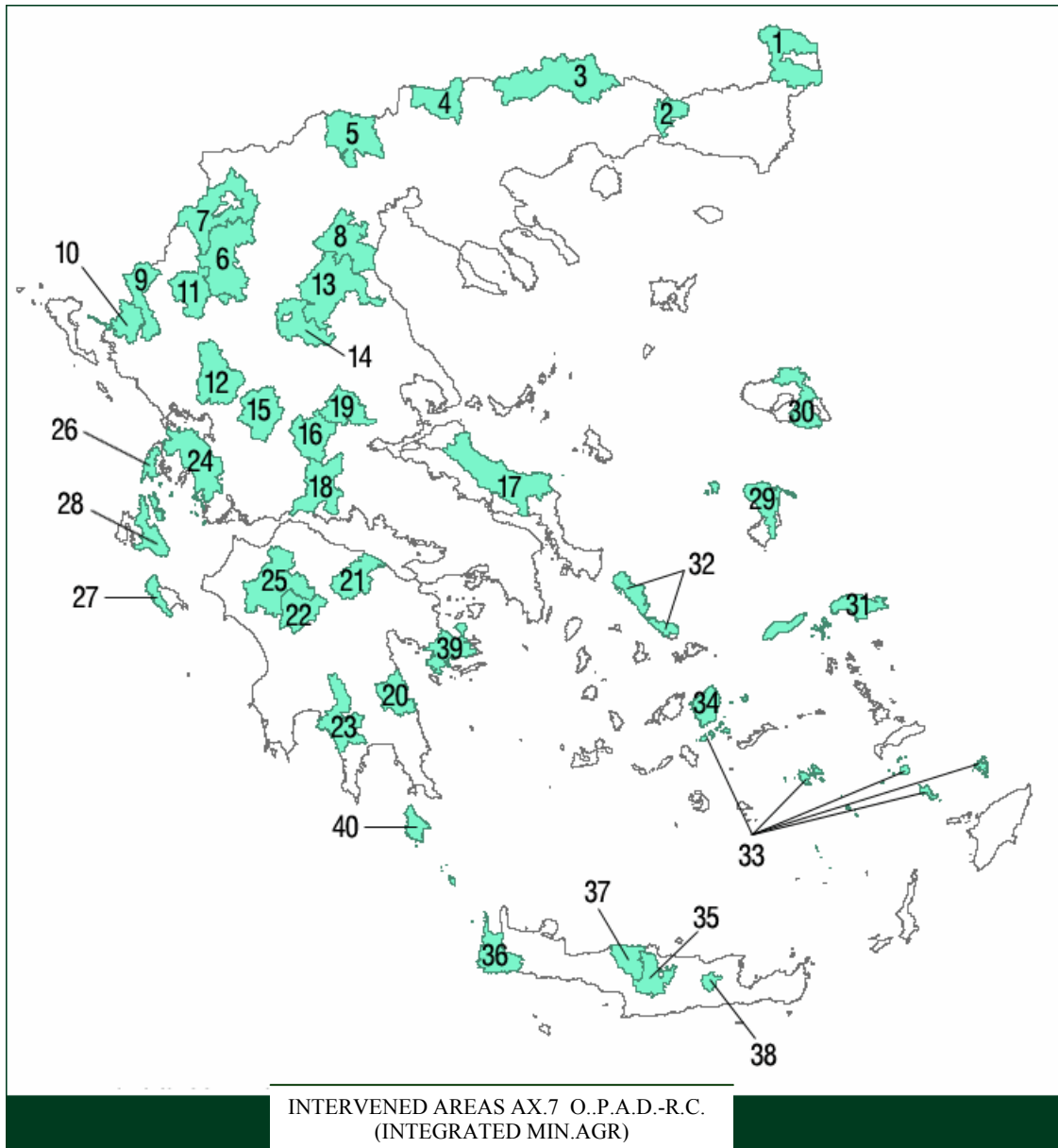
Axis 7, of the Integrated Programs, includes 14 Measures (table 2). Apart from Measure 7.14 that refers to the operating expenses of the 13 Support Frames which locally sustain the Integrated Programs, the rest of the measures are grouped in measures that refer to Public Projects (Measures 7.1, 7.4, 7.5, 7.7, 7.8 and 7.10) and in measures that refer to Private investments (Measures 7.2, 7.3, 7.6, 7.9, 7.11, 7.12 and 7.13).

