





Managing Editor: Rob Peters, Head of Unit - European Network and monitoring of rural development policy, Agriculture and Rural Development Directorate-General, European Commission. Authors and contributors: Adrian Neal, Elena Saraceno, Tim Hudson, István Fehér, John Powell, Charles Abel, Kaley Hart, Clunie Keenleyside, Carmel Fox, Annette O'Regan, Laurent Delcayrou, Wendy Jones, Justin Toland, Jon Eldridge, Omar Bessaoud, Xavier Delmon and Philippe Perrier-Cornet. Copyright for photographs: Tim Hudson, © European Union (1995 – 2010), Christiane Herty, Pembrokeshire Produce Direct, John Hempenstall, Yiiannos Mavrommatis, Stefan Benko for BirdLife International, Jens Morin, Martin Hellicar, North Pennines AONB Partnership, Carmel Fox, Daniel Johansson, Elena Hadjinicolova, Wirtschaftsförderungsgesellschaft Vulkaneifel mbH, Microflex, Fons Jacques - Bureau Leader Eschdorf, SOPRIP Spa, Koen Wellemans, Marko Koščak, Schleswig Holstein, Bernard Lafon, Ruairí Ó Conchúir, Katerina Raftopoulou, Institute for European Environmental Policy.

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Rural Research

'In the know' Did you know...



that rural Europe is home to more than half of the EU population who between them speak some 60 different national or regional languages and live in nine distinct bio-geographical regions. The EU's rural areas also include around 180 UNESCO World Heritage sites, support 70 different types of farming systems, 350 landscape categories and 76 forest classifications.

This small sample of facts and figures about Europe's countryside demonstrates the scope and depth of diversity that exists in different EU rural areas. Such diversity presents a wide variety of both opportunities, and challenges, for EU rural development policy. Hence, one of the cornerstones of modern day EU rural development policy, agreed following the 2003 Salzburg Conference, is based on the premise of "preserving the diversity of Europe's countryside".

Developments in policy since Salzburg, including the 2008 Common Agricultural Policy Health Check, have led to our current operational framework that is designed to respond to EU rural diversity. These reflect the Community Strategic Guidelines' emphasis on embedding flexible approaches within the programming and implementation of rural development policy actions. Local beneficiaries are the focus of such guidance, which aims to ensure that all interventions by the 94 Rural Development Programmes (RDPs) remain relevant to the development needs of their ultimate client-base. In this way, the overall goal for the EU is to establish a policy approach which seeks to embrace the full extent of rural diversity.

A suite of over 40 different policy measures have been introduced to realise these strategic goals. The measures have been made available to assist Member States in targeting their RDPs, thereby allowing them to better respond to the rich diversity and needs of their specific rural territories.

RDP measures are designed to help rural stakeholders to overcome constraints and take better advantage of opportunities that their diverse rural environments can provide. For example, today's rural development policy takes a pro-active role in supporting the efforts of EU farmers and foresters to modernise and increase their competitiveness in increasingly globalised market places. Other complementary measures provide support for investments that promote environmentally enhancing land use, thereby helping to protect and conserve rural diversity.

Measures are available to help rural land owners to manage land as a 'public good' ensuring that our rural assets are sustainably used and shared for the benefit of both current and future generations. These initiatives are becoming increasingly linked to the long term promotion and development of more climate-friendly, environmentally sensitive products and services, supporting and protecting European biodiversity, improving water quality and energy efficiency, wherever possible.

Providing public goods and services to rural societies are also a common feature of several RDP investments, which aim to contribute to prosperous, healthy, attractive and viable EU rural communities and achieve incremental improvements in the quality of life in rural areas. Human factors represent an essential element of EU rural diversity, recognising that rural people remain the ultimate driving force in protecting and maintaining this valuable resource base.

Rural people's dedication to the on-going development of diversity in Europe's countryside forms the main focus of this issue of the *EU Rural Review*. Presented through a selection of different policy and project initiatives, including experiences of stakeholders from various Member States, the magazine seeks to provide some insight into how rural development policy can be used effectively to respond to EU rural diversity.

Building on content from previous issues, this latest *EU Rural Review* highlights how the European Fund for Agriculture and Rural Development (Issue 1) can combine with new project or policy related innovations (Issue 2) to help rural stakeholders make the best use of Europe's diverse rural resources.

Pertinent points noted in the articles include the reality that rural diversity is a dynamic phenomenon and development opportunities can be created when policy support mirrors the changes that are happening in rural areas. Wise use of the EU's diverse rural resource base is shown to offer an infinite array of long term benefits to Europe's rural areas. The challenge for us all therefore lays in finding the best ways of harnessing Europe's rich rural diversity. I welcome the contribution that this issue of the EU Rural Review may make in helping inform EU rural stakeholders about actions underway to address these crucial development challenges and the opportunities that they may provide.



Loretta **Dormal-Marino**

Deputy Director-General, European Commission DG Agriculture and Rural Development





he EU encompasses a rich mix of different rural areas which between them contain a myriad of distinct communities, cultures, environments and economies. This significant diversity represents a strategic strength for the EU and its policy makers recognise the benefits of having 'all your eggs in many baskets'. Such a position provides a sound basis for rural development, as well as a useful buffer in times of crisis.

Equipped with a collection of different communication, cooperation and consultation tools, the EN RD has been designed to provide support that is relevant to the diverse development needs of EU rural areas. The involvement of different rural actors in the activities of the EN RD also helps to make sure that access to its services remains compatible with the wide-ranging demands of EU rural stakeholders.

Networking for diversity

Policies targeting the preservation of EU rural diversity are confronted by many challenges, not least the actual extent of diversity that needs to be preserved. Individual rural areas have distinct characteristics and this means that support policies need to be adapted to take account of a great many different local circumstances within the 27 Member States. At the same time, EU rural policy support also needs to contribute to horizontal objectives that are common for all rural areas in all countries.

Merging these two competing requirements provides additional challenges and EU rural development policy is tasked to provide flexible solutions that are capable of achieving both goals. The European Network for Rural Development (EN RD) provides rural policy makers with a useful mechanism to help them in carrying out their dual development tasks. Comprising a wide network of rural development expertise from across Europe, the EN RD includes policy specialists, project experts and research institutions covering public, private and voluntary sector fields.

John Lougheed, until recently Head of Unit for the European Network and monitoring of rural development policy at the European Commission's Agriculture and Rural Development Directorate General explains that, "The EN RD's overall

purpose is to promote and disseminate rural development knowledge in order to improve the effectiveness of EU rural development policy". He continues, "The EN RD does this by providing a diverse range of rural development support services that extend from facilitating support for actions at localised levels to providing high level guidance at national and EU levels."

By allowing for communication and exchange of experiences between areas with different levels and paths of development, institutional arrangements, different interests and needs, the EN RD is able to support diversity within a common framework.

European and national networks

The challenge is to adjust EN RD's support services to fit with changes in rural diversity that continue to occur as the structure and context of rural economies and rural communities evolve over time. Operating in such an active environment requires the ENRD to monitor and understand the factors that affect changing patterns of rural diversity across the EU. Tracking, analysing and disseminating knowledge about these factors falls within the EN RD's remit. A vital tool that helps the EN RD keep pace with the real-time dynamics of EU rural diversity is the National Rural Networks (NRNs).

NRNs and their regional counterparts are engaged in similar types of support actions. For example, important aspects of NRN remits around Europe include identifying good practice in rural development activities that are best suited to the needs and specific requirements of their own territories. Other complementary actions are also being progressed by the ENRD Thematic Working Groups (TWGs).

Addressing common issues

Each TWG contains a team of technical experts and practitioners who work on thematic topics that have been identified as priorities by the EN RD Coordination Committee, which is Chaired by the European Commission.

Three TWGs have been set up so far. TWG 1 is working on the theme 'Targeting territorial specificities and needs in rural development programmes'. It aims to contribute to the more efficient implementation of Rural Development Programmes (RDPs) through improved targeting. TWG 2 is focussing on identifying and analysing links and synergies between 'agriculture and the wider rural economy', trying to understand better what policies work best in which circumstances and how these can be improved. TWG 3 is examining 'Public goods and public intervention' in the context of agriculture and rural development, considering the ways in which current policies and measures supporting public goods can be improved. Further TWGs may subsequently be formed.

Rob Peters, Chairman of TWG 1, explains, "The goal of our TWG is to help achieve a more balanced development of rural areas across Europe. We are doing this by first identifying the main factors that contribute to the diversity of rural areas, and then analysing how RDP measures can be implemented to address the specificities of different territories." He continues, "The lessons that we are learning from our thematic work will be valuable for improving RDP targeting during the present programming period, as well as assisting future programming periods through better definitions, indicators and practice."

Pierre Bascou, Chairman of TWG 2, notes, "Conclusions from our thematic work will be available to inform and provide general guidance for policy makers. They will help facilitate economic opportunities and enable income diversification options for rural business sectors. We are doing this by investigating important questions like: how the diversification of the rural economy and farming are interlinked; and how can agricultural and rural policies become mutually supportive to create win-win situations?"



TWG 3 is also tasked to help inform the development of current and future policy instruments. In describing the mandate for TWG 3, its Chairman, Martin Scheele, states, "We know that a variety of RDP interventions relate to the provision of public goods, such as agri-environment and forest-environment measures, village renewal, and upgrading of the rural heritage etc. Our job involves identifying concrete examples of relevant public goods that are delivered by agriculture. Furthermore we will analyse the functions and impacts of different RDP activities in order to draw conclusions from lessons learned. These will help us to develop possible recommendations about which policy instruments and which delivery mechanisms are well placed to provide public goods, and which best practice examples can be identified for an effective policy implementation".

In addition to these three TWGs, the European Evaluation Network for Rural Development (EEN RD) has also been undertaking thematic work as part of its remit. Michael Hegarty, Team Leader at the EEN RD Helpdesk, explains, "The EEN RD thematic work concentrates on improving the quality and consistency of rural development evaluations. For example, we have been investigating ways to gain a better understanding of the rural development impacts that can be caused by different intervening measures or factors. Another example is the work we are doing to help clarify and provide guidance on methodologies for effective environmental evaluation."

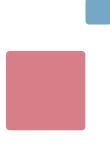
Communication and exchanges

Outcomes from the EN RD thematic work will be widely disseminated, in line with the EN RD Coordination Committee's emphasis on identifying rural development issues and communicating rural development policy. Future content of this EU Rural Review magazine, the RUR@L newsletter and EN RD website sections, will also feature thematic work and continue to report on the EN RD's progress in helping improve the effectiveness of EU rural development policy, such as by aligning it with the dynamics and diversity of Europe's rural areas.

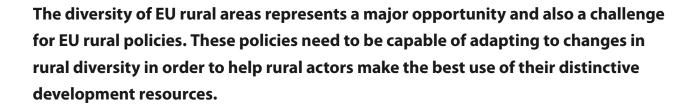
Networking is potentially a very powerful tool that can allow rural diversity and the ongoing inter-actions that exist both within and between rural areas to be better understood and embraced within a common European framework

Haris Martinos, EN RD Contact Point Team Leader









iversity in rural Europe is driven by many factors including an assortment of natural resource endowments, cultural & historical traditions, economic and social differences, as well as changing demographic patterns. EU rural development policy, which is implemented in shared management between the Commission and the Member States, is helping rural stakeholders respond to this diversity via support through programmes, measures and projects. Outcomes from the various development processes involved are equally diverse and include increased rural competitiveness, improved local

environments, enhanced quality of life and rural economic diversification.

Achieving such outcomes requires recognition by rural development stakeholders that rural diversity is not static, and the effectiveness of rural policy will depend, in part, on an ability to harmonise development actions with the on-going changes in EU rural diversity. These important policy points have been acknowledged by representatives from National Rural Networks and an EN RD thematic working group is involved in building a better understanding about the important factors that shape rural

diversity and help address and exploit it. Findings from the working group aim to help improve Rural Development Programme (RDP) capacities for responding to different factors that are driving trends in EU rural diversity.

Diversity dynamics

While certain aspects of rural diversity, notably those related to geography may remain more static over time, other elements may find themselves in a state of constant flux and change. This in turn calls for a dynamic approach to the implementation of rural policy support.

Causative factors of changes in EU rural diversity may include:

- Influence of competitiveness, as consumer standards and demands increase while trends in external border protection decrease
- Impacts of climate change, as drier conditions in the south and east but wetter and warmer weather in the north and west affect the existing diversity of land use patterns and biodiversity habitats
- Reduced dominance of agriculture, as other businesses expand and diversify rural economies
- Demographic dynamics of rural areas, as many, especially in Eastern Member States, experience significant depopulation
 pressures whilst large parts of other Member States, like France or the UK, experience increases in rural population
 numbers and
- Evolving policy factors that have an effect on various aspects of rural activity. For example, EU energy policy has increased demand for biofuels and use of rural land for producing other forms of renewable energy.



The rural development programming approach provides managing authorities with flexibility to implement rural development support packages that respond to these rural diversity drivers. Each RDP has been built by choosing from a menu of measures designed to provide support for specific activities.

