



Rural development in the 2014-2020 period: Elements for a result-oriented policy

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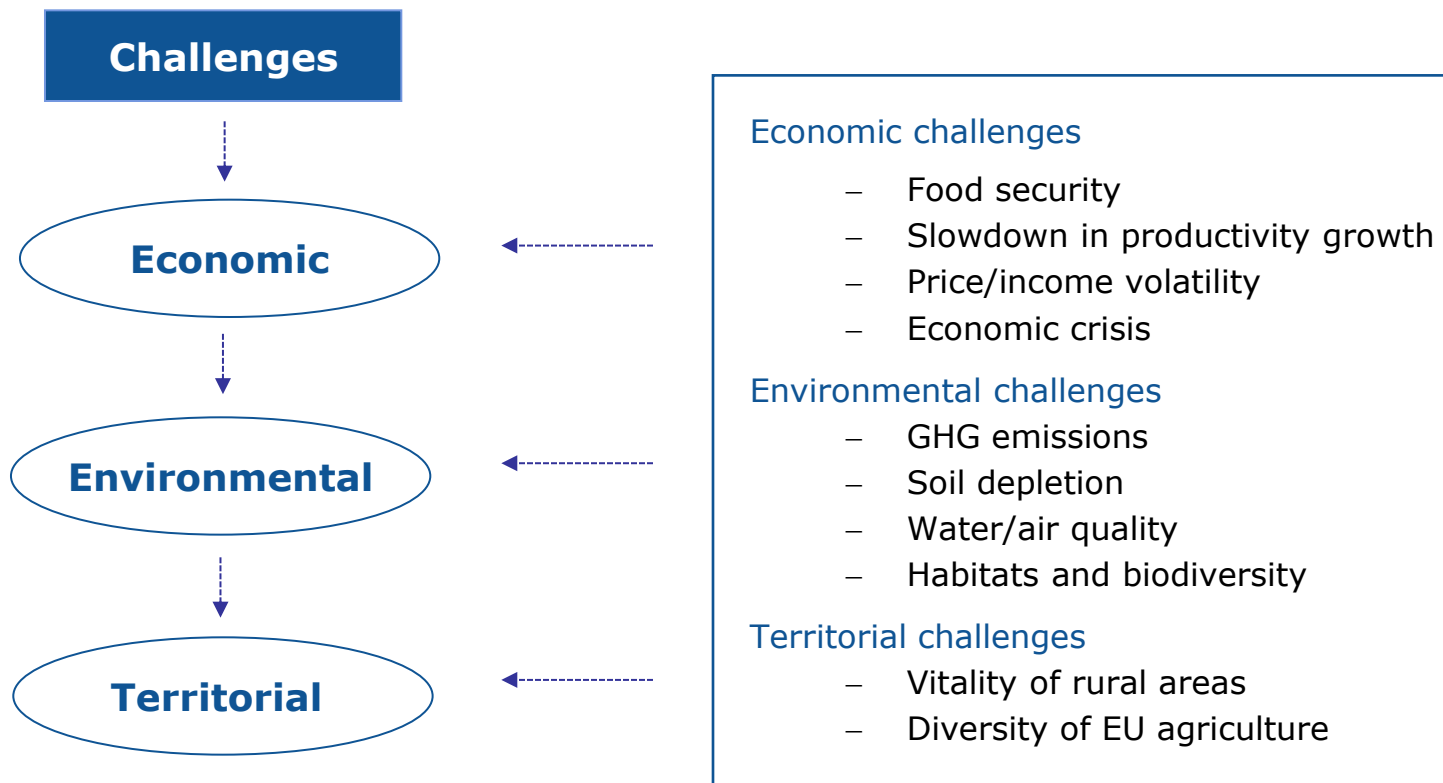
***2nd Development Conference: The CAP in the 2014-2020 period & the shaping
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Outline