Measures 7.4, 7.5, 7.8 and 7.10 apart from Public Projects, also include Private investments. Table 2 presents the project categories that each measure includes. The Proclamations – Invitations for interest display from the final beneficiaries, are usually implemented either through the set of Public Projects measures or through the set of Private investments measures.

Axis 7 Measures are applied in 40 regions of the country, which also are the regions of the Integrated programs (Map 1). The forty (40) intervened regions were selected taking into consideration the following criteria: the population alteration, the population density, the mountainy and the percentage of occupation in the Primary sector. Based on these criteria, the economic resources were apportioned in each intervened area.

Before the beginning of the implementation, the planning procedure of the Integrated programs, involved the elaboration of studies for all of the intervened regions. Then, in cooperation with the O.L.S. (Organizations of Local Self-Administration) and the local carriers, the immediate priorities and the needs mainly of Public projects were marked. Based on the data-incomes of the foresaid steps, the Special Administrating Service of the Operational Program composed the Business Plans of the Integrated Programs. These Business Plans would at the implementation, determine the Proclamations for every measure and the subsumptions in the I.R.D.P.

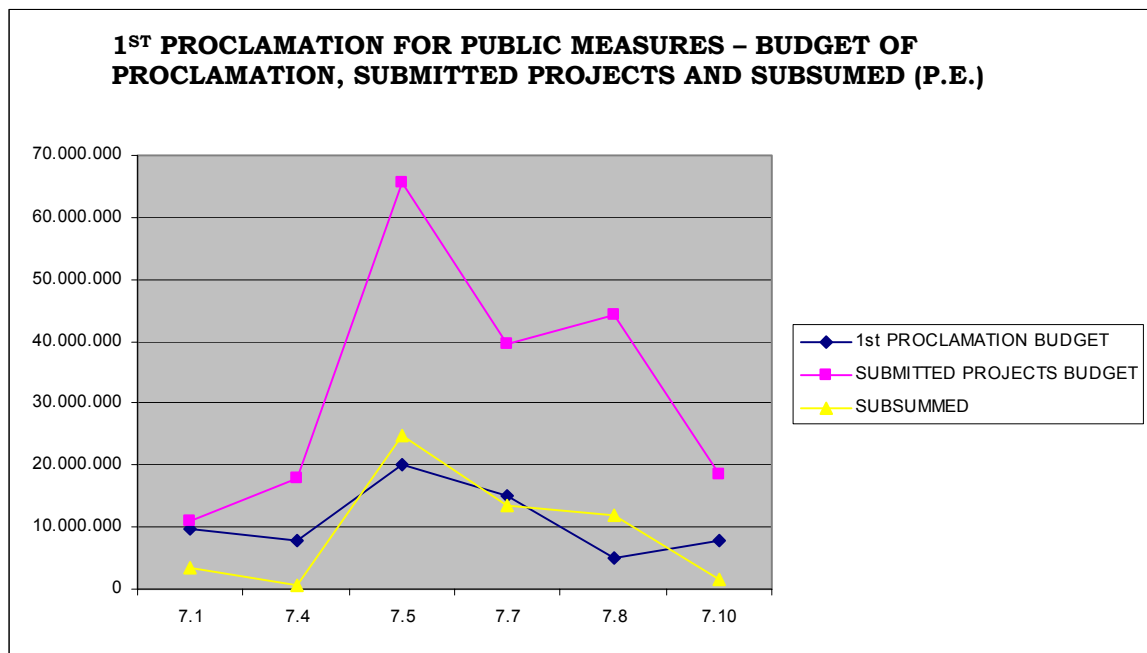
In the mean time, the practice of Measure 7.14, that refers to the Support Frames, begun. The Support Frames are regional formations, mainly local carteled Development Firms, aiming to acquaint – inform the local population and to support the implementation of the Integrated Programs on a local basis. Thirteen (13) Support Frames have been determined, for each region and their format contain Antennas, usually spreading all over a County. Via an Invitation, the Support Frames were chosen and these carriers became project active from the beginning of 2003.



Apposite services for the management and implementation of the measures are, for the Public projects: the Special Management Authority of the O.P. “Agricultural Development and Reform of the Country side 2000-2006”, and for the Private projects: the Special Agency Implementing co-financed actions from EAGGF-GUIDANCE. The Support Frames subserve the implementation locally and their undertaking and appositeness differ from those of the Local Action Groups, who implement the local LEADER+ programs (Ministry of Rural Development and Food 2004β).

By this time, four Invitations have already been implemented concerning measures for the public projects.