Some 17 different measures are available to support the competitiveness of EU agriculture and forestry; 13 measures can be used to improve the environment and countryside, while 8 measures target quality of life in rural areas and diversification of the rural economy. Local Action Groups selected under the Leader axis can make use of these

measures or even design new ones in order to achieve the objectives spelled out in the Regulation.

Other examples of how EU rural development policies can adapt, and have adapted, to changes in rural diversity are shown by the relative flexibility and variety of agri-environmental and other schemes implemented throughout the EU. These include support for specific types of farming which are important for the protection or enhancement of the environment, and development packages targeting improvements to the quality and marketing of agricultural products, as well as practising enhanced animal welfare standards.

Adaptability and alignment

The adaptability inbuilt in EU rural development policy approaches represents one of its strategic strengths and allows the RDPs to address global issues, like environmental sustainability and economic growth, at local levels in a manner that creates direct benefits for rural communities.

In this way EU rural development policy and programmes structure can be seen to be well aligned with shifting macro factors affecting rural diversity, whilst still remaining relevant and able to tackle wide ranging development challenges



faced by different rural areas. For example, in Member States' RDPs, changes during 2009 included modifications to take account of the updated Community Strategic guidelines and to address newly identified challenges concerning climate change, renewable energies, water management, biodiversity, innovation, dairy restructuring and internet broadband coverage.

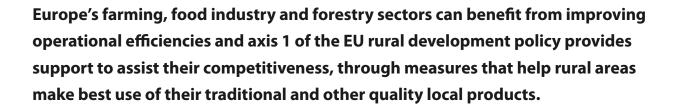
These 'new challenges' for EU rural development policy emerged during 2008's Health Check of the Common Agricultural Policy and the EU's European Economic Recovery Plan. Although they are mostly horizontal, or even global in nature, they are designed so as to enable

effective rural stakeholders to take action in response to a multitude of specific local conditions and tap the full potential of their respective areas.

Development from diversity

EU rural diversity can be seen to represent a vital development resource and the following four articles expand on this reality, by illustrating how each of the rural development policy axes is helping rural stakeholders harness rural diversity as a driving force for a wide range of sustainable rural development activity.





he EU's rural areas are diverse in terms of their physical, cultural and ecological characteristics. Despite this diversity, common challenges are found throughout Europe's countryside. These often relate to maintenance of viable economic farming and forestry sectors, in the face of increasingly competitive world markets. Making European agriculture more efficient involves addressing key issues, such as improved access to markets, innovation in the form of new products, and the introduction of new technologies that will meet demands for high quality food, renewable energy and a high quality rural environment.

Axis 1 of the EU's rural development policy provides opportunities to address such challenges and a significant amount of funding is available to help improve the competitiveness of EU farming, food and forestry sectors. Particular priorities for axis 1 include restructuring actions in new Member States and facilitating other types of innovation in older Member

States, where work on diversification and quality initiatives are actively encouraged.

Improvements in the efficiency of farm and forest operations, and the development of new products, both offer opportunities for improving competitiveness. It therefore remains important that rural economies from all parts of the EU are provided with appropriate mechanisms to help them make the best use of their local products. Rural areas' diversity and distinctiveness can help facilitate this process by providing the raw materials for many different types of niche agricultural and forestry products.

Maximising value

Rural development measures under axis 1 offer opportunities to maximise value from local products. Priority actions in this area include support for knowledge transfer, modernisation and improvements to quality in the food chain

by investing in both physical and human capital. Opportunities for innovation in these processes are strong and assisted by the relatively shorter production cycles involved in farming, typically less than 12 months. Farmers also have good scope to switch between activities, via various options for diversifying into other business ventures, including visitor facilities, consulting, engineering, retailing, energy, food processing and forestry (see also article on axis 3).

Foresters however tend to work with far longer production cycles, typically measured in decades, and are more restricted to primary production, processing, energy, recreation and environmental opportunities. Nevertheless opportunities for exploiting the diversity and uniqueness of various local forest products still exist, and these can be harnessed to help the sector adapt to changing circumstances, embrace associated challenges and maximise value from the full range of forest products.

Cooperation and product development

Different approaches to product development exist for EU farm and forest sectors and their potential can be enhanced through collaboration or cooperation between stakeholders in the supply chain. The rationale behind producer cooperation tends to be driven in the main by financial and economic benefits. Food producer cooperatives in Italy, for example, enable small businesses to sell their products through a central processor. Farmers also work together to take advantage of distribution and marketing of produce, or to share machinery. Other cooperation benefits can be highlighted by the Hungarian Villany-Siklos wine trail. This collaborative initiative links a large number of small producers in southern Hungary, who benefit from working together to create an area of interest large enough to attract outside visitors.

Despite these types of benefits a variety of obstacles to cooperation also exist. For example, some farmers traditionally have found it difficult to work together to develop and market new products for several reasons. The dispersed nature of the industry makes the spread of ideas difficult, and potential distrust between farmers (who in many cases might be regarded as natural competitors producing for the same limited market) are two such obstacles.

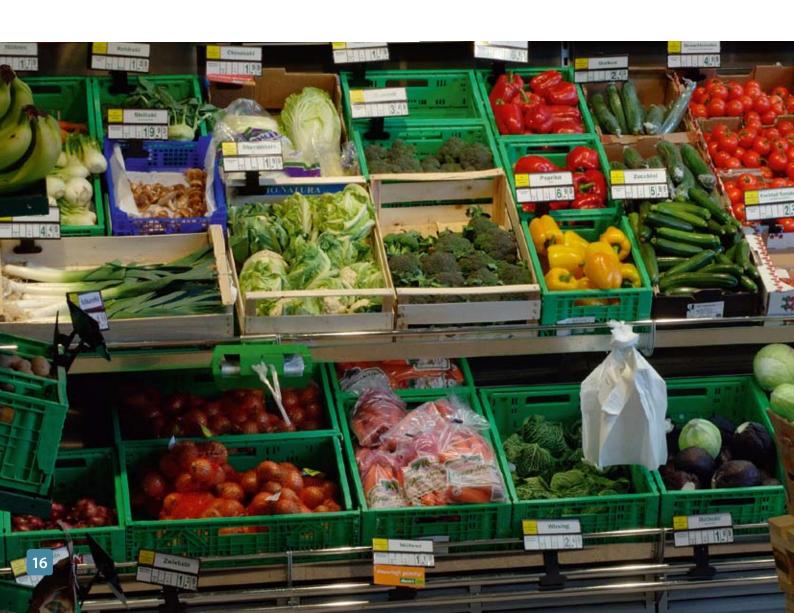
Many Member States have large numbers of very small farms that produce for limited local markets, and this can create additional problems stemming from a deep aversion to becoming involved in 'cooperation', which might suggest loss of individual control. Lack of access to transport to reach more distant urban markets also limits farmers to local markets where they directly compete against each other. All of these concerns can hamper the development opportunities available

from innovations like joint marketing and collaborative research.

Rural development policy has responded to these concerns through the introduction of a dedicated measure supporting cooperative approaches to new product development. Featured in a previous Issue of the EU Rural Review, this measure 124 represents an important tool for encouraging innovative and creative approaches that increase the EU rural economy's competitiveness.

Innovation and competitiveness

Innovation, however, depends on more than cooperation with your neighbours (horizontal integration) – it also depends on collaborating with others in the supply chain (vertical integration) to achieve effective marketing, distribution, and processing. It requires communication to enable the spread of new ideas,



and support for collaboration where producers are too small or lack capital needed for investment.

Collaboration between farmers, processors, and distributors throughout the supply chain is often a key requirement for developing new products, implementing new technologies and taking advantage of opportunities offered by national, regional or local distinctiveness. This type of collaborative activity can involve significant costs and uncertainty, for example, transaction costs from working with unfamiliar partners, and business costs in terms of resources applied to speculative activities or long-term outcomes.

Axis 1 provides support to address such issues and actively encourages vertical collaboration within the supply chain. This helps to enable farmers (the primary producers) to feel and react to market signals more easily. It also allows

processors and retailers of end products to improve quality and traceability. Encouraging such vertical collaboration can enable small producers to overcome investment obstacles and achieve economies in production, distribution and marketing of products, as well as helping to minimise risks inherent in new product development. Promotion of cooperation between producers and processors will hence lead to innovation in the development of new uses of farm and forestry products.

Axis 1 provides options that can enable producers to achieve economies of scale in such business development processes. In addition it helps to provides access to information and new knowledge, and to develop institutional capacity such as training in new technologies, as well as improved marketing information. Above all, it offers an opportunity to all those in the supply chain to take more risks in developing new products, and so plays an

important role in helping to strengthen the overall diversity of Europe's rural business sector.

Four case studies are presented in the next section to illustrate examples of how axis 1 support can help EU farmers and foresters harness rural diversity as a sustainable economic driver and make the best use of their local products.





RDP added value supports forest product branding scheme in Estonia

Cooperative approaches to exploiting rural distinctiveness are being applied by foresters from Estonia who are working together to help brand their products using a new national certification scheme. Operating predominantly as a private sector venture, the scheme promoters have benefited from RDP support to co-finance various capacity building events aimed at increasing knowledge among stakeholders about the new Estonian Forest Certification Scheme.

Such added value RDP aid complements the foresters' own commitment to improving their business competitiveness by adopting sustainable development principles. Some 45 forest owners, with a combined forest area of around 56 000

environment and Estonia's rural economy.

Christiane Herty, General Secretary of the Estonian Forest Certification Council, explains that, "RDP funds have been very important for us. Firstly to help clarify details on the certification process before starting with the internal audits, and secondly

hectares, are already involved in the scheme and membership

offers access to the distinct branding which will help Estonian

foresters to access new markets that value eco-friendly products. The scheme therefore provides win-win benefits for both the

Other axis 1 inputs include certification training for private forest holders and support for a series of international conferences that provided peer learning opportunities with foresters from Finland, Sweden, Germany and Russia.

to facilitate discussions about how far forest certification can,

should, or must go."

More information about this cooperative approach to improving competitiveness among Estonia's forest businesses can be found online at www.eramets.ee/?op=body&id=468.





Joint approaches to new product development in Wales (UK)

The Welsh regional RDP has provided funding from its measure 124 for capacity building support to a new cooperative established in south Wales, called the Pembrokeshire Produce Direct Ltd. This cooperative has been designed to reinforce the county's reputation for quality food products and members comprise 72 producers from across Pembrokeshire. Between them these cover a diverse selection of food products ranging from meat (lamb, beef, pork) to dairy products, (yogurt, cheeses), and a wide range of other products including flowers, vegetables, and biscuits.

The cooperative runs a 'distributed box' delivery scheme, which involves all the producers undertaking direct sales and the cooperative merely acts as the marketing link between producer and consumer. Producers do their own packaging and packing of produce to fill orders, and the title of the produce

remains with the producer – an added incentive for producers keen to maintain their image and brand names.

Staff at the cooperative act as a conduit, taking orders from consumers and providing transport drivers who deliver the boxes. The drivers themselves are incentivised through the scheme to try and increase sales. Drivers are paid for each box delivered and thus have an interest in trying to increase sales from their rounds by publicising the products through advertising in surround neighbourhoods.

Each link in the chain, from producer to delivery, thus has a personal stake in the success of the operation, providing incentives that encourage increased sales and maintenance of quality.

See www.pembrokeshireproducedirect.org.uk for more information.



Ireland: Innovation drives new line of Irish cheeses

Local products form a core component of rural diversity and many examples exist to demonstrate how RDPs have supported farm or forest competitiveness through developing and marketing new and locally distinct products. One such awarding winning case comes from Ireland where rural development assistance has helped facilitate a dairy farm's efforts to restructure, diversify and add value to their raw materials by venturing into new markets.



Milking cows for 25 years outside Arklow, John Hempenstall always thought about adding value to his milk, like many dairy farmers. The niche for an Irish Blue Brie was identified with the help of a market research

company. This was followed up by advice and support from the Irish government's advisory service, Teagasc, which helped John cooperate with the Moorepark development centre where his first 'Wicklow Blue' samples were made. These were well received by hotels, restaurants and cheese wholesalers, giving John considerable encouragement to continue developing his distinct local product.

With the skills and knowledge transfer received from Wicklow Partnership, Teagasc and Bord Bia, an on-farm facility was built and has now been expanded to cope with increasing demand.

To build on the success of Wicklow blue, he developed white brie, Wicklow Baun, and has now gone on to produce an even wider range of local cheese products through a new range of Cheddar cheese. John has found markets across Ireland as well as internationally, and the quality of his distinctive added value product has been recognised by an award as Best Irish Cheese at the World Cheese Awards in 2008.

For further information see www.wicklowfarmhousecheeseltd.ie

JOHN HEMPENSTALI



Competitive gains for Cyprus farming sector from RDP development aid

To improve the competitiveness of local livestock products in the region around the Cypriot village of Meniko, new pig farm facilities at Cypra Ltd were financed by axis 1 of the national RDP. These new developments have improved the quality and range of products supplied by the piggery, and bolstered its capacity for exporting products to larger mainland markets in Greece.

