



# TWG3 *Public Goods and Public Intervention* State of Play

TWGs/CC joint meeting - 07 June 2010,  
Brussels

## Main Outputs delivered up to June 2010

### Step 1 outputs:

- Conceptual framework on PGs provided through agriculture in the EU
- Preliminary results from the RDP screening exercise (“Overview report”)
- Update of Step 1 overview report including: all 88 RDPs + MS surveys
- *88 RDP fiches (plus summaries) on the way in which RDPs address PGs*
- *14 completed MS questionnaires*

### Step 2 outputs:

- Draft analytical paper (in-depth analysis of Step 1 outputs)

### Step 3 outputs:

- Final paper presenting the findings of the analysis from Step 1, 2 and 3  
(*Draft - not yet circulated*)

## Conceptual Framework on PGs provided through agriculture in the EU

- Aims at establishing a common understanding of the characteristics of public goods.
- Outlines the range of public goods – environmental and social – associated with agriculture.
- Sets out the case for supporting the provision of public goods using public money, including the most appropriate allocation mechanism needed to secure their supply in line with society's demand.

## Main purposes:

To collate information from 2007-13 RDPs on:

- Which RDP measures were identified as having the potential to deliver public goods;
- The specific activities that could be incentivised under these measures;
- Planned implementation of such measures and their scale of administration;
- The resources allocated to the delivery of the public goods, including additional national delivery costs (administration, advice etc);

Additional information obtained via MS telephone survey.

## Main findings of the analysis:

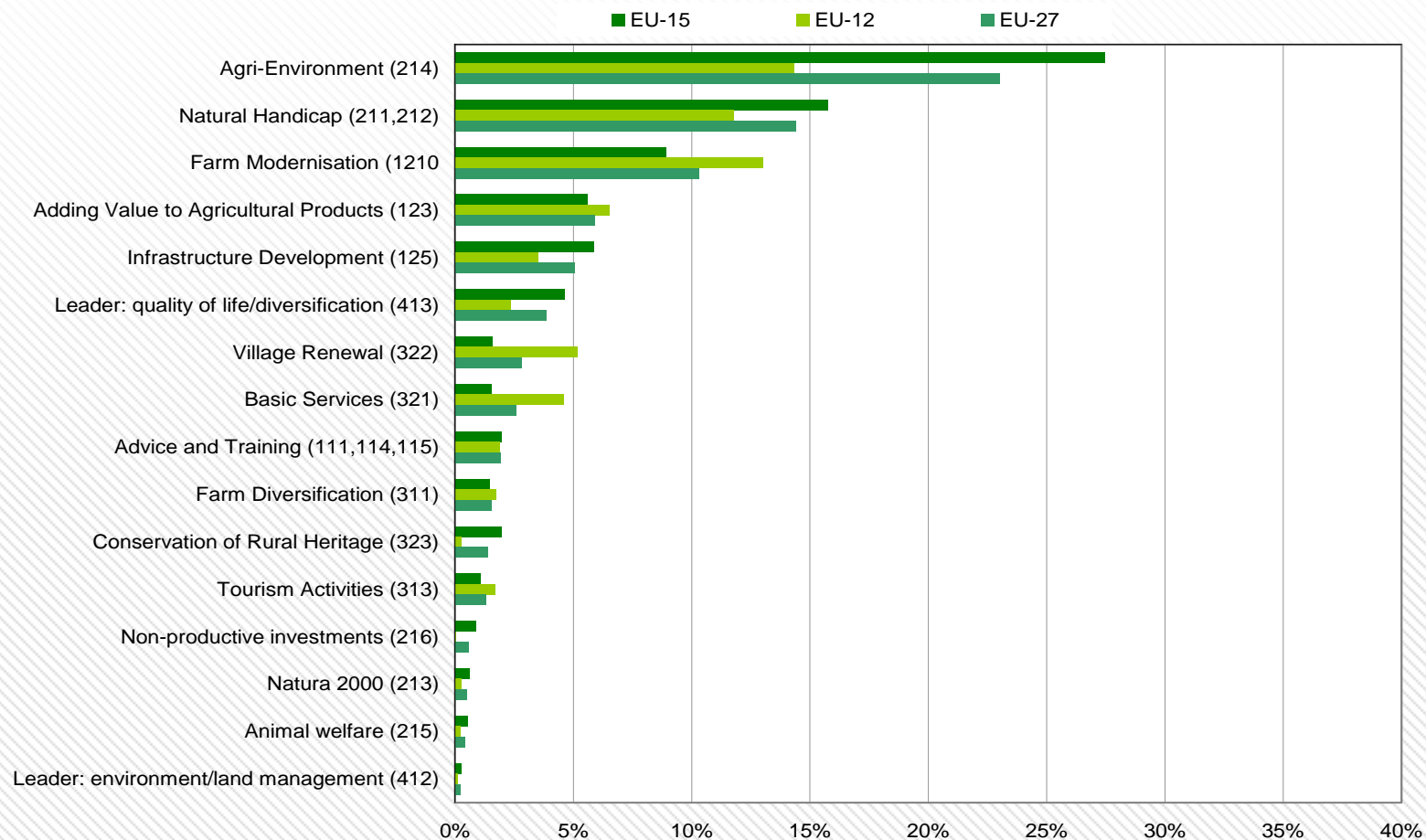
- The provision of environmental and social public goods in the EU-27 context faces a variety of pressures. Nearly all RDPs are concerned with the provision of public goods, but the degree to which their provision is prioritised differs.
- For environmental public goods, while Axis 2 is of particular importance, some measures in Axis 1, 3 and 4 also contribute to public good provision.
- Carbon storage; greenhouse gas emissions; agricultural landscapes; farmland biodiversity and water quality appear most frequently as prominent objectives for RDPs.