The first Proclamation-Invitation concerning public projects measures was addressed to the Municipalities – Final Beneficiaries and it took place in 2002 and expired on 28/2/2003. It involved the 35 areas of the IRDP and its total budget was 65 millions €. 728 proposals were made, requesting 196,8 millions € Public Expenditure. Afterwards, an other invitation was announced, it expired on 5/9/2003 and concerned the 5 IRDP areas which were not included in the 1st proclamation (Trizinia, Lesbos, Samos, small islands in the Aegean Sea, Lasithi’s Mesa, and the Municipalities of Dion and Lixorio). For this complementary invitation, 96 proposals were made requesting 21,6 millions € Public Expenditure.



Histogram 1. 1st Invitation for public projects measures, Axis 7. Budget of the Invitations, of submitted projects and of subsumed in public expenditure

As histogram 1 shows, the budget of the proposals made by the O.L.S. (Organizations of Local Self-Administration) was 3 times the budget of the 1st Invitation. In fact, at this first implementation of the Integrated Rural Development Programs, it was discovered that the intervened areas had significant needs for small public projects and that there was an “immaturity” in projects mainly due to the lack of relevant services for their maturity and the lack of knowledge concerning the procedures followed by the local carriers. The change of the municipality parties at that time also seemed to be a problem. As a matter of fact, under the

framework of the Business Plans there were first priority projects recorded and for many of them, after the relevant Invitations no Technical files were filled out in order for the projects to be subsumed. This is due to the fact that the new municipality parties, elected in the 2002 elections, probably had different priorities (Chatzitheodoridis et al, 2003).

The main interest was focused on measures 7.5 and 7.8 that mainly concern the improvement or replacement of water supply and waste pipe network, the internal road construction and improvement, as well as rural road constructing and improvement (Ministry of Agriculture, 2003). The need for replacement of mainly the old water supply networks that have amianthus pipes, which is a material hazardous for the health, was primarily the cause of the big interest measure 7.5. showed. At the same time, O.L.S. (ORGANIZATION OF LOCAL SELF-ADMINISTRATION) faced these measures as a chance to construct or improve their internal and rural roads, which in many cases of mountainous and disadvantageous municipalities were insufficient and of bad quality. Even though, in general, the submitted files of the projects addressing to these two measures, had significant lacks, the subsumptions exceeded the Invitation's budget.

The 2nd invitation for measures 7.1, 7.4, 7.7 and 7.10, involved the total of the 40 areas of the IRDP, took place during 2003 and expired on 30/9/2003. 393 proposals were totally made, requesting 79,5 millions € Public Expenditure. This 2nd invitation of relatively low budget (15 millions €), intended to "equilibrate" the subsumption and to cover part of the operational plans of the I.R.D.P. for public interest measures that in the former invitation either the O.L.S.'s (ORGANIZATION OF LOCAL SELF-ADMINISTRATION) interest was low or the submitted projects were not "mature" to be subsumed. Thinking same wise, the specific invitation did not cover measures 7.5 and 7.8 that already had more subsumptions than originally planned.

Taking as granted the amplification of the measures which had a lot of demand at the 2nd intermediate review, the 3rd Invitation was a fact and expired on 30/12/2004. The invitation involved 48 specific municipalities and communities of the I.R.D.P. for measures 7.4, 7.5 and 7.8. Under the framework of this Invitation totally 146 proposals were made, of 44,2 millions € Public Expenditure budget. Projects of 38 millions € were subsumed, out of which 57% (22millions) concerned measure 7.5, 36% (14millions) measure 7.8 and the rest 7% measure 7.4. Actually, this Invitation, as the 1st invitation did, mainly served the O.L.S.'s (Organization of Local Self-Administration) needs in water supply networks and in internal and rural road constructing as these were the prevailing projects suggested under the framework of measures 7.5 and

7.8, while the subsumptions in these measures constituted 93% of the total budget of the subsumed. The specific O.L.S. (ORGANIZATIONS OF LOCAL SELF-ADMINISTRATION), after the elections in 2004, aimed at this invitation bringing forward their needs and this is the reason why they took care of the “maturity” of the projects of the specific categories. With this invitation, the Administrative Office of the program decided projects “out of Business plan” not to be left out anymore but to be subsumed, while in some cases the 440.000€ supreme total budget of the subsumed projects was exceeded, as projects of higher budget were subsumed.