Other economic results include the creation around 10 new jobs and the plant is now established as a commercially viable business, processing more than half of Cyprus's pig, goat and sheep meat. An associated project is the creation of a new slaughterhouse near Nicosia which was also awarded RDP support under the axis 1 measure 'Improvement of processing and marketing of agricultural products'.



Particularly innovative aspects of these two Cypriot rural development projects concern the production of renewable energy and reduction of environmental impacts. All the electricity and hot water needs of the slaughterhouse are now met by gas extracted from a newly built biogas reactor, which uses the by-products of nearby livestock farms and the slaughterhouse itself.

This integrated 'green' approach to business development provides the companies involved with opportunities to further improve competitiveness by promoting their products' environmentally-friendly credentials as a unique selling point (USP). Customer demands for low impact products continues to grow around the world and axis 1 can be harnessed by other rural businesses to tap into such markets by supplying distinctive 'green' EU rural products.

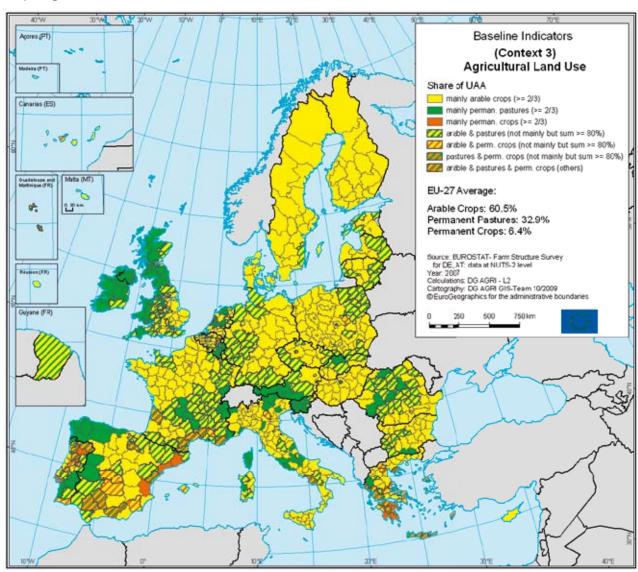


he EU's rural development Regulation 1698/2005 makes clear that all axis 2 support for both farmers and foresters must focus on land management for environmental objectives. Agri-environment schemes are intended to play a prominent role in the sustainable development of rural areas, by supporting the continuation or introduction of farming methods that are "compatible with the protection and improvement of the environment, the landscape and its features, natural resources, the soil and genetic diversity."

The agri-environment measure is specific among CAP Pillar 2 policy instruments in that its use by Member States is obligatory, yet a very high level of subsidiarity is encouraged in the design, targeting, delivery and pricing of schemes. This freedom of choice is essential, because achieving the intended environmental objectives depends on matching the incentives offered to farmers with a multitude of different local factors, which can vary enormously even within one region.

Map 1 below illustrates the range of farming systems across the EU, but within these broad categories many different types of land management have developed in response to local soils, climate and economic conditions. As a result, most Member States will have many different combinations of farming systems and environmental challenges and opportunities.

Map 1 Agricultural land use in the EU



Development of EU agri-environment policy

Agri-environment policy was first introduced as an EU policy mechanism in 1985 and has been strengthened since then, from a national aid used in only few areas of some Member States to a compulsory axis 2 measure, which currently accounts for some 22% of the European Agricultural Fund for Rural Development (EAFRD) budget for 2007-13.

The first EU supported agri-environment measures, under Regulation 797/85, were zonal schemes designed to protect the farmland habitats and landscapes of Environmentally Sensitive Areas from the threat of agricultural intensification. These were implemented in only a few Member States. Seven years later all Member States were required to introduce agri-environment measures, in recognition of their important role in achieving additional Community objectives. Agri-environment support is still the only compulsory measure in

every Rural Development Programme (RDP), with schemes that reflect both the Community's environmental priorities and the diversity of environmental situations, natural conditions, agricultural structures and types of farming. In 2006 the Community's environmental priorities for agri-environment were defined as biodiversity, high nature value (HNV) farming systems and traditional agricultural landscapes, water, and climate change.

Regional diversity

Member States responded in very different ways to these opportunities to support environmentally friendly farming. In the UK, schemes were, until quite recently, targeted at specific wildlife habitats and species (especially farmland birds) and traditional agricultural landscapes. In the Netherlands, early agri-environment schemes were focused at resource protection and offered farmers advisory and extension services, rather than area payments. France introduced a widespread

scheme for grassland extensification as one of the early measures. Some countries, including Belgium and Italy, did not implement agri-environment policy until it became compulsory.

Over the years a wide range of different agri-environment schemes has been developed, not just in response to environmental priorities and pressures, but also reflecting societal preferences, institutional arrangements and financial and political pressures. Many schemes aim to achieve multiple benefits - for example soil and water protection alongside improved biodiversity and landscape protection. Even within a single scheme, the management requirements may need to be tailored geographically to achieve the environmental objectives. For example, optimum mowing dates for hay meadows may be later for farms higher up a mountain valley, and the reductions in fertiliser inputs required to protect surface waters may vary from one part of a catchment to another, depending on soil types.

It's really important to match the needs of wildlife and livestock management, and this can be different from place to place, even within the same farm. For example, on wet heaths where the insectivorous plant Sundew (*Drosera rotundifolia*) grows, you only need very light grazing, maybe no more than one sheep per hectare. But on the coast, where there are Choughs (*Pyrrhocorax pyrrhocorax*) nesting, you would want to have about five sheep to the hectare, to make sure the heathland is kept short so that the birds can find insect larvae to feed their young.

 $\label{liz-bound} \mbox{Liz Howe, species team leader, Countryside Council for Wales, UK}$



Type of agri-environment scheme	Examples of diverse approaches
Reduced inputs of fertilisers and pesticides	crop nutrient plans for the whole farm; reductions of >30% in fertiliser rates for arable crops; 6 metre grass buffer strips along watercourses; integrated pest management
Organic farming	organic beef and dairy farming; organic production of essential oils and medicinal herbs, fruit, vegetables and olives; organic honey production.
Livestock extensification	reduced stocking rates and shorter grazing season on moorland.
Arable land	conversion from arable crops to permanent grassland or woodland; crop rotation.
In-field arable management	prevention of wind and water erosion; skylark plots within crops; uncropped conservation strips.
Wildlife habitats and species	hay meadows, wood pastures, reed beds; wet grassland for bird breeding and feeding areas; wildflower meadows for bees and butterflies.
Farmland landscapes	stone walls; cultivation terraces; hedgerows, earth banks and lines of trees; fishponds; strip cultivation.
Water use and management	non-irrigated arable crops; water meadows and wetland creation.
Genetic diversity	local breeds of cattle, sheep, goats and horses; local varieties of cereal and vegetable crops.

New challenges

From 2010, Member States will have to demonstrate how they intend to allocate the additional RDP funding (provided by compulsory modulation as a result of the 2008 CAP Health Check agreement) to reinforce Community action in the fields

of climate change, renewable energy, water management, biodiversity and dairy restructuring. Agri-environment measures are likely to play an important role. Particularly in conserving speciesrich vegetation, as well as protecting and maintaining grassland and extensive farming, whilst also helping to manage

water resources and protect water quality, contributing to curbing emissions of nitrous oxide and methane, and promoting carbon sequestration. (Action on renewable energy will be achieved through other EAFRD measures, not agrienvironment).

In some parts of southern Europe, up to 80% of the total freshwater abstracted is currently used by the agricultural sector for irrigating crops, often using inefficient techniques.

A much more sustainable approach to agricultural water use is required, not only to protect the aquatic environment but to ensure that agriculture remains profitable.

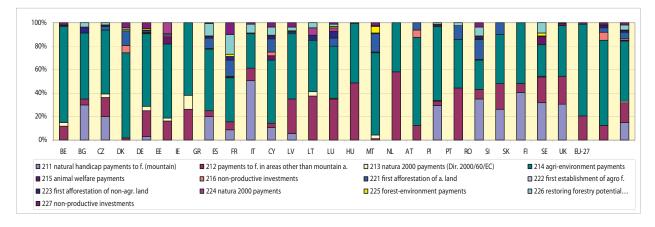
Adopting such an approach is particularly critical in the light of climate change, which is predicted to lead to a future increase in the frequency and intensity of drought across much of Europe. A number of measures, supported by rural development funds, can be implemented by farmers in order to use water more efficiently.

The success of these incentives is likely to be higher when they are accompanied by advice and education services. In addition to CAP measures, appropriate water pricing, as required by the Water Framework Directive, can also be important in improving the efficiency of water use by agriculture

(Robert Collins, Project Manager – Water Group, European Environment Agency)

Figure 1. Relative importance of agri-environment within axis 2 measures

(per Member States in % within the total EAFRD contribution allocated to this axis, programming period 2007-2013)



Map 2. Agri-environment expenditure as a percentage of allocated Pillar 2 total expenditure (EAFRD and co-financing), by RDP



Member States' approach to agri-environment priorities

Within axis 2, agri-environment stands out above all the other measures at EU-27 level, accounting for more than 50% of the current axis 2 EAFRD contributions. However, there is considerable variation between and within Member States in the relative importance of agrienvironment expenditure within RDPs, and of measures within axis 2, as Figure 1 and Map 2 show.

The differences noted in Figure 1 and Map 2 reflect not only perceived problems environmental opportunities but also decisions about relative priorities within RDPs. For example, socio-economic problems in some parts of the EU-12, which are often associated with low-intensity farming systems that have high biodiversity and landscape value but are at risk of land abandonment. Some Member States that adopted agri-environment measures in the 1980s, and where there are relatively few structural problems, now spend a very high proportion of their axis 2 EAFRD contribution on agri-environment – for example Sweden (79%), the Netherlands (75%), Denmark (73%) and the United Kingdom (72%).

It has been evident right from the start that 'one size fits all' often cannot be applied to agri-environment schemes. As Member States address the new challenges at a time when European agriculture is increasingly responsive to market forces, following decoupling of Pillar 1 payments, the need for carefully designed local or regional schemes will increase. The following case studies present some examples of existing schemes that address the new challenges.





Great Bustard in Hungary

The open plains of Hungary are home to nearly 1 400 great bustard (Otis tarda), the world's largest flying bird. Once much more widespread, the EU population is now confined to a few Member States where its preferred habitat of open, flat landscapes, with steppic grassland, crops and bare ground is vulnerable to agricultural improvement.



For successful breeding, the birds need areas with minimal disturbance and an abundant supply of insects. The Hungarian RDP has detailed agri-environment options for the great bustard on both arable and grassland.

The use of fertilisers, herbicides and electric fences is limited, pesticides and irrigation are prohibited, harvesting must be delayed until July and areas of the crop left uncut. Cultivation of lucerne is encouraged, to provide feeding and nesting areas, and if farmers find a great bustard nest they must report the location to the conservation authorities and leave a 50m zone undisturbed around the nest.

Similarly detailed arable farming options have been designed for other protected farmland birds, including the common crane (*Grus grus*) and the red-footed falcon (Falco vespertinus).

STEFAN BENKO, BIRDLIFE



Water management in Sweden

At Höja Boställe, close to Ängelholm in the south-west of Sweden, farmers Peter and Monika Hansson have constructed an artificial wetland with support from the national RDP, for the purpose of promoting biodiversity and retaining nutrients that otherwise might drain off their cereal growing land.

The idea of making a wetland occurred to the Hanssons when they were considering an arable field in need of new drainage. They both have an interest in the environment and nature conservation, and they contacted an advisor who helped them develop their idea of creating a wetland instead of new drainage. A consultancy firm developed a plan for the project and the application was approved by the County Administrative Board.



It was almost a year before the wetland was ready. The area of the wetland is 18.85 hectares and the surface of the water is 7.5 hectares, with a catchment area of 120 hectares. To manage the flooded meadows around the wetland Peter and Monika are grazing cattle, and maintenance of the whole wetland qualifies for agri-environment support. The total cost of the project was 1 500 000 SEK (equivalent to €144 500), and of this the RDP provided 1 350 000 SEK (equivalent to € 130 000).

The Hanssons are very satisfied, and say that the wetland is a fantastic place both for wildlife and recreation. Birds especially have established very well and more than 74 species have been seen. Ten of these are endangered or vulnerable species and include the Black-necked Grebe.



Maintaining traditional trees and bushes in Cyprus

In Cyprus an agri-environment scheme encourages the maintenance of traditional trees and bushes within the agricultural landscape. The eligible species are carobs, almonds, hazel nut trees and sage, terebinth, mastic and dog rose bushes. Trees qualify for payments of €600 per hectare and bushes qualify for €400 per hectare. Farmers have to control weeds mechanically by rotavating, rather than using chemicals, and digging around the trees and bushes twice a year (once in autumn and once in spring).

There is no doubt that maintenance of these trees and bushes, which are traditional elements of the Cypriot agricultural landscape, will have important wildlife benefits and will also help maintain and enhance carbon stores. In the absence of the scheme, farmers would be tempted to remove such trees and bushes to make space for annual crops, or create new terraces or even to develop land for building.

