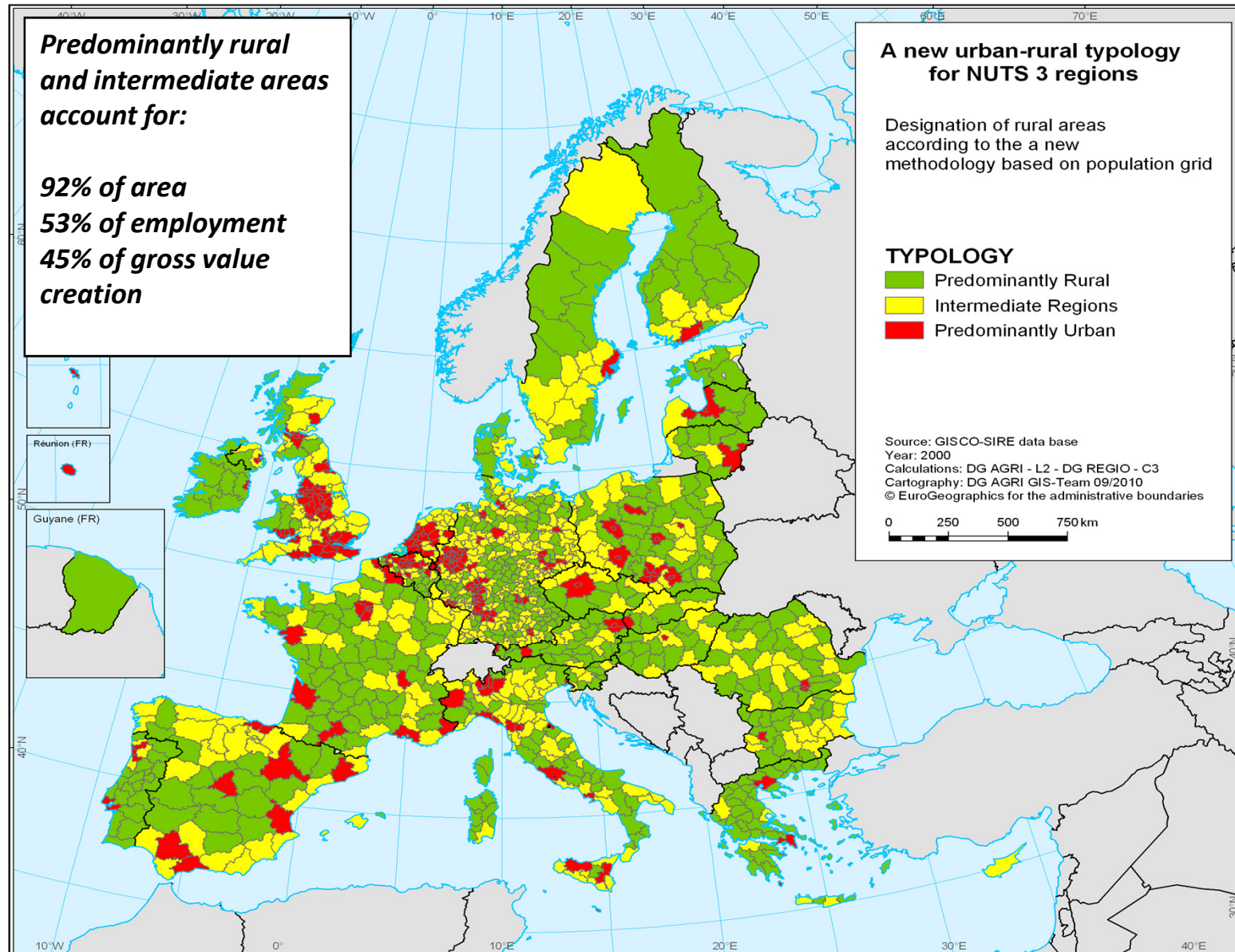


Commission proposals for Rural Development Policy after 2013



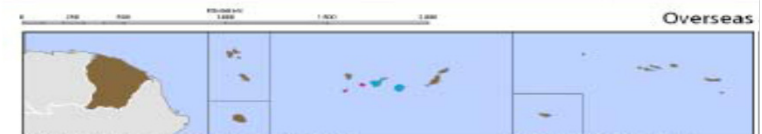