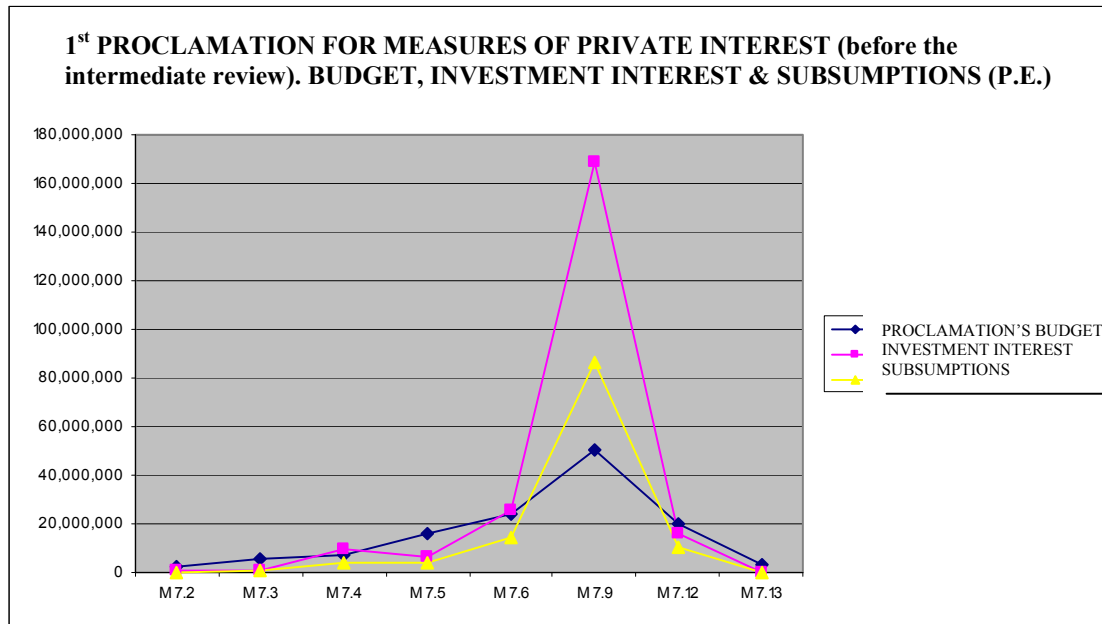
At the end of 2005 the 4th and last invitation took place (expiring date: 30/11/2005) concerning all of the Municipalities of the I.R.D.P. and all of the public projects measures of Axis 7. Many proposals were made and these proposals are at the stage of record and evaluation.

By this time today (April 2006) measures for public projects exhibit the following total numbers:

- 602 total public projects have been subsumed
- The cost of these subsumed projects is 152,9 mil. € Public expenditure, while for these projects 75,8 mil. € Public expenditure is Legal Commitments.
- By today, 30,5 mil. € Public expenditure is the sum of public projects Paid-Absorbed.

For the measures concerning private investments two Invitations have been made until now. The practice framework of the private investments of the I.R.D.P. is determined by Common Ministerial Decision (C.M.D.) 505/2002, which has been altered by C.M.D. 561/2004 and by Ministerial Decision (M.D.) 237792/4596/16.03.2003, which have been altered by 320731/17008/14.12.2005 M.D., regarding the practice details (Ministry of Agriculture 2002).

The 1st Proclamation, having as a submission of investment plans expiring date the 12/05/2003, involved 129 mil. € Public Expenditure. The investment interest showed was pretty high, but it was mainly focused on measure 7.9 and secondarily on measure 7.6. These measures mainly concerned investments in tourism and secondarily in manufacturing businesses. 1.731 investment proposals were totally made, for 230 mil. € total Public Expenditure. After the evaluation fulfillment of the candidate investment proposals files by the final beneficiary, and after the pronouncement fulfillment of these files by the apposite Opinion Giving Comities, the subsumed investment plans were 990 of 120 mil.€ total Public Expenditure.



Histogram 2. 1st Invitation for measures of private interest, Axis 7. Budget, investment interest and subsumptions at Public expenditure.

The measure 7.9 subsumed investment budget, was twice as much the proclaimed sum for the specific measure (642 investments were subsumed, of 86,6 mil. € Public Expenditure and the opposite number proclaimed was 45mil. €), while the subsumptions concerned, in more than 80%, tourist activities and the rest % was manufacturing investments. It should be noted down that, inhabitants and businesses that wish to invest in areas of the I.R.D.P. can be subsumed to the measure. Relatively important also were the subsumptions (116 investments of 14,7 mil. € Public Expenditure) in measure 7.6., which in fact at the end resulted in tourism investments made exclusively by farmers.