These perennial crops are highly marginal economically, but they are vital constituents of the traditional farmland landscape in Cyprus - a mosaic of small fields with varied crops and remnants of natural and semi-natural vegetation. The agri-environment payments help to protect a HNV landscape that also acts as a carbon store (and could even become a carbon sink if the scheme encourages planting of more trees/bushes).



MARTIN HELLICAR





Carbon and water storage in English upland peat

Peat bogs in good condition sequester CO2 in perpetuity and billions of tonnes have been removed from the atmosphere globally since the last ice age. Upland soils are the largest store of carbon in England, with 300 million tonnes in English peatlands.

Bogs in good condition are waterlogged and support peatforming plants that sequester carbon, such as Sphagnum mosses, but today many upland peat soils are too dry, having been extensively drained to improve grazing. These soils lose carbon through erosion and oxidation (drying out), while the practice of moor burning (used to rejuvenate heathland dwarf shrubs) can also destroy peat.

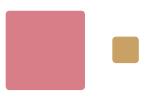
Up to 4 million tonnes of CO2 are being emitted each year from English peatlands, which is similar to the CO2 emissions from domestic aviation. Can peat restoration save carbon?

Restoration of wet peatlands is not cheap, but could reduce carbon losses on a significant scale (although more research is needed on methane emissions following re-wetting).

The Higher Level Stewardship agri-environment scheme in England already offers payments of between £20 and £80 (equivalent to €22 - €88) per hectare for management that maintains or restores moorland habitats for the benefit of upland wildlife, historic features and landscape character. Farmers graze the moorland following an agreed stocking calendar that indicates how many and what type of livestock will be allowed to graze in each month of the year.

Restoration, supported by axis 2 non-productive investment payments, may include blocking drains to re-wet the soil, or temporary fencing, in order to reduce or exclude grazing. In the right situation, this management could also provide benefits of flood risk management and carbon sequestration.





As with the other thematic axes of EU rural development policy, axis 3 provides opportunities for responding to rural diversity in a variety of positive actions. Axis 3's particular focus on economic diversification and quality of life offers rural actors a flexible set of development tools that are capable of targeting many different types of important socio-economic issues.

upport options available from axis 3 include a diverse range of rural development activities stretching from assisting the set-up and growth of micro-enterprises to facilitating social inclusion of vulnerable groups in rural society. Axis 3 funds can also be channelled into helping rural areas sustain their cultural and natural heritage resources, strengthen key skill-sets and co-finance investments in village improvement infrastructure. These and other types of axis 3 assistance demonstrate the important roles for its measures within the integrated operations of Rural Development Programmes (RDPs).

Bestowed with a highly adaptable combination of development measures, axis 3 is able to cover considerable ground and its support remains particularly well placed to help RDP stakeholders make the most of diversity in EU rural areas. For example, beneficial outcomes and opportunities are available through axis 3 for exploiting complementarities and synergies within a region, as well as tapping into a rural territory's endogenous

development potential. Axis 3 also plays a vital role in empowering local actors, including public-private partnerships, to facilitate strategic and operational planning at the local level, with a view to take account of territorial specificities and needs.

The dynamic characteristics of rural diversity mean that needs and specificities are constantly changing in different parts of Europe's countryside, and this is evidenced in the ongoing socio-economic transitions that axis 3 is designed to help progress. Rural areas in Europe have undergone significant changes in terms of sectoral declines and shifts in economic emphasis. Traditional sectors such as agriculture and agri-food, have suffered considerable restructuring, partly due to a high dependence on each other but also as a direct response to globalisation, CAP reform, increasing competition, rising processing costs and price factors. The situation presents many challenges and RDPs are using axis 3 to help rural areas adapt to new circumstances in order to sustain a living countryside.

Economic diversification

A common and much credited approach for helping rural communities adapt and respond to rural diversity is the promotion of new types of activity that diversify economic bases. Derived from goals to help support the long term viability of quality of life in rural communities, axis 3's economic diversification agenda represents a fundamental feature of the RDP's third thematic axis. Diversified economies are proven to provide many benefits for different rural stakeholders, and axis 3 inputs are reinforcing this point through RDP schemes that present a more positive context for farmers, and reduce the risk of abandonment of rural areas, through job creation and innovation in all sectors.

In Ireland, where all axis 3 funds are channelled through Local Action Group (LAG) budgets financed by axis 4, the Department of Community, Rural and Gaeltacht Affairs notes that, "The continuing change in farming patterns allied to a need to provide alternative employment and enterprise options to

rural dwellers gives rise to the need to focus on the economic development of rural areas, with the aim of providing economic activity of sufficient mass to attract and retain people to live and work there."

Other Member States mirror these types of RDP aims for axis 3 activity which fosters new employment opportunities and conditions for growth by direct investments, capacity building, skills acquisition and local strategy development work. Between them, these axis 3 actions are helping to ensure that rural areas remain attractive for future generations and in promoting training, information and entrepreneurship, the particular needs of women, young people and older workers are also a core consideration for axis 3 measures.

Rural business creation and development

One of the axis 3 measures frequently used by RDPs for rural diversification activity is measure 312 (business creation and development). Member States have welcomed the opportunities available through measure 312 and nearly 18% of the original EU axis 3 budget was allocated to actions based on business creation and enterprise development. Figures vary between Member States, with some smaller countries placing large emphasis on measure 312. For example, over a third of axis 3 funds in Estonia and around a quarter of the Latvian axis 3 allocation has been earmarked for business creation and development projects. On the other hand, The Netherlands only anticipates using nine percent of their axis 3 budget for measure 312, since much of its rural diversification objectives are linked to tourism support under measure 313, which is awarded some 32% of the Dutch RDP's axis 3 budget.

These variances within axis 3 allocations reflect the diversity, strengths and development needs of different rural economies from around Europe. Jaroslav Pražan, from the Czech Republic's Department of Sustainable Agriculture, explains that axis 3's activities are important in his country because, "The production of labour intensive commodities has declined and this has led to a decrease in agricultural employment. The key issue in the rural areas is stabilisation of the rural population by increasing economic activity". The Czech preferences typify those from other Eastern Member State managing authorities that are keen to encourage their rural businesses and communities to develop new ideas and implement innovative project solutions that assist transitional processes in rural areas.



Innovation's impact

As underscored in Issue 2 of the EU Rural Review, innovation and rural development are inextricably linked and innovative approaches to economic diversification offer valuable tools for helping Europe's countryside respond to changes in rural diversity. Within this context, innovation for axis 3 stakeholders can materialise in many different forms. Conventional interpretations of innovative actions, such as developing new products and services, remain valid and relevant for axis 3's rural diversification agendas but equally so are some of the often more subtle manifestations of innovative practice.

Economic gains, and associated quality of life benefits, for example can be gained by supporting development processes that help rural actors respond to rural diversity dynamics by finding new ways of working. This development approach encompasses a host of diversification methods that involve applying new ideas, using new techniques, focusing on alternative markets, bringing diverse sectors and stakeholders together via new networking methods, servicing new priority groups, or finding new solutions

to social, economic and environmental challenges. Adapting proven approaches to new circumstances is also recognised as a highly effective means of creating locally significant innovative rural developments. These types of innovative actions are often facilitated by knowledge transfers and networking between key players.

Helena Zimmer, from Sweden's HUSH rural development organisation, illustrates the benefits of networking rural actors during diversification efforts by recent axis 3 work involved in expanding the range of green tourism facilities available for visitors in a popular coastal area. She highlights the case whereby, "to optimise the tourism potential of the natural capital of Luleå Archipelago in Sweden, entrepreneurs needed support to improve collaboration and networking and the Outdoor Coastline Project emerged".

This point demonstrates the importance of networking capacities for helping rural areas respond positively to rural diversity. Axis 3 measures are being widely used by RDP partners, especially LAGs, to encourage more joined-up approaches to economic diversification and quality of life work. Progress towards such axis 3 goals can benefit from dissemination of good practices, and the following four case studies aim to highlight how Member State RDPs are helping rural areas use axis 3 tools to make the most of rural diversity as socio-economic development resource.







Economic infrastructure development in Ireland

Economic infrastructure is a key tool for encouraging rural diversification activity via business creation and development programmes. The growth in enterprise centres across rural Europe during recent years verifies their effectiveness as incubators of new business ideas and catalysts for entrepreneurial cultures.

Irish rural communities have made good use of such business support services and RDP funds are being targeted in order to capitalise on rural areas' human, natural, social and productive capital. All of Ireland's RDP business creation and development support is channelled through LAGs, and these LAGs are implementing integrated local development strategies that adopt holistic objectives blending economic, environmental and social goals.

Social and community businesses play important roles in the local development strategies due to their popularity with rural

residents as employment and service providers. One example of this is the Abington Enterprise Centre from the Ballyhoura Development LAG area. The Centre has recently been awarded funding from the RDP's business creation and development measure to modernise two food production units that are used by local companies.

The RDP grant of €13 290 has helped to sustain employment and support the long term viability of the surrounding rural communities. The upgraded facilities will also provide new opportunities for the rural businesses to develop.

Contact info@ballyhoura.org for further information about the Abington Enterprise Centre and the other rural diversification work supported by the Ballyhoura Development LAG.



Business benefits from Sweden's Social Farm sector

The phenomenon of social farming is attracting increasing attention for its potential as a rural diversification tool which offers a variety of win-win socio-economic benefits. Axis 3 support is acknowledged as an important development device for expanding the EU's social farming sector, which draws on rural areas' distinct and intrinsic characteristics as effective environments for promoting therapy, rehabilitation, social inclusion, education and social services for disadvantaged groups in society.

Also known as 'care farming' or 'green care', Europe's growing social farming sector combines both traditional and innovative uses of multifunctional agriculture that can be applied by new and existing farmers throughout the EU. Uptake of social farming varies between borders. The phenomenon it is relatively unknown in some Member States, whilst other countries, such as The Netherlands, have well developed networks of social farmers that operate within a rapidly professionalising sector. Here, indicators, certificates and training programmes for farmers have already been developed to guarantee its quality and where farming activities to promote mental and physical health are partly financed through the national health budgets.

Axis 3 assistance can help cover initial start-up costs associated with establishing social farming businesses and a successful example of this can be seen from Sweden's 'Green Rehabilitation' project, which received RDP support from measure 311 for diversification into non-agricultural activities.

Based in Skåne, Sweden's southernmost region, the 'Green Rehabilitation' project was implemented by a partnership comprising two rural entrepreneurs, the regional municipality, and a local health care facility. Results of the RDP investments allowed a group of patients to have their regular care services complemented by twelve hours a week of on-farm experiences involving contact with farm animals and time in a palliative rural environment. These actions were noted as helping the patients make progress with their treatments and also highlighted the business opportunities for local farmers from such diversification options.

The 'Green Rehabilitation' initiative was nominated for an award at the Swedish National Rural Network's Rural Awards scheme in 2009 and more information about the project is available from Ewa-Marie Rellman (ewa.marie.rellman@lrf.se), business coach at Skåne farmer's union.



DANIEL JOHANSSON

Supporting the establishment and development of micro enterprises in Bulgaria

Bulgaria's measure 312 provides grant aid for investments, as well as marketing and management advice to new and existing micro-enterprises. As with all other RDPs, the measure targets its support towards creating or developing non-agricultural activities and excludes support for agricultural micro-enterprises, since these are catered for by other RDP measures.

Businesses in 231 rural municipalities out of the total 264 municipalities in Bulgaria are able to apply for support from measure 312. Eligibility criteria have been established that define micro enterprises as businesses which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed € 2 million (this is in line with the Commission's own definition of SMEs covered in recommendation 2003/361/EC).

Eligible actions for the business creation and development measure include support for: processing industries, such as furniture production, light engineering, etc.; renewable energy production facilities (under 1 megawatt capacity) for energy sales or own use; development of a service provision in a wide range of sectors such as consultancy and business services; social and health care provision; rural transport; and small scale tourist accommodation business with less than 20 guest rooms.

The selection criteria under the measure prioritise, amongst others, projects for development of integrated rural tourism, renewable energy and ICT-based services and projects proposed by women and young people (under 40 years of age).

The type of support provided by the EAFRD could include investments such as: construction and/or reconstruction or repair of buildings, and/or business premises; installation of new machines and equipment, including computer software and specialised equipment; development of new products; design of marketing strategies; introduction of quality systems; and a range of advertising or promotional activities are also envisaged.

As of October 2009 over 750 project applications under measure 312 had been submitted to the Bulgarian Paying Agency which illustrates the high interest for this measure. As such, it could be an important tool for diversifying the rural economy in Bulgaria which is currently highly dependent on agriculture.





Building human capital in Germany

WIRTSCHAFTSFÖRDERUNGSGESELLSCHAFT VULKANEIFEL MBH

Germany's Vulkaneifel Local Action Group (LAG) is based in Rheinland-Pfalz and its strategic priorities include providing business start-up support. The LAG gained good experience in this field during Leader+ and the previous programming period's momentum has been channeled into a new scheme that receives RDP co-finance from axis 3.

