



TWG4 – Delivery mechanisms of EU Rural Development policy

Minutes of the 5th meeting

15/02/2011, Brussels



Connecting Rural Europe

Thematic Working Group 4

Delivery mechanisms of European Rural Development Policy

1. Agenda and participants

1.1 The main elements of the agenda of the meeting:

- Presentation of three case studies (Step 2): Denmark, Germany-Rheinland-Pfalz, Hungary
- Aspects of RDP implementation in selected Member States
- Presentation and discussion of a work proposal for the production of “concept notes”

1.2 Participants:

TWG 4 members	Thomas BERTILSSON Denis BOGLIO David EL MECHALI Markus HOPFNER Sirpa KARJALAINEN Franco MANTINO Panagiotis PATRAS Zuzana SCHOTTERTOVA Franz-Josef STRAUB Joost TEIGELER
DG AGRI – E3 DG AGRI – G1	Tue Ramussen FOSDAL Franciska BARABAS KOMIVES Pedro BROSEI Karolina JASINSKA-MÜHLECK Josefine LORIZ-HOFFMANN (Chairman) Gyorgy MUDRI Sari Helena RANNANPAA
DG AGRI – G3 DG AGRI – F3	Jean-Michel COURADES Manfred GAMPER
EN RD Contact Point	Anna AUGUSTYN Fabio COSSU Janet DWYER Michael GREGORY Edina OCSKO Elena SARACENO Simone SCHILLER
Others/experts	Sebastian ELBE

Apologies for absence (TWG4 members): Mr Gerallt Llewelyn JONES, Ms. Janja KOKOLJ PROŠEK, Ms Reve LAMBUR, Ms Katrina MARSEDN.

2. Presentation of the outcomes of the three case studies¹

2.1 Content of the presentations

Danish case study: by Mrs E. Saraceno, EN RD Contact Point

German case study: by Ms S. Schiller, EN RD Contact Point

The presentations provided an overview of the main outcomes of the research work conducted in the respective countries/regions. They highlighted the principal features of the Rural Development Programme delivery systems put in place, with particular reference to the main characteristics of the system, issues and bottlenecks as emerged from the interviews conducted, and examples of best practices and suggestions for further improvements. Results of the case studies were presented by themes as defined by the working methodology agreed by the Members (i.e.: strategic approach and targeting; programming procedures and financial aspects; architecture of the policy; implementation procedures; partnership principle; implementation of integrated territorial development strategies (including Leader); coordination of policies; monitoring and evaluation; control systems; obligation of beneficiaries). Quick insights were provided with respect to the in-depth analysis undertaken on the delivery of specific measures.

2.2 Points arising from the discussion / further clarifications

Danish case study:

- The Danish RDP is characterised by so-called double architecture, meaning that it comprises of national support schemes which also integrate the EAFRD system of axes and measures. The equivalence between the systems can best be seen at sub-measure level. This raised questions on how the consistency with the objectives/priorities set at the EU level is ensured and; what this implies in terms of strategic targeting and quantification of objectives and in terms of monitoring and evaluation.
- The double architecture is proven not to be distortive in respect to the overarching EU priorities, since the objectives set at national level appear perfectly in line with them. Furthermore, the national 'Green growth agreement' stipulated in June 2009 has further reinforced this link through an increased focus on growth and sustainability (in line with the Lisbon and Göteborg strategies) thus ensuring the justification for the national objectives. Denmark has a long and positive tradition of meeting national targets whose level has been recently raised by the introduction of the CAP Health Check.
- The use of selection criteria which focus on 'innovative' interventions appears to be very consistent with the choice of the national objectives. The definition of 'innovation' however, as narrowly set at the national level, was criticised and partially revised in a second phase of

¹ Only two case studies (Denmark, Germany-Rheinland-Pfalz) were presented during the meeting. The presentation of the case study for Hungary has been postponed to the next meeting.

implementation. The concept of innovation used by the Danish authorities focuses very much on diffusion of information (i.e. technologies/practises made available throughout the supply chain).