At the first Invitation the smashing investment interest was related to tourism growth, especially tourism accommodation construction, while a significant percentage of people engaged to primary sector headed towards supplementary activity relevant to tourism. Besides the farmers who pursued supplementary income through these investments, the already existing tourist businesses and the people occupied in other economical sectors also saw the possibilities in investing in a sector that they believe their regions have comparative advantage.

The submitted investments for the manufacturing of agricultural products and generally for small industry activities were mainly related

to the manufacturing tradition of the regions that are affiliated to the production of goods known for their special characteristics.

At the end of 2005 a new Invitation to the Final Beneficiary was made, requesting the submission of proposals under the framework of measures 7.3, 7.4, 7.5, 7.6, 7.8 and 7.9 of 48millions € total Public Expenditure. This 2nd Proclamation for the private investments of I.R.D.P. had as the proposals submission expiring date the 12/12/2005. More than 1.700 proposals were totally made, asking for more than 215 millions € Public Expenditure. It should be noted that only for measure 7.9, the proclaimed Public Expenditure was 20 millions €, while the proposals requested for 215 millions €. These proposals are being evaluated and the Legal Commitments must be completed by the end of 2006.

By this time today (April 2006) the private investments measures exhibit the following total numbers:

- 977 public projects have totally been subsumed or qualified.
- The cost of the subsumed or qualified projects is 120 millions € Public Expenditure and for these projects, the Legal Commitments that have been made is 99 millions € Public Expenditure.
- Until now, 30 millions € Public Expenditure Payments-Absorptions have been given out.

Intermediate review, modifications and management “practices”

The 40 business plans instructed by the Ministry of Agriculture at the first implementation phase of Axis 7, configured the initial budget of the projects and in a great scale the capabilities of implementing specific public projects and private investments, and that is a fact brought forth by the initial fund indices.

In the management framework of the 3rd Community Support Framework there is a capability of modifications and budgets alteration:

- By funds transfer from one measure to another on the same Axis, after the relevant decision of the Supervision Commission of the Operational Program.
- After the intermediate evaluation and review of the Operational Program. In this case, it is possible to increase or decrease the budget of an Operational Program, of an Axis, and consequently to shift funds from one measure to an other measure of a different Axis.

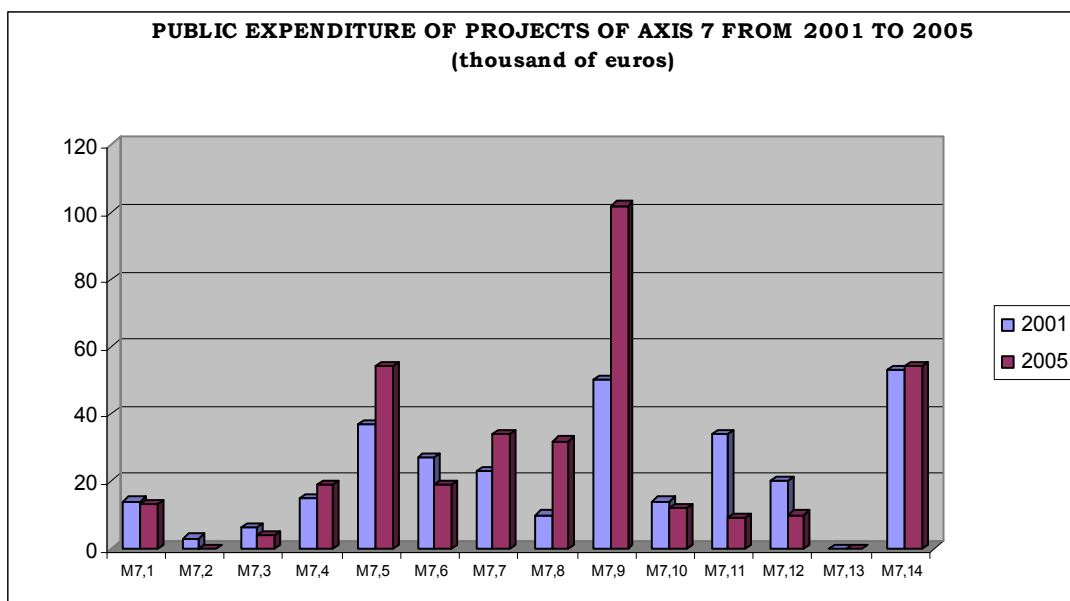
As shown in Table 1, after the intermediate evaluation of the Agricultural Development program and after its 2nd Review, at Axis 7 that includes the integrated programs, there were important modifications (Ministry of Agricultural Development and Food 2004a). Axis total budget was 13% reduced (from 582 mil. to 506 mil €) and 16% was the increase of the total public expenditure of the AXIS (from 312 mil. to 362 mil. €) . This decrease in the total budget was implemented in expense of private participation and private investments, since in the beginning the total private participation in the framework of Axis was prefigured to be 270 mil. € and after the intermediate review it only ended up to be 144 mil. € (45 % decrease of private participation). This important increase of public expenditure was mainly channeled in public measures 7.4, 7.5, 7.7 and 7.8 as well as in measure 7.9 for private investments that mainly concerns tourism (Histogram 3).