The business support programme has been designed to fit with the local economy's needs and aims to motivate, encourage and assist people during initial idea development phases. It also provides mentoring aid to help establish and grow rural businesses. Priority is given to female entrepreneurs, elderly people, potential successors and students.

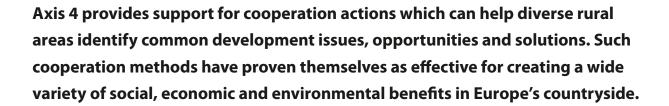
An integrated modular programme of support is available for local businesspeople that can take advantage of advice from experts in self-employment and gain transferable skills in areas such as business planning and marketing.

Additional services covered by the axis 3 scheme include coaching workshops to assist with decision making and self assessment profiling to help people identify their business strengths and weaknesses.

Inclusive approaches are promoted by the LAG which provides mobile training facilities for improving access to the axis 3 scheme for all members of the rural community, particularly those living in more isolated rural areas. In addition, the axis 3 business creation and development services have been offered in German, Russian and Turkish languages. This approach demonstrates the LAG's commitment to engage people of different nationalities in rural development processes and such innovative actions help Vulkaneifel's LAG respond to an increasingly prominent aspect of rural diversity, namely cultural diversity.

Find out more about the Vulkaneifel LAG's work to help local populations respond effectively to rural diversity opportunities and challenges at www.bernkastel-wittlich.de/lag-vulkaneifel. html (in German).





eader approaches to EU rural development are based on implementation of local development projects by Local Action Groups (LAGs). These methodologies stem from three generations of EU programmes and have now been mainstreamed in axis 4 of today's EU rural development policy.

By the end of 2009, it was estimated that the EU's rural areas will be supported by more than 2100 LAGs. Each of these will be able to access a dedicated axis 4 measure (measure 421) that funds the implementation of cooperation projects.

Cooperation can be either interterritorial (between rural areas in a single Member State) or transnational (between rural areas from different Member States). Openness to other countries has traditionally been a common theme in territorial cooperation between LAGs.

20 years of territorial cooperation

1989 was the first time that the European Commission provided funding for territorial cooperation. It granted more than ECU 21 million to 14 groups of pilot projects under Article 10 of the European Regional Development Fund (ERDF) to resolve structural problems in border regions. Based on this initial experience, the INTERREG programme was created and has since shown itself as a beneficial mechanism for economic development and restructuring in border regions.

Central and Eastern European countries have also benefited from cooperation, and the EU provided a significant amount of support via different cross-border cooperation programmes during preaccession phases. These collaborative actions encouraged knowledge transfer between countries and tackled important development issues in border regions.

Cooperation in aid of territorial cohesion

Early successes in rural territorial cooperation were built on and strengthened by successive development programmes. More and more rural areas became involved and gained valuable cooperation experience in the process. Territorial cooperation made important contributions creating real cross-border living spaces and was also noted as being particularly effective in helping diverse areas identify common rural development issues and associated opportunities.

Cooperation helped to turn Europe's differences and complementarities into assets that could be used to lever more harmonious development actions. The popularity of territorial cohesion in Leader actions was also strong and has now become widely recognised as one of the core principles of Leader methodologies.

Leader has shown that reaching out across regional and national boundaries has huge value. When Leader groups talk to each other across these boundaries, they find that their successes and problems aren't unique. They compare notes. They learn from each other. Life becomes so much easier when you don't have to reinvent the wheel!

(Commissioner Mariann Fischer Boël, Leader+ Conference- Evora, Portugal, 22/23 November 2007.)

A favourable context for cooperation

The European Commission is aware of the added value that cooperation offers and has developed a variety of collaboration tools for rural areas. In addition to measure 421 of the rural development policy's axis 4, these include regional policy's European Territorial Cooperation Objective (also referred to as INTERREG IVC), and submeasure 433 of the European Social Fund on transnational and interregional cooperation for mobility. Rural areas can also participate in other EU cooperation projects covering educational, cultural, environmental and research based themes. Further opportunities are provided via the neighbourhood policy involving EU border countries.

This determination by Europe to make cooperation a central tool for territorial cohesion formed the basis of a Commission Green Paper on Territorial Cohesion – 'Turning territorial diversity into strength', published in 2008 on the topic. Professor Mark Shucksmith, EU regional planning expert from the UK's Newcastle University explains, "The

Green Paper recognises the value of people in different territories exchanging their experiences and knowledge. The benefits have been demonstrated in earlier EU initiatives and include not only learning about how people elsewhere confront similar challenges, but also that such transnational cooperation can make people see their own place with new eyes, thinking of ideas which had previously been unthinkable".

He goes on to say, "Many rural areas are experiencing rapid changes, but most include a range of stakeholders who are concerned about that place's future and indeed who wish to see it realise its 'potential', in the sense expressed by the Green Paper. These stakeholders often have different, and perhaps conflicting, ideas of a place's potential, and a priority will be to help build the institutional capacity to allow them to resolve their different ideas and interests, and to cooperate with one another as they go forward".

These messages reinforce key goals for axis 4 activity supporting transnational cooperation.

Mobilising national rural networks

"It is important that individual rural areas showing similar development opportunities, needs and challenges, connect and exchange experience," says Matej Štepec, from Slovenia's Ministry of Agriculture, which has devoted 10% of its axis 4 budget to cooperation. Priority support here is targeting cooperation seminars, methodology guides and working groups.

Approaches vary from country to country and depend on prior cooperation experience. For instance, the Austrian rural network supports cooperation projects upstream by assisting rural areas to organise initial meetings with their partners. Similarly, Françoise Bonert from Luxembourg's Ministry of Agriculture explains that her country provides LAGs with a \leqslant 5 000 budget for funding the first stage of transnational cooperation projects.

Italy, which plans to earmark more than €110 million for Leader cooperation, urges rural areas to adopt a genuine

Coming together is a beginning, staying together is progress, and working together is success.

Henry Ford.



territorial cooperation strategy: "We have planned several cooperation support actions, including linking together the various types of cooperation, like Leader, INTERREG, neighbourhood policy and decentralised cooperation", says Catia Zumpano, head of cooperation in the Italian rural network (INEA).

Territorial development tool

Cooperation is now recognised not only as a factor for promoting openness and innovation for rural areas but also as a major tool for territorial development. The cooperation process has proven itself as being both well-liked and fruitful. Particularly impressive rural progress has been achieved by helping diverse areas identify common rural development issues, opportunities and solutions.

Lessons learnt over the last 20 years show that 'cooperation for cooperation's sake' offers few advantages for rural communities, and cooperation projects need to be carefully planned to ensure tangible development outcomes, with synergetic benefits, for all participants.

Such lessons form part of the wealth of experience that has been gained by LAG cooperation to date, and a selection of interesting cooperation experiences extracted from this critical mass of rural development knowledge are presented hereafter, in four axis 4 case studies.



ROFLEX



Combining common skills to create economic opportunities for rural areas

An idea for cooperation has taken root in one French rural area with a textile tradition. Faced with a structural crisis, coupled with economic, technology and human resource problems, stakeholders in the textile sector and the 'Beaujolais Vert' LAG have been considering what actions to conduct as part of their Leader programme for 2007-2013. Aware of the need to find new solutions, they decided to go to the Netherlands to visit the textile firms, which have state-of-the-art technology and are currently acknowledged to be the market leaders in performance and competitiveness.

These transnational discussions on machinery and software technology soon led to plans for wider cooperation, and the Italian 'Altra Romagna' LAG, which also has textile know-how in its territory, joined the project. Common goals shared by the French and Italians involve creating cooperation products and positioning themselves in new markets by pooling their skills and know-how with the ultimate aim of developing a common market.

Cooperation project meetings have been planned to coincide with European trade fairs that both partners attend, and this generates useful project efficiency savings. The meetings are

being used to explore options for an innovative textile product that represents the identity of the two rural areas and can be used in cultural events. A number of definite possibilities have already been suggested, including a fabric for events, the creation of a trade mark and a marketing system.

And so, originating from European rural areas with similar economic problems, diverse histories but complementary skills and know-how, this project brings together a wide variety of stakeholders from economic, research and tourism sectors (including laboratories, textile workshops, trade unions and tourist offices). Their challenge is to use axis 4 cooperation opportunities effectively. They hope their successes will jointly innovate and rethink the future of their local textile sectors, which not only represent economic assets for their rural areas, but also bring them social benefits and promote their sense of identity.

More about this project is available at:

http://www.pays-beaujolais.com/france/DT1229005523/page/ Approche-Leader-en-Beaujolais-Vert.html

LAG lessons from Luxembourg

Small countries have benefited well from cooperation projects and the following two case studies demonstrate useful transferable lessons from LAGs in Luxembourg.

A small non-profit association from the Luxembourg commune of Beckerich has established an innovative cooperation initiative that aims to create a new type of socio-cultural tourism in Europe's rural areas. The project idea focuses on forging links between rural areas in order to develop opportunities linked with local heritage. In short, it anticipates offering an alternative way to travel that provides people of all ages and walks of life with a unique set of visitor experiences.

Following LAG endorsement of the cooperation proposal, the next stage in the project's development involved identifying partner areas from across Europe that would be interested in establishing transnational cooperation links. It took only a few months of person-to-person contacts, aided by the LAG, to identify six partners (Irish, German, Austrian, Italian, Finnish and Greek). This process was facilitated by the €5 000 of funding provided for Luxembourg LAGs to help set up initial stages of cooperation projects.

One question that needed an answer early on was the issue of human resources. Concerns were raised about the workload required to set up and sustain a multi-partner programme because neither the association nor the LAG had enough spare capacity. The response was relatively simple and involved securing agreement to hire a "service provider whose costs will be included in the programme budget and shared by all of us," explains Fons Jacques, Director of the Redange Wiltz LAG, adding, "We have already set aside funding from our 'transnational cooperation' allocation. The European Agricultural Fund for Rural Development and the government will contribute 69% and the communes, the remaining 31%."

This Luxembourg model follows a straight-forward cooperation methodology and demonstrates the relative ease involved in initiating LAG cooperation between Member States using measure 421. More about this project is available at:

www.rw.Leader.lu and www.dmillen.lu





Great ideas make great (cooperation) projects

Luxembourg's Grevenmacher youth centre is progressing a novel cooperation project that aims to raise public awareness about environmental protection matters. Young people are given the leading role in this project through an innovative environmental education programme.

The transnational cooperation potential of the youth centre's original proposal was quickly realised by local LAG members. This resulted in the proposal being widened to incorporate a European cooperation dimension, involving the young people working with peers from different rural areas. The objective is to help project participants gain a wider overview of environmental challenges and to seek common solutions for diverse locations. Together with another Luxembourg LAG, the axis 4 cooperation project will take place between French, Italian and Finnish areas.

Young people will need to commit themselves to a long-term effort. During a series of large meetings planned from 2010 to

2012, they will prepare artistic events and creative projects on a number of environmental themes, such as: "The Planet said to me..." or "Show me your environment and I'll tell you who you are!" They include an animated cartoon, mini-shows, sculptures and much more. All these creations will be presented in cafes, in youth centres and in the street. Compiled on CD and video, they will also be promoted widely among other young people.

The project organisers are confident that their ideas will result in good transnational cooperation project outcomes. Win-win synergies are expected through enhanced education and personal development benefits for young people, as well as increased awareness about environmental issues and improved environmental conditions for the participating rural communities.

To find out more visit www.rw.Leader.lu or www.miselerland.lu



FONS JACQUES - BUREAU LEADER ESCHDORF



SOPRIP SPA

European pilgrimage routes attract ever more followers

Italy's SOPRIP LAG and Spain's Portodemouros LAG are both crossed by important pilgrimage routes, and this common heritage brought the rural areas together in a series of cooperation initiatives that have taken place since the LEADER II initiative. Their ongoing objectives have been clear-cut throughout and are based on expanding rural tourism by promoting social and cultural heritage associated with the two pilgrimage routes.

Considerable gains were made toward these objectives and the initial cooperation arrangement expanded to include 18 different LAGs in five Member States (Italy, Spain, France, Portugal and Sweden). Between them they set up a Europe-wide rural network with a mandate covering joint territorial marketing, public/private partnership promotion, communication activities and a website offering tourist and local products.

This cooperation work led to a combination of different actions with numerous practical outcomes. However, with such a large number of rural areas, changes were needed in terms of work organisation and network coordination. A European Economic Interest Grouping (EEIG) was set up to ease these project management problems and this formal partnership structure, with its particular legal status, has proved to offer many advantages. It allows economies of scale by pooling resources, provides long-term stability in project coordination, facilitates the organisation of joint actions for selling and marketing products and for the creation of tourist packages etc. In addition, the EEIG simplifies project governance and ensures its long-term future.

Encouraged by these promising results, the partners plan to continue to develop their project using axis 4 support and it will be interesting to see how many new rural areas might join the partnership during the 2007 to 2013 period.

See www.camminideuropageie.com to find out more.





Mr Koen Wellemans, an agronomic engineer, has worked for the past 10 years with Belgium's Flemish Government as an advisor on sustainable agriculture development. He is also actively involved in the Flemish Rural Network, providing support, for rural actors in Flanders.