A group of 16 measures from across all Axes were identified as being used most frequently for delivering public goods across the 88 RDPs.

- **Direct focus.** The measure addresses the public good as a core objective (e.g. agri-environment measure);
- **Partial focus.** The measure can be used to address the public good, but this is not its primary objective (e.g. the farm modernisation measure can be used to deliver environmental public goods, but this is not its main focus);
- **Indirect focus.** The measure has no objectives focused on public goods, but may nonetheless have a positive impact as a result of the actions undertaken (e.g. the agri-environment measure will have an indirect impact on the provision of rural vitality).

# Budgetary Focus of RDPs

Proportion of total public rural development expenditure per measure for the EU-15, EU-12 and EU-27



- In terms of programmed expenditure, the agri-environment, natural handicap and farm modernisation measures together account for almost 50 per cent of total public expenditure for the programming period 2007-13.
- A range of synergies are apparent in the use of measures to achieve common objectives, for example combining land management payments, investment aid and training.
- There are also potential synergies in achieving environmental and social outcomes, for example socio-economic benefits that build on an attractive environment;
- It is not clear that these synergies are all fully exploited currently;
- Some actions funded through RDPs may conflict with the objective of providing public goods, particularly those funded under Axis 1, e.g. Investments in farm modernisation.



# Romania

## Central region

The dominant production system on these grasslands is a form of **"traditional pastoralism"** – characterised by:

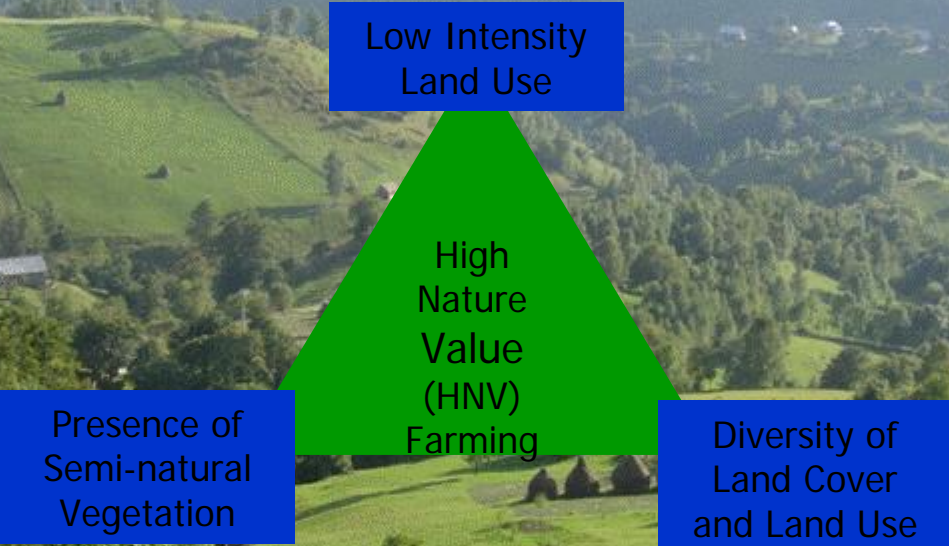
**grazing livestock** (cattle, sheep & goats) with **very low inputs and outputs** per hectare

high degree of dependency upon **semi-natural grasslands as the primary forage source**

**continual movement of livestock** (seasonal and daily) to overcome the shortage (in time and space) of forage from the semi-natural grasslands