Regarding the last modification of the Operational Program, the financial stress (%) of each measure, according to Axis total public expenditure, is modulated as followed:

- measure 7.1 , 7.2, 7.3, 7.4, 7.6, 7.10, 7.11, 7.12 and 7.13:
0% - 5% financial stress
- measures 7.5, 7.7, 7.8, and 7.14: 9% - 15% financial stress
- measure 7.9: 28% financial stress

Measure 7.14 with a 15% financial stress of total public expenditure, that covers the functional costs of the 13 support frameworks, was enforced in the 2nd Review. This project does not bring in important efflux or results, because at the implementation of the programs it only contributes with peoples occupation. Furthermore, the functional cost of the support frames is particularly high estimated, even though they do not have final beneficiary attributes, as for example LEADER+ local action groups, who's functional cost is lower than that of the support frames! If because of rationale we don't consider the specific measure in the framework of Axis 7, then the financial stress of the remaining measures will be as follows:

- measures 7.1, 7.2, 7.3, 7.4, 7.6, 7.10, 7.11, 7.12, and 7.13:
0% - 6% financial stress
- measures 7.5, 7.7, 7.8: 11% - 18% financial stress
- measure 7.9: 33% financial stress



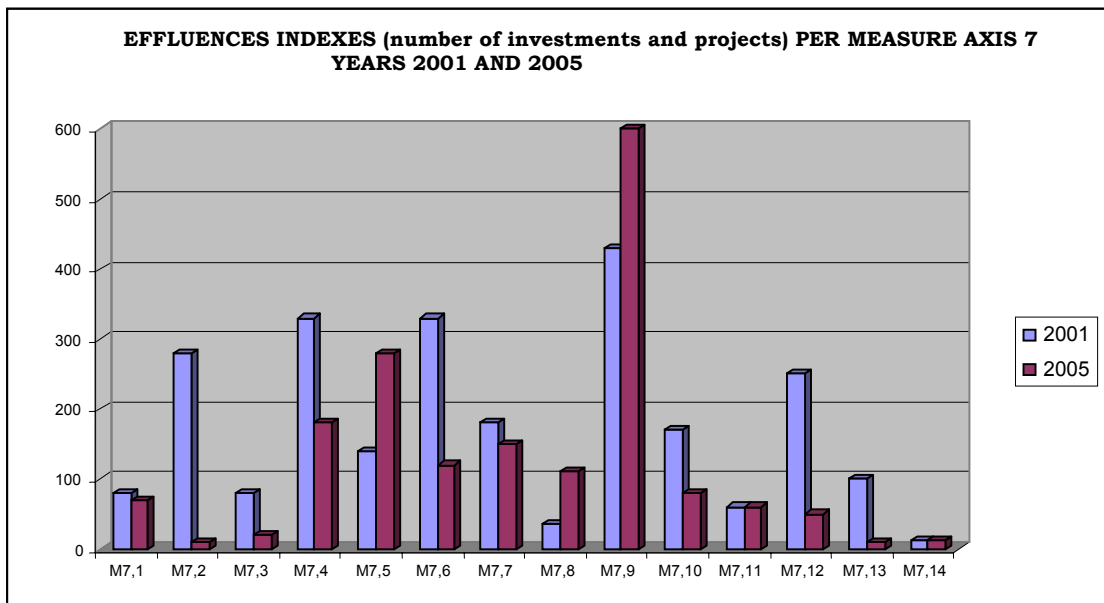
Histogram 3. Alteration of Public Expenditure of Axis 7 measures when the project started (2001) and the year of its last Review (2005).

According to the above, there is a dispute about the “integrated character” of the I.R.D.P. as only four of the measures (7.5, 7.7, 7.8 and 7.9) concentrate 73% of AXIS 7 total financial stress, where as the rest of the 9 measures concentrate only 27%. More specifically, the investments (from farmers or not) mainly focus on tourism concentrating 39% financial stress, while public projects focused on “hard infrastructures” of water supply, irrigation, internal and agricultural road constructing with a total stress of 40% public expenditure.