- The presence of the double architecture affects the availability of the information required for complying with the Common Monitoring and Evaluation Framework established at EU level. In general, data required by the CMEF are not always immediately available for outside users (and not even within the national administration). It is challenging to aggregate and disaggregate data relating to the progress of the Danish RDP. Further effort has to be put in place to translate the data extracted from the national delivery system to the European one. This implies of course a further effort also for independent evaluators.
- The highly centralised delivery system of Denmark appears to generate good results especially in terms of coordination (relatively small size of the country appears to play a significant role here). This becomes evident considering that the Food Industry Agency hosts the Managing Authority (MA) of the RDP, its Paying Agency and the unit in charge of the National Rural Network. Furthermore, after a recent merger, the agriculture sector can count on a single farmers' organisation (DFAC) apart from a separate one for organic farmers. The farmers' organisations are territorially well-represented and they offer a wide support for the beneficiaries. DFAC has, for example, a major role in accompanying farmers through the application process. Beneficiaries show a high level of trust in the organisation and rely very much on its assistance.
- According to the outcomes of the interviews conducted for the case study, administrative burdens for Axis 1 and 2 have increased in this programming period. It appears however that this is mostly perceived in terms of increased number of controls and the higher risk for the applicants to not be compliant. In fact, applicants who don't want to see their demand refused, are keen to ask for support in the application process, with additional costs.

German case study:

- Several control-related issues were raised in relation to the Rheinland-Pfalz case study. The controls for small investment project seem disproportionate as there are no separate rules for small projects. In addition, the EAFRD control rules are stricter than those of ERDF, which makes it easier for certain categories of beneficiaries to apply for ERDF support. A solution found by the regional authorities is to perform a risk assessment of the projects prior to undertaking controls. Furthermore, for investments less than 50 000 euros, only administrative controls are performed.
- A specific discussion point related to the the National Framework (NF) in Germany, which includes 19 out of the 40+ available RDP measures. The discussion centred on the use of the NF, its advantages and consequences at regional level, and its place within the national strategy. It was argued that even though the NF could be seen as a potentially distortive mechanism in defining regional strategies and choice of measures (especially for those *Länders* with budget constraints), it does, however, allow some flexibility to regions in adapting the measures to their needs. The introduction of the NF has been an expression of a clear political choice. It appeared as a necessary tool to overcome the difficulty encountered in defining a coherent strategic framework at national level. It was recognised that in the future, an effort should be done to set clear strategies and targets at the regional levels.
- The role of the federal level is mostly exercised through the implementation of the national joint tasks/national schemes (e.g. GAK – *Joint task for the improvement of agricultural structures and coastal protection*) where, for instance, the federal government intervenes with the 60% of public support.

- In terms of ensuring coordination, the 'speaker system' adopted within the Monitoring Committee of the RDP raised some interest. The MC of the Rheinland-Pfalz RDP has an open membership. Currently there are approximately 120 members, each of which has the right to vote. When an agreement is not reached, 12 groups are set up, and each group elects a speaker. There are a total of 12 votes, out of which the MA has 6. Thus the MA cannot make decisions unilaterally. This mechanism was introduced to raise the efficiency of the MC meetings. So far, however, this decision-making mechanism has been used rarely.

3. Presentations on aspects of RDP implementation in chosen Member States

3.1 Simplification of the delivery mechanisms

By Franz-Josef Strauß, EAFRD-Managing Authority, Ministry of economy, traffic, agriculture and viticulture, Rhineland-Palatinate (DE)

Some ideas for the reduction of the administrative burdens occurring at different levels of the RDP delivery were put forward, with particular reference to:

- At programming level:
 - increase flexibility for modifying financial plans without Commission approval. The current 1% flexibility is not enough for larger programmes where changes that are small in terms of percentages of EAFRD funds result by default in bigger amounts (hundred millions);
 - simplify the measure descriptions and decrease the number of measures (especially in Axis 3) to facilitate integrated approaches by, for example, type of sector (e.g. tourism).
- Controls:
 - ensure a differentiated treatment for smaller projects in terms of administrative procedures and controls;
 - review the system of on-spot checks. Some of the checks are not relevant for certain kinds of investments (e.g. the ones related to marketing of agricultural products or training).
- Administrative procedures for Leader:
 - facilitate transnational and inter-territorial cooperation projects by agreeing to use the rules of one of the partners. This would reduce the administrative burden on the coordinating LAG.