The introduction of agri-environmental measures has been a key issue in Mr. Wellemans' work at the department of Agriculture and Fisheries. In his daily work, he provides advice to colleagues and policy-makers on the impact of proposed policy measures on farming in Flanders.

Mr. Wellemans appreciates that sustainable agriculture provides new opportunities, but he is also aware that "there are restrictions which need to be addressed, such as environmental issues linked to water policy, or related to Natura 2000, the EU's network of nature conservation sites".

He believes that positive incentives, like those provided by the agri-environmental measures, offer the best opportunities for developing a more sustainable way of farming.

"Farms have always been contributors to rural biodiversity", he says, adding that "agriculture in the post-war period has had to evolve and develop. The focus after World War II was more on production, without consideration of the impact on biodiversity and on the environment". Mr. Wellemans believes the path to more sustainable agriculture today cannot be found by simply looking back and trying to reintroduce farming methods that were in place in the 1940s. He thinks that "a new sustainable direction is needed that takes into account changes in agriculture and farming practices. The way forward needs to be well-considered and not too abrupt".

Tell us about an interesting and recent rural development project that you have worked with.

Since 2007, I have been working for the Flemish Rural Network. Together with my colleagues, we search for best practices in the Flanders Rural Development Programme (RDP). At the same time, we also try to look at what's happening in other countries. Knowledge of these best practices is spread via the network's website, regular newsletters, seminars and study trips. It is hoped that these positive examples will work as a catalyst for innovative projects.

For more information on the Flemish Rural Network, see the website at:

www.ruraalnetwerk.be

What do you find most rewarding or satisfying about working and living in your part of rural Europe?

I live in a rural area of Flanders. The nearest city, Aarschot, is only 10 kilometres away and in just half an hour by train, I can reach my work in Brussels. This is a good example of the meaning of a 'rural area' in Flanders. The city is never far away and the benefits of the city are also available to rural citizens. This periurban rurality is a very important issue of the Flemish RDP.

What do you think are the main issues, challenges and opportunities for rural development in your part of Europe and area of expertise?

A big challenge for farmers is how to deal with the restrictions brought about as a result of society's demands. These are often enacted through laws including national legislation and European directives like the Nitrates Directive, which concerns the protection of waters against pollution caused by nitrates from agricultural sources. I hope that policy-makers will have the patience required to give the farmers enough time to evolve in a more sustainable direction. Rural development policy should continue

to give farmers a helping hand in this evolving process.

The relationship between farmers and other country dwellers has also become a little disconnected over the past decades. This can be a result of diverse and sometimes diverging interests – for example, the non-local aspect of agricultural production, and also the fact that rural areas are increasingly becoming residential areas. More and more people, including myself, work in the city and only come home to sleep, or to spend their leisure time in rural areas.

Rural development policy can help to stimulate opportunities for working in rural areas and can create new bonds between the people living and working in the rural areas.

What needs to be done, and by who, and how in order to address these challenges, and to take full advantage of the opportunities?

Everyone has to take responsibility for this: Farmers should respect the environment that they depend upon for their livelihood. Consumers should respect farmers and their products and be aware that fair prices need to be paid for the products. Governments should provide positive incentives where possible, for work on sustainability. Farmers and other rural citizens need to work together to create new dynamics and new job opportunities.

The proximity of the city also creates opportunities for rural areas such as my region, and these may not yet have been totally thought out. New dynamics can create new bonds that could lead to a completely new way of thinking about the city and peri-urban rurality.

What types of useful lessons have you learnt during your rural development work and what would be in your 'top three' pieces of advice to other practitioners?

Stimulating farmers and consumers to move in a more sustainable direction is only possible if they believe in it themselves. It's a matter of learning and growing, about pioneering. This is not something that can be imposed upon through legislation and rules. Policymakers should bear this in mind in order to reach sustainable targets.

Searching for best practices in the field and spreading awareness both within the region and to other areas is one of the main goals of the rural networks. We need to recognise that a lot of good work has already been done in supporting rural communities through the EU-assisted Leader programme. Rather than wasting energy in duplicating previous work, we should be learning from that experience and the aim is to focus on how this experience can be best applied in daily life.

Finally, an issue of growing concern is that more and more young farmers who want to start a farm, can't find a suitable location in our region. This is because they cannot compete with competition from residential inhabitants, or those running small enterprises in the area. The safeguarding of good farm locations, where sustainable agriculture also offers promising possibilities, should be protected. EU rural development can play a key role in this.

...Stimulating farmers and consumers to move in a more sustainable direction is only possible if they believe in it themselves. It's a matter of learning and growing, about pioneering...



JEN WELLEMANS



Dr. Marko Koščak is a geographer, engineer and rural planner based in Slovenia. He has been actively involved in rural and regional development for more than 18 years and has worked at local, regional, national and international levels, including as a consultant to governments in Europe and Asia. Dr. Koščak has taken part in more than 120 integrated rural development projects, many of which have been in Slovenia, Croatia, Bosnia & Herzegovina, Serbia, Montenegro and the UK. These have included implementing economic development aspects of the SAPARD programme and much of his current workload focuses on the promotion of local partnership approaches to sustainable rural development activities by municipalities, regional development agencies and regional chambers of commerce.

Tell us about an interesting and recent rural development project that you have worked with.

Most recently, I've been working in my own region in Southeast Slovenia on the project Heritage Trails Net which is a kind of follow-up on activities started some 12 years ago. The basic idea is rural regeneration through sustainable tourism, developing products and partnerships. For instance, in the last year we have linked together some 1

500 km of walking, cycling, horse-back riding and river routes. These have now all been combined on the web with a GPS system, so one can choose where to go and download certain parts of the trail to a handheld computer or mobile phone. More information about this project is available via its multi-lingual website at www.slovenia-heritage.net.

What do you find most rewarding or satisfying about working and living in your part of rural Europe?

I think that we still live a kind of 'real life' here. I live in a village of 40 people, where my grandparents lived and where I know almost everyone. We have the privilege of enjoying a clean environment, good infrastructure and good living conditions. Looking around outside the EU, one sees that we Europeans are actually living in a relative paradise, but sometimes we just take this for granted. We have lost a lot of our traditional life because of 'consumer fever': we rush every day more and more and do not think where we are going.

Communicating with people is one of the most rewarding elements for me: I can actually do all my work if I listen carefully and talk to rural people, because they are the best experts. For me the challenge is how to put their words into language that 'bureaucracy' can understand.

What do you think are the main issues, challenges and opportunities for rural development in your part of Europe and area of expertise?

Certainly how to find a balance between development, environmental protection and social harmony: there are many different interests and this can also lead to conflicts. Therefore seeking a consensus in a democratic way and through discussion will be very important for the future of rural Europe. It is very dangerous to make politically-motivated decisions that exclude other opinions or people with different views.

What needs to be done, and by who, and how in order to address these challenges, and to take full advantage of the opportunities?

For me, partnership approaches are the best way to ensure that decisions that are made will be acceptable for the majority. People also need to understand that we can't leave everything to the public sector. I was recently in Finland visiting colleagues of a Local Action Group (LAG) and I was impressed by the fact that, 12 years after they entered Leader, 80% of the projects now involve the private sector. We don't have this yet in Slovenia, but we see that this is the way forward. It seems that a lot

of mutual trust has to be built between public and private sectors. You can't just go 'click' and have an effective partnership, so we also need to find projects that the private sector will be motivated to join in. This is something that should be done more in the future than it has been to date, and I know that the RDPs have measures to assist this process.

Thanks to the Leader approach, 24 new LAGs have been established in Slovenia. We now see that we need to cooperate on a much broader scale. We are in the process of setting up regions. We have the national level and the municipal-local level but we don't have this middle tier yet. The 12 administrative regions exist on paper, but these are mainly for the purpose of statistical monitoring, and we are working on building our actual regional network capacity.

In terms of expertise, some of the existing Regional Development Agencies are quite well staffed and some are not. This can sometimes influence the take-up of RDP funds. Since the current agency territories are, in my opinion, rather small, we are thinking about having fewer, larger regions, which would serve to strengthen expertise and bring more partners to help provide project co-finance.

In terms of things that need to be done outside the current borders of the EU, I have found when working in EU Neighbourhood countries, like Bosnia & Herzegovina, that there is often a need to be more open to NGOs and democratic

decision-making. It is a process that people are learning. Sometimes they are still not yet sufficiently motivated to participate, but importantly they are all now invited to contribute. This is an essential and useful first step that can then be built on, when progressing rural development initiatives in countries surrounding the EU.

What types of useful lessons have you learnt during your rural development work and what would be in your 'top three' pieces of advice to other practitioners?

Those who are involved in the management of rural projects need to listen first. The time has passed when there were experts who know all the solutions. People are experts and some people may well say that experts are the problem (laughs). Such statements mean that is important that we as rural development practitioners get in touch with people and, as I said before, help them to put their words into the language that bureaucracy understands. In my opinion this is the best way to get results.

Another important lesson is that every situation is different. I have seen colleagues try to implement projects that have previously been successful in another location and watched them run into difficulties. It is dangerous to take a copy/paste approach. To avoid this pitfall you need to get down to the local

level right at the beginning. For me it is important to see, visit and talk to local people. Not just in a formal way, but also when they have problems, when they celebrate, when they live their everyday life. In this way you can understand their situation and identify what needs to be done to adapt a project idea to a new set of circumstances.

This leads on to my third lesson: we should respect people's way of life, not try and change them when we are managing projects. Projects and investment can change lives, but we should be careful not to have a negative impact on ordinary life. There is a tourism slogan for my region which sums it up: "your everyday life is somebody else's adventure".

My next project - in FYROM (Former Yugoslav Republic of Macedonia) - is very interesting and will use this bottomup approach. As part of the integrated rural development programme (which follows similar principles to Leader, but with a broader scope), we will try to create a development strategy for the village of Manastirski Dolenci, located about 200 km from Skopje. It will be a pilot project involving local people for the first time. We are sowing the seeds for the Ministry of Agriculture of FYROM to turn the project into a national scheme: finding out the visions of villages and micro-regions in order to have the right strategic planning priorities.



It is dangerous to take a copy/paste approach ... you need to go down to the local level – see, visit and talk to local people ... to understand their situation and identify what needs to be done to adapt a project idea to a new set of circumstances

Dr Marko Koščak



Rural development: EU parliamentary perspectives

Mr Neil Parish is the outgoing Chair of the European Parliament Agriculture and Rural Development Committee. He is returning to national politics after representing the southwest of England, a largely rural region, in the European Parliament for ten years. Since 2004, Mr. Parish was also the MEP for the Rock of Gibraltar. He has a strong background in local government, having served as a Parish, District and County Councillor in Somerset, where he owns a farm.

Tell us about an interesting and recent rural development project that you have worked with.

While we didn't work directly on individual projects, the European Parliament's Agriculture and Rural Development Committee receives many project-related reports and my interest as Chairman was to find ways of putting more money into rural development, so that we actually make it work. We looked for projects that not only took

care of countryside environments but also rural businesses as well. For instance, the Commission initiative to put broadband into more parts of rural Europe is a good thing.

We have to be straightforward and honest about rural development and make sure it works. We need to make sure that we target the right areas and make sure the money gets out there.

What do you find most rewarding or satisfying about working and living in your part of rural Europe?

Because I'm a farmer and because I genuinely love the countryside, I actually believe that agriculture is part of the solution for the environment and the countryside, and not the problem. I think that sometimes it's viewed in quite the reverse.

My practical experience of being a farmer meant that I was not closed to the idea of reforming agricultural policy – whereas I have to say that some of the members on the agricultural committee of the European Parliament really did not want change at all. But we have to accept that the greater population want reform. They want good healthy food and good farming, a safe environment and money put into environmental issues as well as agriculture.

I'm in favour of modifying the CAP, through the Health Check, but not simply because it's a good idea in principle. I want to make sure that in practice getting this money out to the wider community actually works. But, I don't want to feed a huge bureaucracy that in my view is already overfed.

What do you think are the main issues, challenges and opportunities for rural development in your part of Europe and area of expertise?

Broadband is one of the main issues, as I mentioned. Also, we need to make sure that rural tourism and green tourism is supported, and that those businesses that can relocate to rural areas are given the help to do so – some of that support should come from Europe and some from the Member State, but you have to have 'joined-up thinking' between Europe, and Member States and this needs to extend to local rural levels.

What needs to be done, and by who, and how in order to address these challenges, and to take full advantage of the opportunities?

It's very much a case of making sure that we set a policy at EU level and that we try to get the money out to the businesses and communities that need it. The projects in my part of the world have been quite effective because they have got money to communities in rural areas. We need to make sure that at EU-level, national level and at the level of the local authority we are all rowing in the same direction.

I think that one of the problems with European policy – and it's the same problem for national policy as well – is that it's always a top-down affair, so that the people actually receiving the money, having to fill in the forms etc., very often find it difficult to voice their ideas on how to simplify the whole process. Simplifying the process is a challenge, but also an opportunity.

During my time as Chair, Bulgaria and Romania joined the European Union. Bulgaria, in particular, presented a big challenge, because it had great difficulties getting the money out to not only businesses but also farmers as well, and there are still problems. The Commission had to stop payments for a while, though they are negotiating again now. Again, we must make sure that new Member States have the structures in place.