From histograms 1, 2 and 3 it seems that the modifications found, which concerned the budget of the measures, were solely based on the investing interest and on the interest of the O.L.S. for specific project categories (Ministry of Agriculture 2003). The measures marked as “high on demand” were given extra funds, whereas “low on demand” measures were given a reduced budget and in some occasions the budget was zeroed (projects 7.2, 7.3 and 7.13). Substantially the business plans of the 40 integrated programs ceased to comprise “tools” for the implementation of integrated programs and were only replaced by the reasoning of credits “absorption”.

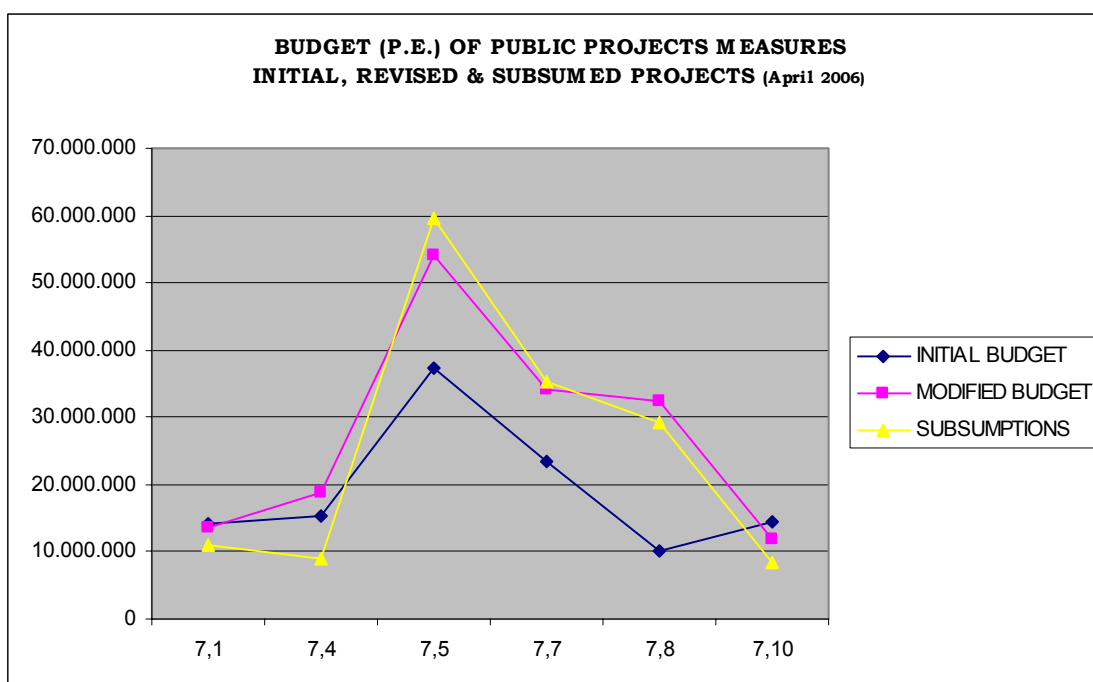
After the 2nd Review of the program, effluence indexes were dramatically reduced (Histogram 4). With sole effluence indexes, the mass of projects and the mass of investments, it is estimated that the initially 2500 projects and investments expected effluences, after the

intermediate Review were reduced to 1750 (reduction of 30%) of the total of the measures. If we also consider the 16% increase of the total public expenditure, then we come to the conclusion that “with more funds we implement fewer projects”. This is a fact that implies that by the Review, the modifications and the management “practices”, the kind of projects that are subsumed in the I.R.D.P. have changed, whereas from low budget public projects and small investments for supplementary income, the Axis has been driven to the support of bigger and higher cost public projects and investments.



Histogram 4. Effluence indexes shift (number of projects and investments) of AXIS 7 measures, when the project started (2001) and at its last year of Review (2005).

The whole situation is expected to get worse until the 31/12/2006, a date that all of the projects must be definitely subsumed and all relative legal commitments must be signed, under the framework of the 3rd Community Support Framework. Up to this timeline it is estimated that more projects will be added to the measures of the integrated programs with high interest, to a point that public expenditure subsumptions will even exceed the modified budgets of the measures. Therefore, it's almost certain that at the end of 2006 there will be a 4th modification that will move economic funds from “low demand” measures to measures such as 7.5, 7.7 and 7.9. This estimation is confirmed by histogram 5 where it's shown that already in measures 7.5 and 7.7, in April 2006, the total budget of subsumed projects, has overcome the modified (enforced) measure budget after the intermediate evaluation.