3.2 Regional budgets as key for integrated rural development policy

By Sebastian Elbe, Sprint consulting, Germany

The presentation explored the issue of ensuring an integrated approach of regional/local development policies with particular reference to coordination taking place at the level of the delivery mechanisms. Initiatives for an integrated EU development policy, envisaging increased coordination of rules and procedures for the involved European funds, were proposed at the strategic, programming and delivery level. The proposals include:

- a possible single strategic reference framework at the EU level for 2014-2020;

- a general regulatory framework on 'integrated approaches' for the EU funds;
- allocating specific budget share to the integrated approaches;
- raising the error rate for integrated approaches, and;
- ensuring common financing rules and mutually eligible expenditures.

3.2 Main points of discussions

- The need of having a single specific regulation for integrated approaches raised some doubts. As a counter-proposal, it was suggested to provide common rules on integrated initiatives within each regulation dealing with the EU funds. This would imply that each of the relevant funds can finance integrated approaches with the same rules.
- Another possible solution could be to finance a new community initiative on integrated approaches at the local level, drawing from the budgets allocated to each funds (as suggested by the Barca report).
- The need to bring the EU funds as close to each other as possible was recognised. However, it was felt that the decision to allocate a certain amount of budget to the integrated approach belongs to the EU level. It was thought that if the EU does not require integrated approaches, they will not be undertaken.

4. Presentations of a work proposal for the production of 'concept notes' on specific delivery issues.

Introduction by F. Cossu (Contact Point) followed by discussion

The presentation aimed at illustrating the work proposal - previously circulated to the Members - for the production of 'concept notes'. These will be drafted with the contribution of the Members in order to inform the final report of the TWG (Step 2 report). The working proposal was welcomed by the participants, who asked for some clarifications and suggested practical ways of implementing the working process.

It was proposed - and generally agreed by participants - to group the discussions on the different topics (and the subsequent production of the concept notes) as follows:

- First group, including topics: **1** (strategic approach and targeting), **2** (programming and financial aspects) and **3** (architecture of the policy);
- Second group, including topics: **4** (implementation procedures), **8** (monitoring and evaluation), **9** (controls systems) and **10** (obligations of beneficiaries);
- Third group, including topics: **5** (partnership principle) and **7** (coordination of policies)
- Topic **6** (integrated territorial development strategies including Leader).

Next steps

On the basis of the discussions, the following follow-up actions and next steps were agreed:

- Based on the discussion of the work proposal and the preferences expressed by the group members, a final division of members per topic will be suggested as working basis for the production of the concept notes.
- A forum for each discussion group will be activated accordingly on the private section of the ENRD website (My ENRD) in order to start the discussion on the topics and allow members to contribute.
- Members who are 'formally' assigned to each discussion group will be responsible, in principle, for providing a summary of the conclusions (the concept note) for that group. This will not prevent members to post contributions also in other discussion groups. DG AGRI officials, the CP team and the experts involved in the case studies will be allowed to follow the discussions and contribute to them.
- The next TWG4 meeting will take place on **9 March 2011** in Brussels. It is foreseen that the meeting will be dedicated to the discussion of the four remaining case studies.
- The outcomes of the forum discussions and the concept notes by members will be object of discussion in the following meeting (date tbc, provisionally mid-April)

All the presentations delivered during the meeting can be retrieved by accessing [My ENRD](#) (My Documents > TWG4 – Delivery Mechanisms > Meeting docs > 5th Meeting 15.02.2011 > Presentations)