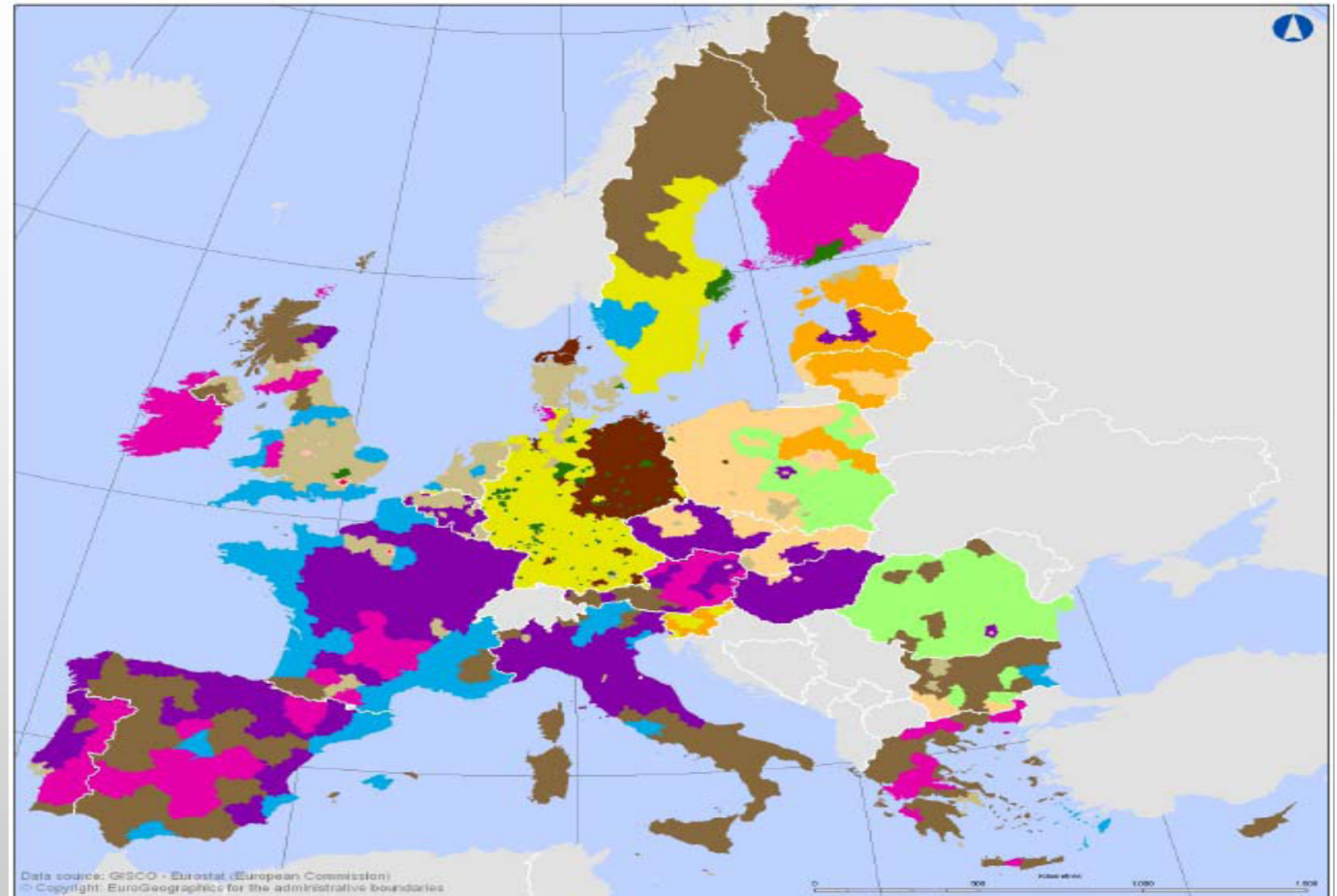
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How “rural” is the EU?