Histogram 5. Initial (2001) and revised (2005) budget (P.E.) of Axis 7 measures that concern public projects and budget of subsumed projects per measure (April 2006).

6. Conclusions

The new Common Rural Policy is planning the reformation of the rural area through structural programs that might be more effective than sectorial interventions. Especially for disadvantaged areas, this policy, according to the decisions of the European Parliament, should have as a goal to discourage their depopulation, to eliminate their disadvantages and to guarantee better environmental protection.

The so far practice of the 40 integrated programs of the Ministry of Rural Development and Food in corresponding mountainous and disadvantaged areas, has shown that these areas have important shortages and needs in basic infrastructure. Furthermore, the residents of these areas perceive as investment opportunities, those that are mainly affiliated to tourism development. Towards the direction of necessity coverage in infrastructures for everyday life improvement of the residents, of attraction enforcement of these areas and of an investment scheme creation, AXIS 7 of the integrated programs is surely on track.

Despite the programs contribution to the above directions, their so far practice and management, is up to a point undermining their multisectorial approach and the temperate character of the interventions. From the management view, their course shows that the modifications applied, enforced only four out of the thirteen measures, the ones that had an increased investing interest and demand. Nearly 40% of public funds are by today committed to the enforcement of tourist activity and almost 40% of funds, are committed to the construction or improvement of “hard infrastructure” (mainly in road constructing, water supply and irrigation).

The initially designed operational plans for each I.R.D.P., were not taken into consideration later on. The maximum limit set at the subsumed projects budget, wasn't met in several cases. Private investment was notably reduced to the total integrated programs of the Axis, whereas public credits were increased and the number of projects expected as program implementation effluences was reduced.

Management practices aiming to balance credits and subsumed projects regardless of their targets and planning, as well as the “rationale” that aims to absorb more community funds, regardless of their effectiveness, seem to dominate even in areas that not only need respective politicians but respective liability as well!

To all of the above, the “poor” results of the total management extent have to be added, as it seems from today's legal commitments and payments, after 5 years of operation, the legal commitments that have been signed correspond to a 60% percentage of the total and the implemented projects is of 87 mil € public expenditure, in other words 24% percentage of the total public expenditure of Axis 7. Whereas in these 87 mil. €, 25 mil € payment is included for the support frames.

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Appendix:**I.R.D.P. AREAS (according to map 1)**

1.SOUTHEAST DISTRICT EVROS COUNTY	11. MOUNTAINOUS TIMFIS PART	21. MOUNTAINOUS WESTERN KORINTHIA	31. SAMOS ISLAND
2. EASTERN MOUNTANOUS PODOPI	12. MOUNTAINOUS ARTA	22. MOUNTAINOUS MUNICIPALITY TROPEON ARKADIAS	32.NORTH ANDROS-TINOS
3. NORTHERN DRAMA COUNTY	13. NORTHEAST PART , LARISA COUNTY	23. TAIGETOS , LAKONIA COUNTY	33. DODECANESE SMALL ISLANDS
4.KERKINI-SERRES COUNTY	14.EASTERN PART , TRIKALA COUNTY	24. KSIROMERO , AITOLOAKARNANIA COUNTY	34. MOUNTAINOUS NAXOS
5. PAIKO , KILKIS & PELLIS COUNTY	15. NORTHWESTERN PART , EVRITANIA COUNTY	25. NORTHEASTERN PART,ILIAS COUNTY	35. MALEVIZIOY , HERAKLION COUNTY
6. MOUNTAINOUS GREVENA -UPPER VIO	16. WESTERN FTHIOTIDA	26.MOUNTAINOUS LEYKADA	36. SOUTHWESTERN PART , CHANIA COUNTY
7.GRAMMOS-KASTORIA- VITSI	17. MOUNTAINOUS PART CENTRAL EVOIA	27.MOUNTAINOUS ZAKINTHOS	37. MILOPOTAPOS RETHIMNON
8.MOUNTAINOUS PIERIA PART	18. MOUNTAINOUS DORIDA	28. MOUNTAINOUS SPACE ,KEFALONIA COUNTY	38. LASITHION AREA
9. NORTHWESTERN DISTRIC, IOANNINA COUNTY	19. UPLAND OF LAKE KSINIADA	29.CENTRAL PART , CHIOS COUNTY	39.ATTICA-ARGOLIDA AREA
10.FILIATES THESPROTIAS	20.SOUTHERN PART ,ARKADIA COUNTRY	30. LESVOS ISLAND	40. KITHIRA ISLAND