EX-POST ECONOMIC IMPACT ASSESSMENT OF AGRI-ENVIRONMENTAL MEASURES: CASE STUDY OF LITHUANIA

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Abstract

The aim of the research is to develop an ex-post impact assessment methodology for agri-environment measures and to test it empirically. Impact assessment is an important tool for policy makers. Pursuing sustainable farming development, it is important to analyse and evaluate possibilities and obstacles of the implementation of sustainable farming practices. The development of new policies requires a thorough analysis and a thorough assessment of the impact of already implemented agri-environmental measures (ex-post evaluation). In this way, the methodology would allow to assess effectiveness of the implemented measures and consider the possibilities of applying these measures in the future. The main element of the ex-post impact assessment is to create the opposite of the current situation by using counterfactual analysis methods, such as, propensity score matching analysis, double difference analysis, combined propensity score matching and double difference analysis, etc. In order to come to the reasonable conclusions, the most appropriate methodology will be developed and verified empirically by using the most comprehensive economic information about the activities of agricultural entities in Lithuania from the Farm Accountancy Data Network (FADN). Ex-post economic impact assessment of agri-environmental measures will be carried out by the comparison of agricultural holdings participating in the agri-environmental measures (before and after joining the measures) and not participating. The results of the research will provide new knowledge about effectiveness of agri-environmental measures and the ways of their improvement in the future.

Keywords: Agri-environmental Measures, Counterfactual Analysis, Sustainable, Farming.