Rural areas are extremely varied

- Some rural regions in economic difficulties; others show good rates of growth / employment compared to urban areas
- No “typical rural region”: different types of “rurality” determined by the regional “mix of functions” rather than a single economic activity



- | | |
|---|---|
| <ul style="list-style-type: none"> I - Large European Cities II - Semi-urban areas with land use pressure III - Cities not aggregated with their surroundings V - Balanced rural areas with declining manufacturing sector VI - Southern and Northern periphery and mountains regions VI - Coastal and mountain areas VII - Eastern periphery - agriculturally dominated | <ul style="list-style-type: none"> IX - "Strong" rural regions in new MS X - Central and Northern European industrial regions XI - Rural regions with significant industry XII - Global cities XIV - Eastern periphery XV - Rural areas with strong rural development |
|---|---|

- | | |
|---|---|
| <ul style="list-style-type: none"> Variables Ind_01_newurban Ind_02_GDP_per_capita Ind_03_change_gdp_per Ind_04_unemployment Ind_05_change_unemploy Ind_06_training_education_egr Ind_07_emp_dev_prim Ind_08_change_emp_prim Ind_08_employers_garntu Ind_12_tourism_beds Ind_13_change_tourism_beds Ind_14_lower_rising Ind_15_lower_centr Ind_16_pop_dens | <ul style="list-style-type: none"> Variables Ind_17_change_pop_dens Ind_18_share_citadep Ind_19_oldage_develop Ind_20_change_gwa_prim Ind_21_change_gwa_sec Ind_22_change_gwa_tert Ind_23_change_emp_sec Ind_24_change_emp_tert Ind_25_emp_sec Ind_26_emp_tert Ind_29_P1_Capita Ind_36_P2_Capita Ind_37_PrevP2_Capita |
|---|---|