# Cultural Landscapes

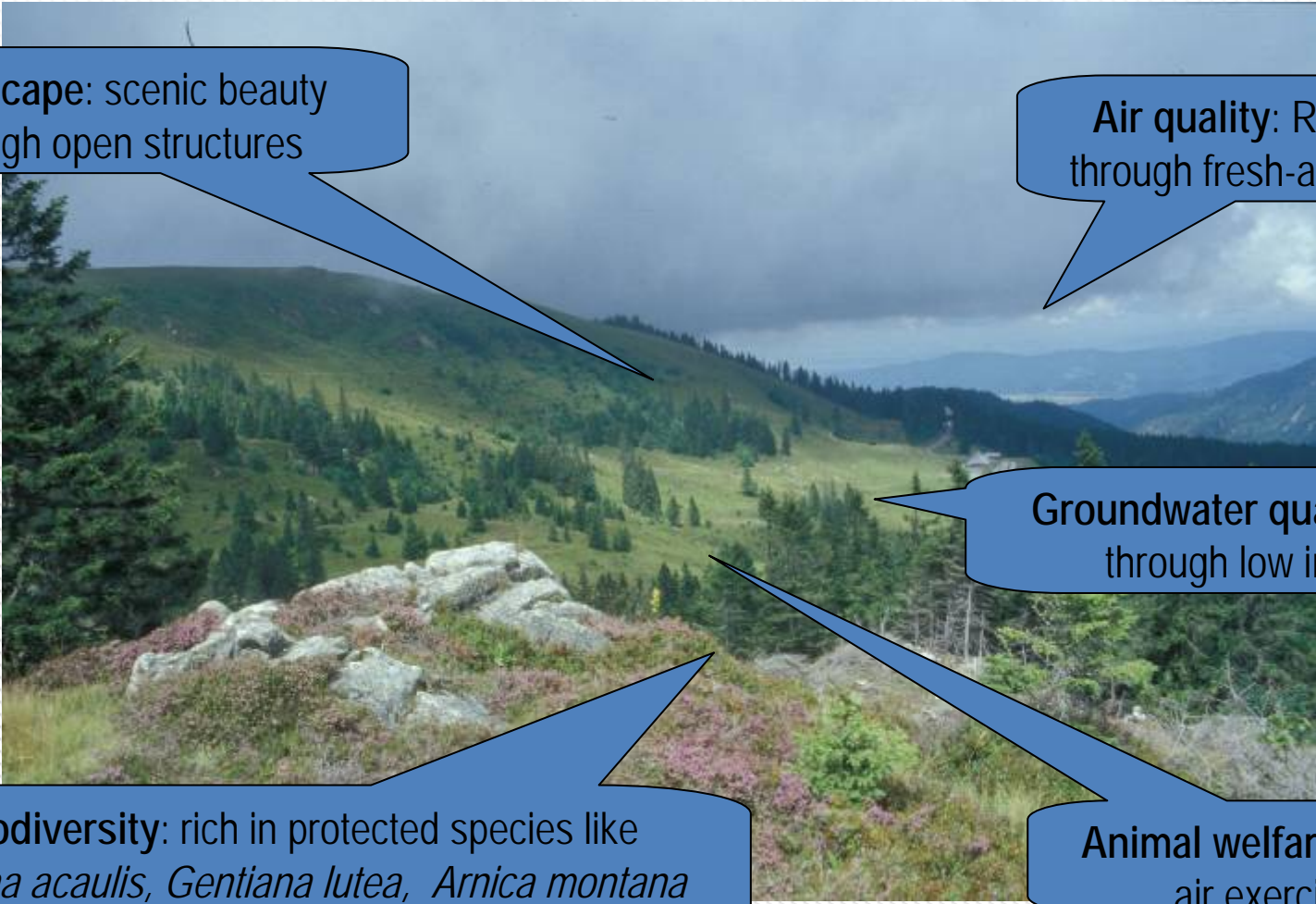


## Biodiversity

Majority of pastures and meadows are **semi-natural** – very low productivity, but **exceptionally high** levels of floral and faunal diversity

# Provision of Public Goods: an example

## Black forest: „Tussock“ grassland (*Nardetum strictae*) and dwarf shrub heath



Landscape: scenic beauty  
through open structures

Air quality: Regulation  
through fresh-air corridors

Groundwater quality: high  
through low inputs

Biodiversity: rich in protected species like  
*Carlina acaulis*, *Gentiana lutea*, *Arnica montana*  
Birds: *Serinus citrinella*