...We need to make sure that at EU-level, national level and at the level of the local authority we are all rowing in the same direction.

What types of useful lessons have you learnt during your rural development work and what would be in your 'top three' pieces of advice to other practitioners?

Make sure that the money gets to the rural businesses and that bureaucracy is not so bad that people spend an awful lot of money trying to put in for projects and access rural development money only to eventually be turned down. When we are

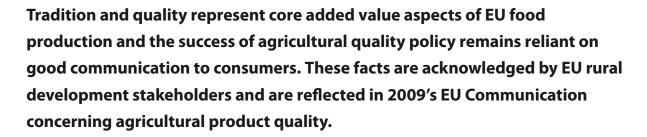
spending rural development money, we must get value for money, and not waste it on the cost of bureaucracy.

I'm always reticent to give a new Chairman any advice, but I would say, let's carry on reforming agriculture; let's make sure it's more relevant to more people, not just farmers, but consumers and those that want a better environment; and let's try to move to a more equal system across all 27 Member States.



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he promotion of quality in agricultural products provides an effective mechanism to improve business competitiveness and also create public benefits. This was underlined by Commissioner Marian Fischer Boel in her statement saying, "In an increasingly competitive world, European farmers must rely on their major strength: quality."

Product quality approaches promoted by the EU correspond to changes in consumer behaviour. Consumers increasingly look for products showing quality in terms of various 'quality standards' and the 'taste/authenticity' of products. For example, urban consumers now seek more assurance and points of reference notably as to the place and method of production.

Specific aspects related to the quality of local products has also helped to improve the viability of numerous rural areas that experienced difficulties with agricultural concerns linked to structural or production issues, such as small farm sizes or difficult operational terrain.

Other benefits from quality approaches include those associated with the quality of Europe's environment and landscapes. Synergies, particularly the production of public goods, are often possible as a result of adopting quality approaches for rural products.

Defining quality

For farmers, quality means providing products which demonstrate the desired characteristics (for example a percentage of lean meat) and carry appropriate indications concerning the production methods (including with respect to the welfare of animals). This applies to all domains, from raw materials produced respecting minimum standards to products with high value added being subject to much stricter production methods.

Community marketing standards in the agricultural sector define certain product characteristics (e.g. 'extra virgin' in relation to olive oil, 'free range eggs' or 'category I' fruit and vegetables). They encourage EU farmers to produce products of given quality, in conformity with the consumers' expectations and allow a comparison of prices between various qualities of the same product.

The history of EU certification schemes dates back to 1991 and 1992, when organic farming designations such as, Protected Geographical Indication (PGI), Protected Designation of Origin (PDO) and Traditional Speciality Guaranteed (TSG), were defined.

EU agricultural product quality labels



In total, more than 3 000 geographic indications have now been registered or are currently being examined with regard to wines, spirits and agricultural or food products. These designations protect rural products such as Gorgonzola, Parmigiano-Reggiano, Melton Mowbray pork pies, Asiago cheese, Camembert de Normandie and Champagne, which can only be labelled as such if they come from the designated region. For example, to qualify as Roquefort, cheese must be made from milk of a certain breed of sheep, and matured in the natural caves near the town of Roquefort in the Aveyron region of France, where spores of the specific fungus (Penicillium roqueforti) are found.

In light of the commercial importance of geographic indications, the European Commission is investing considerable efforts to extend legal protection to a worldwide level. This involves both attempting to develop an international registration system through the World Trade Organisation (WTO), and by negotiating a series of bilateral agreements intended to complement the provisions of the TRIPS agreement, regarding Trade-Related aspects of Intellectual Property rights.

Such foundations stones of modern quality policy were complemented in 2004 by new regulatory legislation (EC 383/2004) that established a greater degree of transparency in the policy of protecting the designation of agricultural products. 2004 also saw the introduction of a European action plan by the Commission in the field of agricultural products described as being 'organic', and this has been augmented more recently with the new Regulation on organic farming (EC)834/2007.

It should be noted that the organic agriculture sector (primarily relating to fruit and vegetables, wines and aromatic or medicinal plants) has witnessed a spectacular development in recent years throughout the EU. In the case of organic products, special attention is also paid to the improved functioning of the European organic market as well as to its promotion and consolidation.

In addition, private or national certification systems with a view to providing consumers with better information concerning the production methods used and the product characteristics also exist.

The general aims and impacts of EU agricultural product quality policy can be summarised as:

- Ensuring that farmers and
- Enabling farmers and producers and production methods which generate value added and
- Improving consumers' products and their production methods, by ensuring accurate

Further challenges are posed as more products from emerging countries with low production costs are exerting increased pressure on EU farmers.

Lack of adequate communication between farmers, buyers and consumers concerning the quality of agricultural products can create additional challenges and efforts are required to reinforce this essential element in the promotion of quality.

Recent developments

These types of challenges have been acknowledged by EU agricultural stakeholders and have led to a new Commission initiative that is helping to enhance strategic approaches for supporting agricultural product quality. This involved the launch of a Green Paper in October 2008, which was accompanied by a widespread consultation exercise concerning the $operations\, of\, systems\, governing\, product$ quality. The consultation collected views about the suitability of existing regulatory instruments and effects of quality policies on farmers, both within and outside the EU.

Quality challenges

Important challenges created by the existing legislative framework include those related to complexity. Increasing numbers of quality criteria, labels and schemes have been introduced at different local, regional, national and EU levels. These can be non-unified or overlapping and so present difficulty in terms of enforcing and protecting the production methods or designations as well as difficulties for producers and consumers to understand what they mean.

At the same time, there are many different rules, legal standards and tools for professionals in the agricultural sector that make the quality system difficult to understand. These include requirements associated with good agricultural practices, health standards, and contractual clauses concerning quality signs or labelling and certification rules.

Core questions examined by the Commission about agricultural product quality policy were:

- How should instruments like
- What is the role of marketing

The consultation attracted some 560 contributions, from 26 Member States and five non-EU countries (Argentina, Australia, Norway, Switzerland and the United States). France, Poland and Italy provided more than 50% of the answers. A wide range of interests were covered by the respondents, who included farmers, traders, representatives of European interests, local authorities, consumers, NGOs, personalities from the world of agriculture and producer organisations.

Findings and analysis of the consultation results were presented by the Commission in March 2009, during a conference dedicated to agricultural quality policies that was organised by the Czech EU Presidency in Prague. Conference delegates discussed a comprehensive agenda of quality product issues including farming requirements and marketing standards, EU quality schemes, certification schemes and organic farming.

Conclusions from the conference and the results of Green Paper consultation process were used for drafting a Communication from the Commission on agricultural product quality policy, which was released in May 2009.

The Communication highlights three main priorities, according to Vincent Cordonnier, a Commission official working in the Quality Unit: "The first one deals with improving the communication between farmers, buyers and consumers. The second priority focuses on strengthening the coherence of existing instruments and standards related to commercialisation: marketing standards, certification of foodstuff quality, geographical indications, and organic farming. Our third priority aim

is to make the various schemes and labelling terms easier to understand and handle for farmers and consumers."

Concerning the Communication's objectives to improve marketing standards for a diverse range of rural products, the reflection will continue on aspects such as the labelling process, the need to identify the place of production, and the possible introduction of a reserved term for products of mountain farming.

Future phases will also look at harmonising instruments linked with geographical indications, covering agricultural products and foodstuffs, wine and spirits, while retaining the specificities of each system. Other efforts will be invested in examining the possibility to replace the current 'traditional specialties guaranteed' system by a 'traditional products' reserved term.

The Communication will also pave the way for improvements in the commercialisation of organic products, via a logo planned for July 2010 that provides guarantees for consumers regarding EU organic production standards.

Next steps

In forecasting the next steps for EU agricultural product quality policy, the Commission Official pointed out that, "The calendar for implementing these

new strategic orientations is now under discussion. We may however expect proposals by the end of 2010."

Outcomes from the ongoing consultation and Commission's new policy developments are expected to provide new opportunities for agricultural producers, and other rural stakeholders, to improved standards for a diverse range of rural products.

Within this context it will remain important to consolidate the efforts made by European producers. Such goals were stressed by the Commissioner during her closing remarks at the Prague conference on product quality, where she said, "Quality schemes often involve a number of players in the food supply chain. But there's a danger that farmers will be pushed to the margins in some cases. The main goal is to make sure that farmers benefit from as many schemes as possible – that they can get their message across to the final consumer and so use the labelling schemes to get a reward for their hard work."

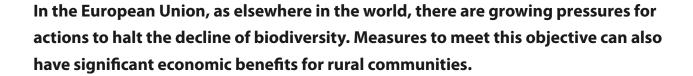
More detail about the Communication on agricultural product quality is available at:

http://ec.europa.eu/agriculture/quality/index_en.htm

In the end quality policy is about communicating to the consumers. My feeling is that we can achieve this without intervening in a 'heavy-handed' way.

Agriculture and Rural Development Commissioner, Mariann Fischer Boel.





iodiversity is a broad term referring to the variety of life and its processes. It includes diversity within species – for example different varieties of animal breeds and crops; between species; and between habitats, including different types of agricultural land use. Biodiversity is closely bound to rural areas – which, accounting for most of Europe's territory and over half its population, are also vital to its economic and societal needs.

Farming and forestry – key rural employers – are the main providers of food and are also major contributors of fibres and construction materials in the EU-27. Europe's countryside areas also fulfil important health needs. For example, research has shown that access to nature can have a positive effect on people's health and emotional wellbeing (see social farming case study on page 32).

The need to conserve biodiversity is recognised in the EU rural development Regulation [1698/2005] and reflected under reforms of the Common

Agricultural Policy (CAP) since 2003. More recently, biodiversity was identified as one of the new challenges for rural development that has emerged from the 2008 CAP Health Check. Such emphasis within rural development policy on biodiversity conservation aligns with the objectives of the EU Biodiversity Action Plan. These aimed to halt the loss of EU biodiversity by 2010 and the Environment Council of the European Union has now expressed the need for a vision and targets regarding the conservation and sustainable use of biodiversity in the EU that go beyond 2010.

Farming impacts

Farmers manage a large proportion of Europe's land area and have a huge impact on biodiversity. An increased demand over the past 20 years or so, for agricultural (and forestry) products, along with past market policies and technological developments, has resulted in a process of intensification and specialisation of farming systems, which have sometimes put significant pressures on natural resources, including biodiversity.

Conversely however, traditional low-intensity farming practices have shaped Europe's landscape and influenced the diversity of species and habitats found there. For example, studies show that 50% of all species in Europe, including many rare and endangered butterflies and birdlife (indicators of high biodiversity) are dependent on farmland.

Farming can therefore have both positive and negative impacts on habitats and species. Extensive farming practices, mostly dominated by grazed, seminatural habitats, tend to be richest in biodiversity, with biodiversity decreasing as farming intensity increases. According to the European Environment Agency, high nature value (HNV) farmland (associated with traditional, or low intensity agriculture, which is not very economical) is generally more prevalent in southern Member States, such as the dehesas and montados in Spain and Portugal, and the steppic areas of eastern Member States. Other parts of the EU also support HNV farmland, such as in upland areas of the UK or in alpine meadows and pastures.

An important agriculture policy challenge is to provide economic incentives to farmers for a continuation of wildlife friendly farming practices.

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Business & biodiversity

Biodiversity is of strategic importance for business: providing the raw materials and natural assets for many enterprises located in rural areas. This is most obvious in cases where profits depend directly on healthy ecosystems, such as rural tourism – a growth market in Europe. But it is also recognised that greater variability in genes, species and ecosystems is associated with increased resilience and biological productivity in agriculture, forestry, fisheries, pharmaceuticals, food processing etc.

It is estimated, for example, that of the 1 200 to 1 300 endemic (native) plants used commercially in Europe, 90% (20 000 to 30 000 tonnes/year) are collected in the wild. The availability of non-timber forest products, such as mushrooms, nuts and berries also increases with the level of biodiversity in a forest. Biodiversity also directly affects Gross National Product as an input in the production of consumer products and by influencing prices. For example, some people are willing to pay higher prices for sustainably produced products.

As well as the direct economic benefits from conserving biodiversity, there are indirect benefits in terms of ecological, aesthetic and ethical value. Rural businesses, especially SMEs are realising that adopting 'greener' measures can also reap financial rewards.

A 2007 study on SMEs financed by the European Commission examined these many so-called 'pro-biodiversity businesses (PBEs)' – that is, businesses that are dependent on biodiversity for their core business and that contribute to biodiversity conservation through that core business. It found considerable diversity among PBEs, concluding that although it can be difficult to measure the contribution by an individual enterprise to biodiversity conservation; it is likely to be "significant".