Map developed by ÖIR
© September 2010

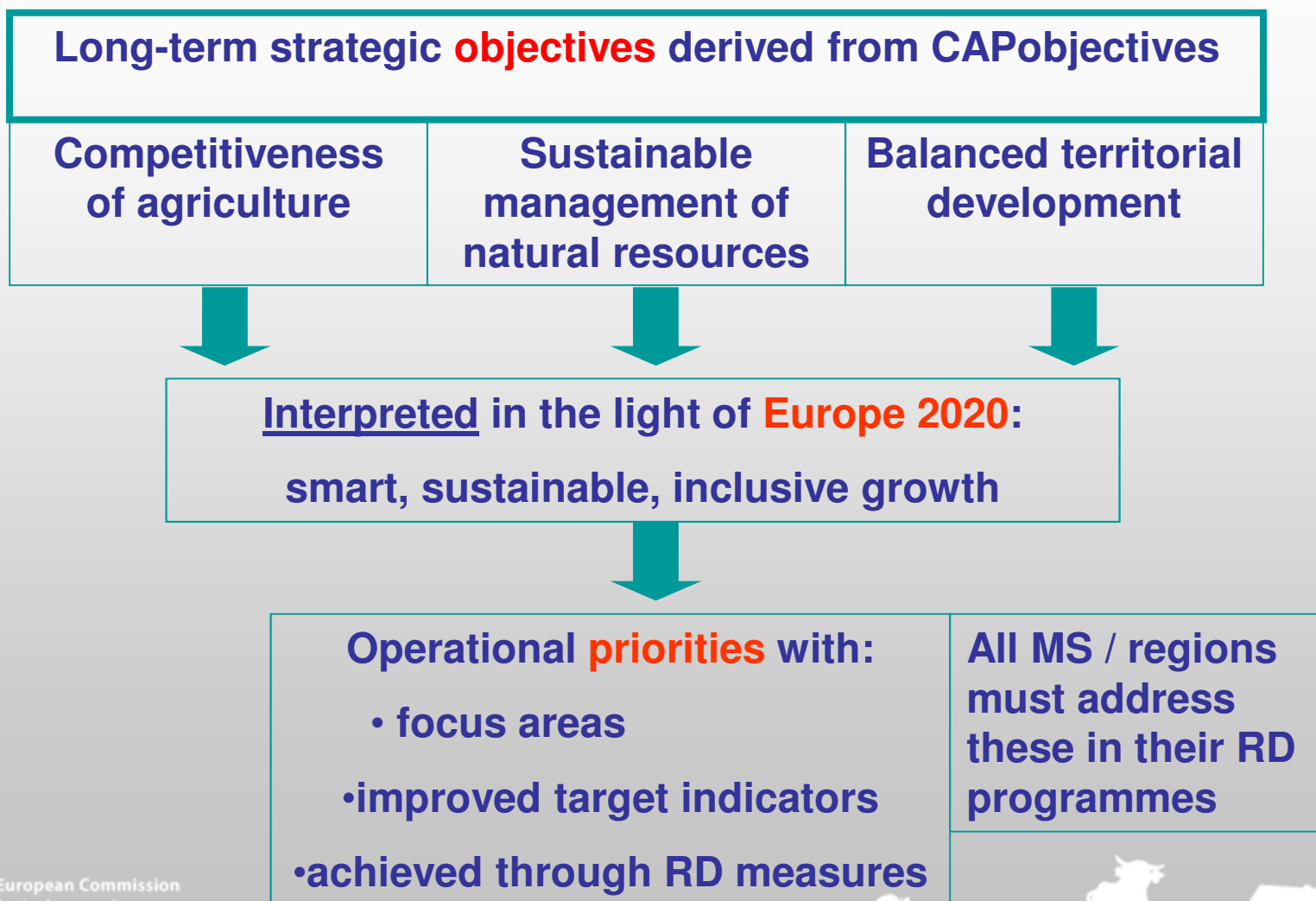
Sources:
DG AGRI (Expenditure Data)
"Study on employment, growth and innovation in rural areas" (2010) managed by DG AGRI.



1. A new framework for Rural Development



Objectives and priorities for RD policy - overview



Rural development in a new framework

Europe 2020 strategy

Common Strategic Framework (CSF)

– covering the EAFRD, ERDF, ESF, Cohesion Fund and EMFF, and reflecting EU2020 through common thematic objectives to be addressed by key actions for each of the funds

Partnership Contract

– national document outlining the intended use of the funds in the pursuit of EU2020 objectives

Rural development policy: EAFRD

Other CSF funds (ERDF, ESF, CF, EMFF)

Innovation, Environment and Climate Change as cross-cutting objectives

Priorities

Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

Enhancing competitiveness of all types of agriculture and farm viability

Promoting food chain organisation and risk management in agriculture

Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry

Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

Promoting social inclusion, poverty reduction and economic development in rural areas

Rural Development Programme(s)



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Rural development priorities

Focus areas

1. Knowledge transfer and Innovation

(a) fostering innovation and the knowledge base in rural areas
(b) strengthening the links between agriculture and forestry and research and innovation
(c) fostering lifelong learning and vocational training in the agricultural and forestry sectors

2. Competitiveness of all types of agriculture and farm viability

(a) facilitating restructuring of farms facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in particular sectors and farms in need of agricultural diversification
(b) facilitating generational renewal in the agricultural sector

3. Food chain organisation and risk management

(a) better integrating primary producers into the food chain through quality schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations
(b) supporting farm risk management

4. Restoring, preserving and enhancing ecosystems

(a) restoring and preserving biodiversity, including in Natura 2000 areas and HNV farming, and the state of European landscapes
(b) improving water management
(c) improving soil management