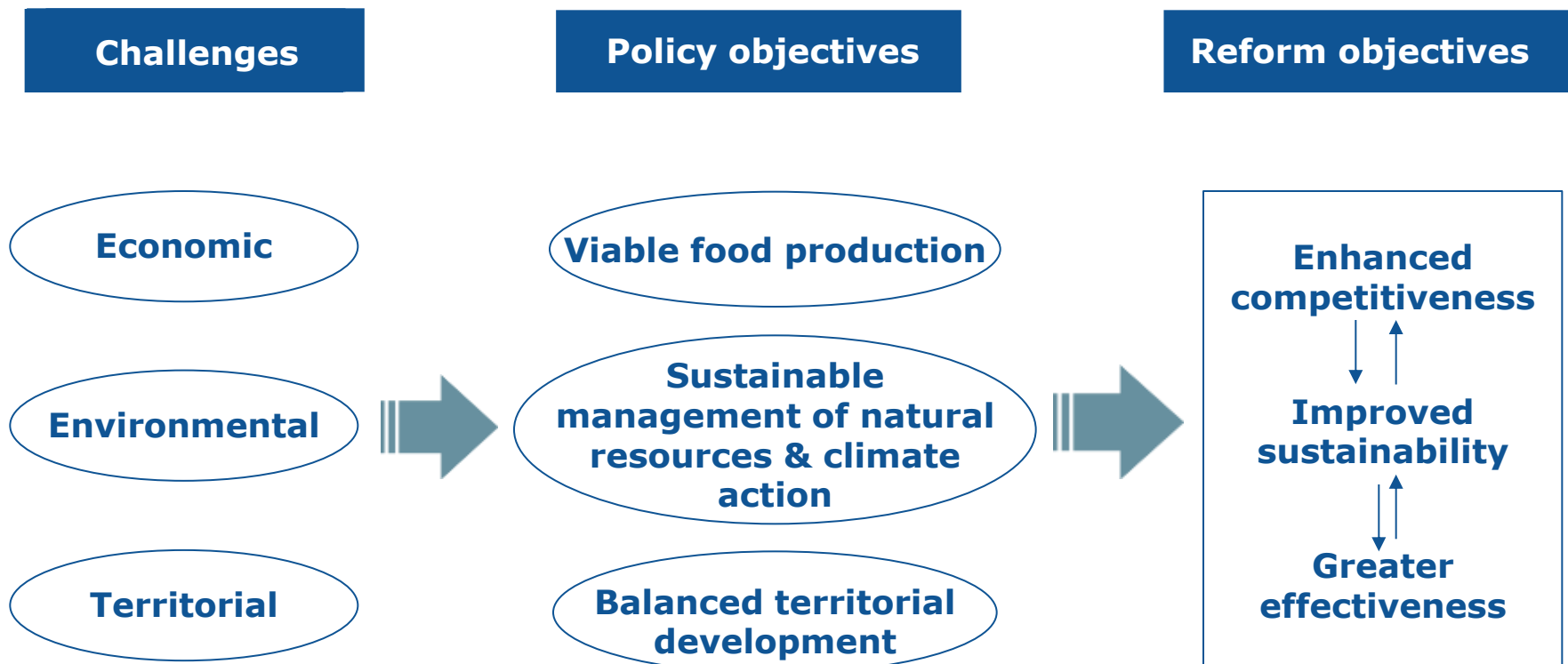
1. Main elements of the RD policy reform
2. The new framework for the RD policy
3. Strategic programming for a result-oriented policy

1. Main elements of the reform

What are the challenges for agriculture ...



... and how will the future CAP address them?



Main elements of the rural development policy reform

1. Increasing effectiveness, efficiency and performance of the RD policy - **strengthening the strategic approach**
2. Ensuring better coordination and complementarity with the other ESI* Funds - **establishing a common framework**
3. Enhancing RD policy potential to better support rural areas and their specific development needs - **improving policy instruments**

* *ESIF ... European Structural and Investment Funds*

Strengthening the strategic approach

- Clear contribution to the EU 2020 priorities
- **Flexibility** in the use and combination of measures to better address specific territorial needs
- **Result-orientation**: Setting of quantified targets
- Improved the **monitoring** and **evaluation** system
- **Ex-ante conditionalities** and **performance review**