Animal welfare: open-  
air exercise

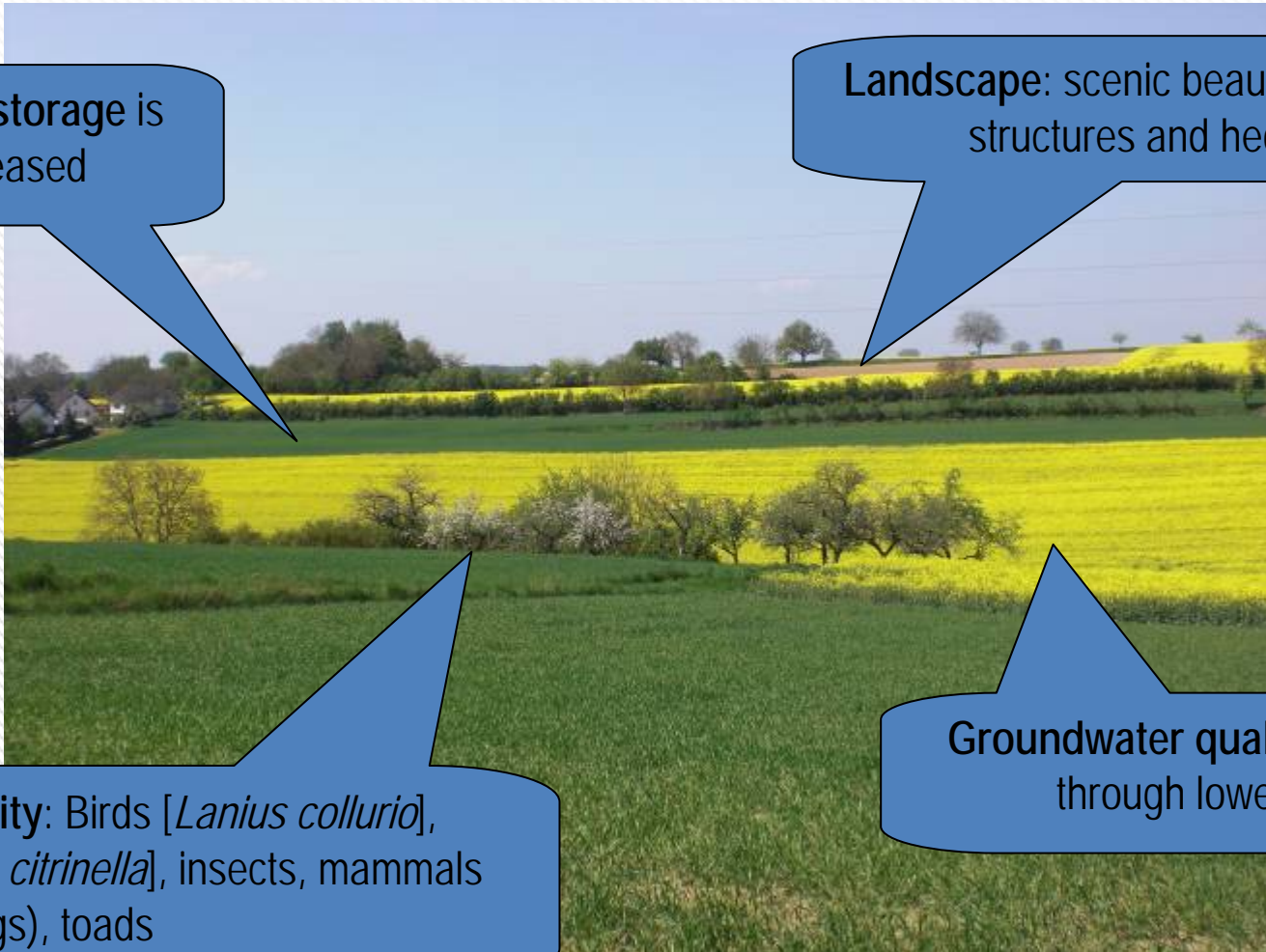
## Kraichgau: arable land – cereals and oilseeds

Carbon storage is  
increased

Landscape: scenic beauty through open  
structures and hedgerows

Biodiversity: Birds [*Lanius collurio*],  
[*Emberiza citrinella*], insects, mammals  
(hedgehogs), toads

Groundwater quality: improved,  
through lower inputs



### Draft final report to be presented at the next TWG3 meeting (22/06/2010)

#### Analysis of the socio-economic effects of RDP measures and actions aimed at delivering environmental public goods and investigation of spill-over effects

- Template circulated to TWG members and EU experts for collecting evidence at national and/or regional level of (quantified) second order socio-economic effects of RDP measures that are focused on the provision of environmental PGs
- Additional work on “rural vitality” as a public good associated with agriculture and how this is supported through RDPs

## STEP 4 Dissemination

June 2010 – October 2010

### Scope:

Establishing a communication strategy on « public goods and agriculture »

- 10 page brochure for communicating the PG concept to a wider audience
- TWG3 seminar (November 2010, Brussels): present the work of TWG3, present evidences, prompt discussion and feedback from stakeholders,...

*To be presented, discussed and agreed at the next TWG3 meeting (22/06)*