5. Resource efficiency and shift towards a low carbon and climate resilient economy

(a) increasing efficiency in water use by agriculture
(b) increasing efficiency in energy use in agriculture and food processing
(c) facilitating the supply and use of renewable sources of energy, of by-products, wastes, residues and other non food raw material for purposes of the bio-economy
(d) reducing nitrous oxide and methane emissions from agriculture
(e) fostering carbon sequestration in agriculture and forestry

6. Social inclusion, poverty reduction and economic development in rural areas

(a) facilitating diversification, creation of new small enterprises and job creation
(b) fostering local development in rural areas
(c) enhancing accessibility to, use and quality of information and communication technologies (ICT) in rural areas



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Innovation, Climate Change and Environment as cross-cutting objectives

Common elements for the CSF funds

- ❖ **Common provisions in single regulation**
- ❖ **The Common Strategic Framework (CSF)**
- ❖ **Partnership contract (PC)**
- ❖ **Ex ante conditionalities**
- ❖ **Performance framework**



Streamlined set of measures

- **Continuity** with respect to the present programming period, but:
 - Reduced number of measures (grouping based on typology of interventions) to simplify financial management
 - Fine-tuning (eligibility conditions, scope, etc.) to address bottlenecks in implementation
 - New measures to cover emerging needs (e.g. risk-management tool to address economic and environmental production risks, cooperation and start-up toolkit for LEADER)
- **Flexibility** in the choice of measures within any priority to fully exploit their possible synergetic effects towards the established targets



Rural development measures

- **Knowledge transfer and information actions**

- Traditional training courses, better adapted to the needs of rural actors
- Workshops, coaching, demonstration activities, information
- Short-term farm exchange or visit schemes

What's new?

- Unified, more visible measure with stronger profile and broader scope

- **Advisory services, farm management and farm relief services**

- Advice related to cross-compliance, green elements of direct payments, other agricultural, environmental and economic issues

What's new?

- No limit on frequency of use
- Open to non-agricultural SMEs
- Training for trainers / advisers supported

- **Setting-up of producer groups**

What's new?

- Extended to all Member States
- Limited to groups which classify as SMEs



Rural development measures

- **Investment in physical assets**

- Improving overall performance of farm (economic, environmental, other)
- Processing, marketing, development of agricultural products and cotton (output of process can be non-agricultural product)
- Infrastructure related to development of agriculture
- Purely environmental improvements ("non-productive" investments)

What's new?

- Output of production process may be non-agricultural product
 - Higher support rates for:
 - young farmers
 - collective investments and integrated projects
 - investments in areas facing natural constraints
 - investments in framework of European Innovation Partnership

- **Quality schemes for agricultural products and foodstuffs**

What's new?

- Cotton included



Rural development measures

- **Farm and business development**

- Setting-up aid for:
 - Young Farmers
 - Non-agricultural activities in rural areas
 - Development of small farms
- Investments in non-agricultural activities
- Support for farm restructuring

What's new?

- Current support for semi-subsistence farms increased, extended to all "small" farms in EU (defined by Member States)
- Support for further development of non-farm businesses in rural areas extended from micro- to small businesses
 - Restructuring aid to encourage small farmers to transfer farm
- **Basic services and village renewal in rural areas**
 - Local basic services
 - Broadband infrastructure; small-scale infrastructure, renewable energy
 - Recreational infrastructure, tourist information
 - Cultural & natural heritage of villages & landscapes, relocation of activities, conversion of buildings to improve quality of life



Rural development measures

- **Organic farming** – separate measure for increased visibility
- **Agri-environment-climate payments**

A wide range of commitments going beyond legal requirements, related to (for example):

- biodiversity & ecosystems
- climate change
- water quality & quantity
- soil quality & quantity
- landscapes
- conservation of genetic resources

What's new?

- Greater flexibility in length of contracts (e.g. possibility to renew annually after 5 years)
 - Joint contracts encouraged
- Member State to ensure that adequate training / information is available



Rural development measures

- **Natura 2000 and Water framework directive payments**

What's new?