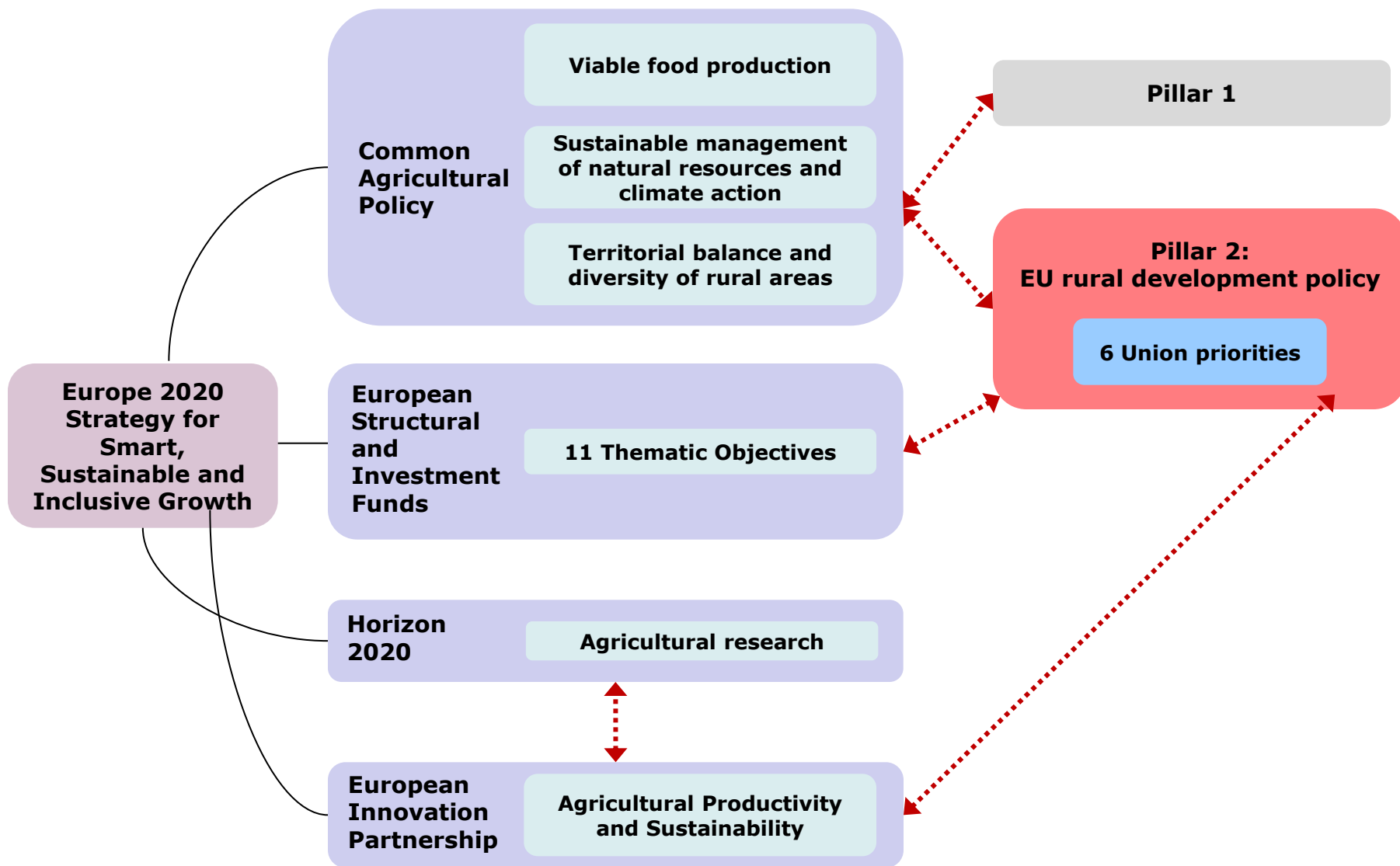
Establishing a common framework with the other ESI funds