EAFRD resources

A variety of measures for farmers, foresters and other rural actors are provided by rural development policy to help preserve Europe's biodiversity. These are available mainly through axis 2 of the European Agricultural Fund for Rural Development (EAFRD), which includes:

- Agri-environment payments –
 to compensate farmers or other
 land users for additional costs or
 loss of income, in exchange for
 commitments to undertake specific
 environmentally friendly practices.
 Payments promoting organic farming
 are particularly relevant to enhancing
 biodiversity, while at the same time
 they provide consumers with high
 quality products.
- Less Favoured Area (LFA) schemes provide payments related to natural handicaps, such as difficult climatic conditions and steep slopes in mountain areas – where the risk of abandonment of land is high and thus increased risk of biodiversity loss.
- Support to Natura 2000 areas annual payments to compensate for extra costs, or loss of income, resulting from restrictions on land use due to Natura 2000 management plans (drawing up of these plans can be supported by assistance from axis 3 of the Rural Development Programmes).

- Forest environment payments also contribute significantly to the sustainable use of forests and of biodiversity preservation. As with organic farming, the market for sustainably harvested timber is growing at double-digit rates. Another major growth area is the demand for climate mitigation services, such as the protection of forests and wetlands to absorb carbon dioxide. Climate change, alongside renewable energy, water management and biodiversity represent some of the new challenges identified for funding priority by the 2008 CAP Health Check.
- Non-productive investments.



Looking ahead

Under the CAP Health Check agreement, increased modulation will allow countries to reinforce EU action in the priority areas for conservation of biodiversity. Modulation is expected to strengthen Member State's agri-environment actions and these will increase the scope of opportunities that are available for farmers to make positive biodiversity contributions.

Additional benefits are anticipated for a variety of flora and fauna, especially those dependent on extensive agricultural practices, grasslands or other farm habitats supporting species-rich vegetation. However, their impact is dependent on how effective implementation will be at a national level and on how well targeted payments will be at a local level. It also remains to be seen how the different stakeholders – farmers, foresters, NGOs and the rural community as a whole, respond to these new challenges.

Finally, there is often some considerable time-lag before conservation measures show a positive impact on species or habitats. As the following examples illustrate, where there is a will and the necessary support, these actions have had a noticeable positive impact upon biodiversity. Moreover, such actions also have economic benefits for rural communities.

The Health Check is about equipping our farmers for the challenges they face in the upcoming years, such as climate change and freeing them to follow market signals.

Transferring more money into rural development gives us the chance to find tailor-made solutions to specific regional problems

Agriculture and Rural Development Commissioner, Mariann Fischer Boel.





Denmark: farm support for endangered toad

Farmers in southern Denmark are adopting more environmentally friendly farming practices to help promote biodiversity in agricultural areas once commonly inhabited by a very rare toad, the fire-bellied toad.

Recent intensification and land consolidation in the arable fields have severely affected this highly endangered toad in Denmark (as in other areas of northern Europe). The sunny pond habitats that it previously relied on were filled in to make way for productive land, or else the fields they were in were abandoned so that the ponds became overgrown and shaded. By the 1990s, the remaining population was down to less than 1 200 toads.

A concept, developed in Germany, of using hardy cattle for whole year grazing of grassland areas with ponds harbouring the toads, is now being implemented among Danish farmers. Farmers receive agri-environment subsidies to purchase hardy beef cattle breeds such as Galloway and Highland. The subsidies form part of a so-called 'rolling-economy' system whereby farmers who join the conservation scheme initially receive the cattle for free, but after a five-year period they are required to hand back equivalent cattle so another farmer can participate in, and benefit from, the scheme.

Danish biologist, Lars Briggs, of Amphi Consult consultancy, explains that when the scheme was first introduced in 2004, this was something new to Danish farmers, who are traditionally dairy farmers. Today however, it is proving "very popular" – with demand high among other interested conservation farmers. Significantly, the declining population of the toads in some core areas in Denmark has stabilised and the agri-environment support acts as a sustainable economic driver for the local rural community.



SERNARD LAFON



France: Organic goods and eco-tourism

The Oh! Légumes Oubliés kitchen garden located near Bordeaux, in the Gironde region of France, is a typical 'pro-biodiversity' business.

The organic farm is dedicated to producing a number of species and varieties of fruit and vegetables that today have been forgotten (oubliés), or are no longer commonly grown. It is a good example of a family-run business, based on traditional practices, which has diversified to take advantage of changing markets and economies.

The business was founded in 1977 by Bernard Lafon, who still manages it today. He started by converting the traditional farm in the grounds of the 18th century Château de Belloc, which

has belonged to his family for generations, into a centre aimed at promoting the principle of 'food diversity'.

Today, there are four main areas of activity: an organic farm, a cannery and shop and an educational and tourist centre. The enterprise also harvests wild plants, many of which are processed on site. Together these employ 15 staff, with an annual turnover of over €1 million. Thirty per cent of production is exported, mainly to North America, northern Europe and Asia.

See www.ohlegumesoublies.com for more information (in French and English)



Ireland: Conserving rare flora in the Burren

An effective mix of farm management methods and agricultural conservation techniques has been successfully applied to boost the high nature value of important limestone grasslands in Ireland.

Located along the mid-western part of Ireland's Atlantic coastline, the Burren forms a unique limestone landscape covering more than 60 000 hectares of farms, cliffs, caves and terraced upland. The distinctive landscape supports a number of very rare habitats, including orchid-rich grasslands.

Agriculture remains the Burren's prominent land use and EU funds have been harnessed to help sustain a symbiotic relationship between local farming and the Burren grassland's rich biodiversity.



Key conservation activities include trials among 20 farms to develop appropriate feeding regimes for the different livestock that graze different parts of these species-rich grasslands. This involves: testing the benefits from extending and adjusting winter grazing practices; piloting new summer grazing techniques; and avoiding bulldozer damage to priority habitats by developing low-impact approaches to managing livestock access routes in limestone pastures.

Recovery of conservation status is a slow process. Already however, there has been a significant positive impact on the priority grasslands with, for example, a large increase in the numbers of orchids growing in sampled areas. Financial benefits have been gained through payments for participation in the agri-environment trials as well as from the marketing of local conservation-grade beef and lamb. This provides income support to the rural economy and demonstrates the benefits of taking advantage of local products' distinctiveness.

Visit www.burrenlife.com for further information.



Greece: Tourism and conservation of Vai palm forest

Conservation actions targeting the unique palm forest of Vai in Crete have also increased the island's attraction as a tourist destination. As well as doubling the area of this very rare habitat, a much needed tourism plan has been introduced. Sustainability has been achieved through support from local stakeholders.

Until a few years ago, the Vai palm forest, one of only two native palm species in Europe, was surrounded by agricultural land, which limited its natural regeneration. The palms previously covered almost 300 hectares. However, in the 1950s, extensive land reclamation took place and most of the forest was destroyed. Since then it had declined still further so that by 2000, only 15.6 hectares remained.



KATERINA RAFTOPOULOU

To achieve the forest expansion and restoration, farmers agreed to relocate from sensitive areas around the forest, to alternative land. Led by the Greek Biotope-Wetland Centre, a series of restoration measures have been implemented to improve the structure and vigour of the existing and extended forest; while at the same time, a sustainable tourism plan has been introduced.

As a result, the coverage of the rare habitat has doubled to 31.7 hectares. Whereas formally, the area was open to uncontrolled tourism development, the local community is now aware of the importance of conserving the forest and of developing sustainable tourism. Supported by agri-environment measures, the exchange of land is ongoing.



hambers of agriculture and similar rural advisory bodies can benefit from EU rural development policy's support for exchanging good practices and learning from each other about how best to target their services. Collaboration in this area has been strengthened recently by a study on 'Cooperation within the European Network of Chambers of Agriculture in Europe' (RECA), which set out to explore how agricultural and rural advisory bodies take into account the diversity of farmers and territories.

Covering seven different Member States (Austria, Spain, France, Germany, Hungary, Slovenia and United Kingdom), the RECA study was managed by the French Chambers of Agriculture. Ongoing changes in rural diversity provided the context for the study and in particular the fact that these changes affect demand for rural development advisory services.

Key contextual changes in rural areas recognised by the RECA researchers included: shifting types of risks faced by farmers and other rural businesses on a daily basis; marginalisation trends of agricultural sectors as the diversity of many rural economies strengthens; climate change challenges concerning adaptation and mitigation measures; contrasting demographic trends of depopulation and over-development in different rural areas; new policy impacts, such as promotion of biomass or biotechnology; and society's requirements for food safety, water management, environmental protection and biodiversity conservation continue to exert pressures on rural land users.

New needs, new challenges

Within this context of new needs and new challenges, the RECA study

aimed to examine how to enhance the effectiveness of advisory services. Important success factors noted for advisory bodies included:

- A good knowledge of different stakeholders' requirements. Users of advisory bodies are varied (farmers, local authorities, companies, associations, Local Action Groups, etc.). Advisory bodies therefore need to hold and provide expertise in topics such as territorial cohesion, agricultural production and diversification, as well as environmental protection and socio-economic issues associated with all these topics
- A network of contact points throughout rural territories that are adapted to local circumstances.
 Provision of community-based services is important to increase the uptake of



advice and help build developmental relationships with local stakeholders. Appreciation of local cultures and operating conditions is essential

- Anticipating the needs. Monitoring the performance of farms and rural businesses helps to provide a clear forecast of up to date development needs
- The flow of information and networking. Facilitating feedback from rural areas to higher level decision makers and service managers in advisory organisations is important for maintaining the relevance of guidance provision
- Tools-sharing and materials. Operational efficiencies can be optimised and development costs shared by cooperation between advisory bodies. This can also help improve the visibility of the supply of advice

- Partnerships with various players of the territory. Inclusive approaches help partners to increase their understanding about different challenges of agricultural and wider rural development and
- Training of advisers. Technical skills and knowledge regarding regulatory frameworks are increasingly becoming specialised and advisors need to regularly update their competences in many matters. This also refers to methodological skills, such as project management, networking or marketing services, as well as interpersonal skills, like facilitation and mediation.

Workable recommendations

Support from the RDPs is available to help reinforce these aspects of rural advisory service provision and, as Claire Venot from the RECA study project notes, "We know that there are many issues involved in implementing the success factors that our study has highlighted but we are confident that the RECA results provide workable recommendations for successful rural advisory services, which are applicable throughout the EU".

More information about the RECA project is available from

http://paris.apca.chambagri.fr/download/apca/h/2009/sem_26/RECA_Exterieur.zip



he vast majority of food consumed in Europe is made from traditional rural products and one of the main challenges for traditional food producers is improving competitiveness. Traditional foods include many different types of products such as Italian Parma, Greek Feta and Scandinavian Salmon. Traditional foods also include the huge variety of fresh fruit and vegetables that have been grown for centuries in Europe's countryside.

New productivity approaches offer opportunities for suppliers of these traditional foods to add value to their existing product ranges. However, the success of any new approaches remains dependent on its acceptance by consumers, as well as its ability to comply with safety standards.

While EU food regulations are relatively fixed, EU consumer expectations can sometimes be contradictory. Market demands remain high for safe products with strong nutritional and sensory value, but also for those that receive minimal processing and, are either free from, or low in, preservative content. Meeting these demands can be a particularly challenging task for many food producers and a large scale EU research project is currently underway to help find ways of improving the competiveness of SMEs involved in the EU food supply chain.

Titled TRUEFOOD (Traditional United Europe Food), the sophisticated research project integrates eight parallel work packages that share common goals based on understanding consumers' expectations, testing new technologies

and involving SMEs in the technology transfer of innovations. TRUEFOOD is receiving €15.5 million of finance from the European Commission's 6th Framework Programme (FP6) and its four years of research will conclude in May 2010. A consortium of 11 major European food and drink federations manage the research project and between them they represent 35 000 SMEs in over 20 European countries.

Research results

Outcomes to date from TRUEFOOD's multidisciplined team are encouraging. Useful findings have been gained regarding knowledge about consumer preferences and progress has also been made in identifying innovations which could be introduced into the production cycle.



Margrethe Hersleth from the research team explains, "Initially we needed to clarify what consumers in the participating countries perceived to be traditional food and what kind of expectations they had about such products." Results from a consumer survey carried out in Poland, Spain, Belgium, France, Italy and Norway revealed that traditional foods were considered to be 'good quality', 'well-known', 'eaten by grandparents', and 'used authentic production process or recipes'. This information helped to confirm high levels of consumer interest in traditional foods and provided the rationale to explore innovations in traditional products.

Health issues were noted as an important purchasing factor by consumers. As such, TRUEFOOD researchers concentrated

considerable efforts on exploring options that reduce potentially harmful food content, without reducing product shelf life, sensory quality or safety standards. Innovations from this work include: a boning-salting-binding methodology that helps reduce salt content in dry-cured boned hams; advances in natural biocontrol methods for field vegetables have been shown to offer viable alternatives compared with chemical pesticides; and new technology for improving the fat classification of salmon fillets prior to processing has also been supported.

Dissemination

Final stages of the FP 6 project involve direct contact with Europe's food producers through an information dissemination campaign. This is providing training for SMEs in order to raise awareness about the relevance of the TRUEFOOD findings and facilitate technology transfer. Further information about TRUEFOOD's research is available at www.truefood.eu.



The European Network for Rural Development ONLINE http://enrd.ec.europa.eu