- Provision for payments for "stepping stone" areas

- **Payments to areas facing natural or other specific constraints**

- **Designation of areas facing natural or other specific constraints**

What's new?

- New delimitation under revision

- **Animal welfare**

- Animal welfare commitments going beyond legal requirements

What's new?

- More flexible obligations: annual contracts



Rural development measures

- **Investments in forest area development and improvement of forest viability**
 - Afforestation, woodland creation
 - Establishment of agro-forestry systems
 - Prevention and restoration of damage to forests from fires and natural disasters
 - Investments in resilience, environmental value of forest ecosystems
 - Investments in new forestry technologies, processing & marketing of forestry products

What's new?

- Streamlining of several measures and various changes to eligibility, level, duration of support
- **Forest-environmental and climate services and forest conservation**
 - Forest-environment commitments going beyond legal obligations
 - Conservation & promotion of forest genetic resources

What's new?

- Addition of support for forest genetic resources



Rural development measures

- **Co-operation**
 - Development of new products, practices, processes and technologies
 - Pilot projects
 - Co-operation among small operators in organising joint work processes, sharing facilities and resources
 - Horizontal and vertical co-operation between supply chain actors to promote short supply chains and local markets
 - Local promotion activities related to short supply chains and local markets
 - Joint approaches to environmental projects and ongoing practices
 - Local development strategies outside the scope of Leader

What's new?

- Measure is very significantly expanded
 - Support for technological co-operation strengthened
- Support made possible for a wide range of types of economic, environmental and social co-operation



Rural development measures

- **Risk management tools**

- Contributions to premiums for crop, animal and plant insurance against problems caused by weather and disease
- Contributions to mutual funds offering compensation for losses caused by animal & plant disease and environmental incidents
- Income stabilisation tool (operating through the mechanisms of a mutual fund) offering compensation for severe drops in income

What's new?

- New toolkit to address increasing economic and environmental risks

Plus:

- **Restoring agricultural production potential damaged by natural disasters and introduction of appropriate prevention actions**

What's new?

- Higher aid intensity possible for collective projects



Rural development measures

- **Prize for innovative, local cooperation**
 - Awarded to cooperation projects involving at least two entities located in different Member States that realise an innovative, local concept
- **Leader: making it fit to better serve innovation and local governance**
 - Leader approach strengthened across EU funds
 - Common provisions on community led local development
 - Considerable scope for ensuring that local partnerships are free to use these EU funds in a coordinated way
 - Selection committee for a ‘multi-fund’ local development strategy to decide whether to designate a **"lead fund"**
 - Preparatory support
 - “LEADER start-up kit” and support for small pilot projects
 - Capacity building, training and networking with a view to preparing and implementing a local development strategy



EIP on Agricultural Productivity and Sustainability

- Aimed at promoting resource efficiency, building bridges between research and practice and generally encouraging innovation
- Acts through operational groups responsible for innovative projects and is supported by a network
 - **Operational groups:** bringing together farmers, researchers, advisors, businesses and other actors concerned by innovation in the agricultural sector
- The EAFRD contributes through:
 - Support for the EIP operational groups and the EIP Network
 - Other rural development measures, e.g. Co-operation, Investment in physical assets, Business development, Knowledge transfer and Farm Advisory Services
- Following endorsement by Council and European Parliament, establishment of Steering Board during first trimester of 2012
 - EIP Network to be set-up in the second half of 2012



2. Key elements of Rural Development programming



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The rural development programming: key elements (1)

- Ex ante evaluation
- **Analysis** of the strengths, weaknesses, opportunities and strengths (SWOT) around the priorities for rural development and identification of the **needs** that have to be addressed
- Description of the strategy – reinforced **strategic approach**:
 - Setting **quantified targets against the rural development priorities** and associated areas of intervention
 - Selection of **measures** based on a sound intervention logic, including an assessment of the expected contribution of the measures chosen to achieve the targets
- Assessment of **ex ante conditionalities and milestones**
- Description of each measure selected



