

1. INTRODUCTION

The research presented here broadens and deepens the results of the *in itinere* evaluation (2010) of the Rural Development Programme (RDP) of the Region of Piedmont (Italy), which showed the existence of the so called ‘picking the winners’ effect. However, given that in 2010 the time elapsed since the adoption of new systems and equipment was not enough to properly evaluate the effects, this article aims to achieve more complete results.

The RDP represents the main tool to accommodate changes in the rural space and to support the agricultural, agro-food, and forestry sectors. Financed by the European Regional Development Fund (ERDF) and the European Social Fund (ESF), the RDP focuses on four main areas: improving the competitiveness of the agricultural and forestry sectors; improving the rural environment and the countryside; increasing the quality of life in rural areas and the diversification of the rural economy; and the LEADER initiative expected to augment the links among actions and territories for the development of the rural economy. Considering that the financial resources allocated to the RDP in Europe for the 2007-2013 period amount to 147 billion Euro, it clearly emerges how important it is to assess the efficiency and effectiveness of the programme.

This survey analyses the effects of investments financed through the Measure 123, aimed at increasing the added value of agricultural and forestry products. The beneficiaries of this Measure are small and medium enterprises dealing with the transformation, processing, distribution and

marketing of agricultural and forestry products. Some of the priority objectives of the Measure 123 are: promoting the processing of agricultural and forestry products; encouraging the involvement of primary production sectors in the promotion of products; strengthening the economic and environmental performances of the enterprises; improving the quality of products and encouraging diversification and innovation.

The paper proceeds as follows: in section 2 the theoretical framework and the present research are described; section 3 provides an overview on the RDP measures for the agro-food industry; section 4 shows the results obtained while concluding remarks are given in the final section.

2. THE THEORETICAL FRAMEWORK AND THE RESEARCH METHODOLOGY

This work aims to better understand the role played by the Rural Development Programme (RDP) to support the agro-food industry in Piedmont, by means of counterfactual analysis. The agro-food sector is the portion of the production chain dealing with food processing and characterised by the highest added value.

Differently from other production sectors, it includes various types of businesses: large farming enterprises, cooperatives of producers, as well as processing industries. The role and effects of public support measures is a much debated subject in the economic literature (Bezlepikina *et al.*, 2005; Kleinhanß *et al.*, 2007; Alston and James, 2002; Sckokai and Moro, 2009, Cerulli, 2010), with some scholars claiming that