The rural development programming: key elements (2)

- Description of coordination mechanisms between different tools in relation to **local development**
- Description of the approach towards **innovation and the EIP**
- Analysis of needs for **monitoring and evaluation**
- **Financial and indicators plans**
- Information on **complementarity** with measures financed by other instruments (I pillar, CF, EMFF), implementing arrangements, designation of partners and national network arrangements
- Possibility of designing **thematic sub-programmes** with higher support rates, e.g. to address the needs of young farmers, small farmers, mountain areas, short supply chain.



The rural development programming: sub-programmes

- Possibility of designing **thematic sub-programmes** to put emphasis on and address specific needs of particular sectors, geographical areas or types of beneficiaries, in particular in relation to young farmers, small farmers, mountain areas, short supply chain:
 - Higher support rates (aid intensities)
 - Specific SWOT analysis and identification of needs
 - Specific targets at sub-programme level and selection of measures
 - Specific separate indicator plan
- **No separate specific financial management** for sub-programmes



3. Financing



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How the CAP will be financed

- Commission proposals on EU budget for the period 2014-2020 maintain CAP spending at 2013 levels in nominal terms

In constant 2011 prices

- Pillar I – Direct payments and market expenditure	€281.8 bn
- Pillar II – Rural development	€89.9 bn
Total Pillar I and II	€371.7 bn
- Food safety	€2.2 bn
- Most deprived persons	€2.5 bn
- Reserve for crisis in the agricultural sector	€3.5 bn
- European Globalisation Fund	Up to €2.5 bn
- Research and innovation on food security, the bio-economy and sustainable agriculture	€4.5 bn
Total additional funds	€15.2 bn
Total proposed budget for the period 2014-2020	€386.9 bn

Source: Commission Communication 'A budget for Europe 2020' – COM(2011) 500 final, part II.



Fund contribution and financial engineering

- Single co-financing rate across measures up to:
 - 85% in less developed regions, outermost regions and smaller Aegean islands
 - 50% in other regions
- Minimum of 5 % of EAFRD envelope to be spent on Leader
- Minimum 25% of the EAFRD envelope to be allocated to climate change mitigation and adaptation and land management measures
 - Agri-environment-climate, organic farming, LFAs
- ***NB.** MS to provide information on support for climate change objectives in line with the ambition of devoting at least 20% of the Union budget to this end (recital 6)*
- Higher co-financing rate – up to 80% for:
 - Knowledge transfer and information actions
 - Business start-up aid for young farmers
 - Setting up of producer groups
 - Co-operation
 - Leader
- Up to 100% EAFRD co-financing for innovative operations financed with capped funds from direct payments



4. Monitoring and evaluation



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Monitoring

- **CMEF**

- List of common indicators relating to the initial situation as well as to the financial execution, outputs, results and impact of the programme and applicable to each programme
- Linked to the structure and objectives of the rural development policy framework

- **Period 2016 – 2023:** annual implementation report of the rural development programme in relation to the previous year, plus

- **2017:** information on sub-programmes, progress in ensuring an integrated approach (including local development strategies) and towards meeting the targets for each priority
- **2019:** also contribution to achieving the EU2020 priorities

⇒ *2017 and 2019 reports are at the basis of the performance review*

- **By 30 June 2017 and by 30 June 2019:** progress report on implementation of the Partnership Contract



Evaluation

- **Ex ante evaluation**
 - Forms part of drawing up rural development programmes
 - Aims at optimising the links between needs, targets, contribution to EU2020 objectives and budget allocation
- **Evaluation during the programming period – based on an evaluation plan**
 - Assessment of effectiveness, efficiency and impact of each programme
 - At least once, an evaluation shall assess how support from the CSF Funds has contributed to the objectives for each priority
- **Ex post evaluation**
 - Prepared and submitted by Member States for each rural development programme by 31 December 2023



Thank you!



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