- Common regulatory framework
- Common mechanisms: Partnership Agreement (PA), ex-ante conditionalities, performance review
- Common instruments: Community-led local development (CLLD) including Leader, Financial Instruments
- Harmonized rules (e.g. monitoring, reporting, evaluation)

Improving policy instruments to better support rural areas

- Improve potential of measures for **innovation, environment** and **climate change**
- **Group/merge measures** to improve **targeting** and simplify management
- **New measures** to cover **emerging needs** (e.g. risk-management tool, cooperation, and start-up toolkit for LEADER)
- **Flexibility** in the choice of measures (abolition of the “axes” system) to fully exploit their synergy effects
- Make RD policy more **user friendly** (MS to indicate in the PA how they will reduce the administrative burden for beneficiaries)

2. The new framework for the EU rural development policy



Links between the two pillars of the CAP

- Complementarity with Pillar 1 (examples)
 - Greening
 - Support for young farmers
 - Support for small farmers
 - Support for areas facing natural constraint
 - Farm Advisory Services
 - Investment and environmental-related support for wine and fruit & vegetables

Coordination & complementarity among the ESIF

European
Level

Common Provisions Regulation for ESI Funds

- Covers the EAFRD, ERDF, ESF, CF, EMFF
- Reflects the EU 2020 Strategy through 11 common thematic objectives to be addressed by key actions for each of the funds

National
Level

Partnership Agreement

National document outlining the intended use of the funds in the pursuit of EU 2020 objectives

National or
Regional
Level

Rural Development Programme(s)

(+ Operational programmes of the other funds)

Partnership Agreement

- National document prepared by the Member State
 - Involvement of the partners and stakeholders
 - Approved by the Commission following assessment & **intensive dialogue**
- Sets out the Member State's strategy, priorities and arrangements for using ESI Funds in an effective and efficient way
 - Arrangements to ensure alignment with EU 2020 strategy (analysis of development needs, results and indicative financial allocation by Fund)
 - Description of integrated approach to territorial development
 - Arrangements to ensure effective implementation (e.g. co-ordination, administrative capacity at central & regional level, control arrangements / error rate)

3. Strategic programming for a result-oriented policy

A reinforced strategic programming approach

- Clear focus on policy priorities:
 - **6 Union priorities** for rural development broken down into **focus areas**
 - **3 cross-cutting objectives**: Innovation, environment, climate change
- Strengthened result-orientation of programmes:
 - **Quantified targets** to be established ex-ante (at the level of focus areas)
 - Performance framework based on **milestones**
- High degree of flexibility in the use and combination of measures to better address needs and opportunities in rural areas
- Possibility to establish thematic sub-programmes (small farmers, young farmers, mountain areas, short supply chains, women in rural areas, climate change mitigation and adaptation and biodiversity)

Union priorities for rural development

1. Fostering knowledge transfer and innovation in agriculture, forestry and rural areas
2. Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forests
3. Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture
4. Restoring, preserving and enhancing ecosystems related to agriculture and forestry
5. Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors
6. Promoting social inclusion, poverty reduction and economic development in rural areas

Rural development priorities

Focus areas

Cross-cutting objectives

Knowledge transfer & Innovation



- *Innovation, cooperation, the development of the knowledge base*
- *Links between agri-food, forestry and research & innovation*
- *Lifelong learning and vocational training.*

Farm viability & competitiveness



- **Economic performance, farm restructuring & modernisation, notably to increase market participation/orientation and diversification**
- **Facilitating entry of adequately skilled farmers and generational renewal**

Food chain organisation, risk management



- **Integration of primary producers into the food chain: quality schemes, local market and short supply circuits, producer groups & organisations**
- **Farm risk prevention and management**

Ecosystems



- **Biodiversity, including in Natura 2000 areas, areas facing natural or other specific constraints, high nature value farming, landscapes**
- **Water management; prevention of soil erosion and soil management**

Resource efficiency, low carbon economy, climate resilience



- **Efficiency in water and energy use**
- **Renewable sources of energy, by-products, wastes, non-food raw materials**
- **Greenhouse gas emissions reduction; carbon conservation & sequestration**

Poverty reduction, economic develop. of rural areas

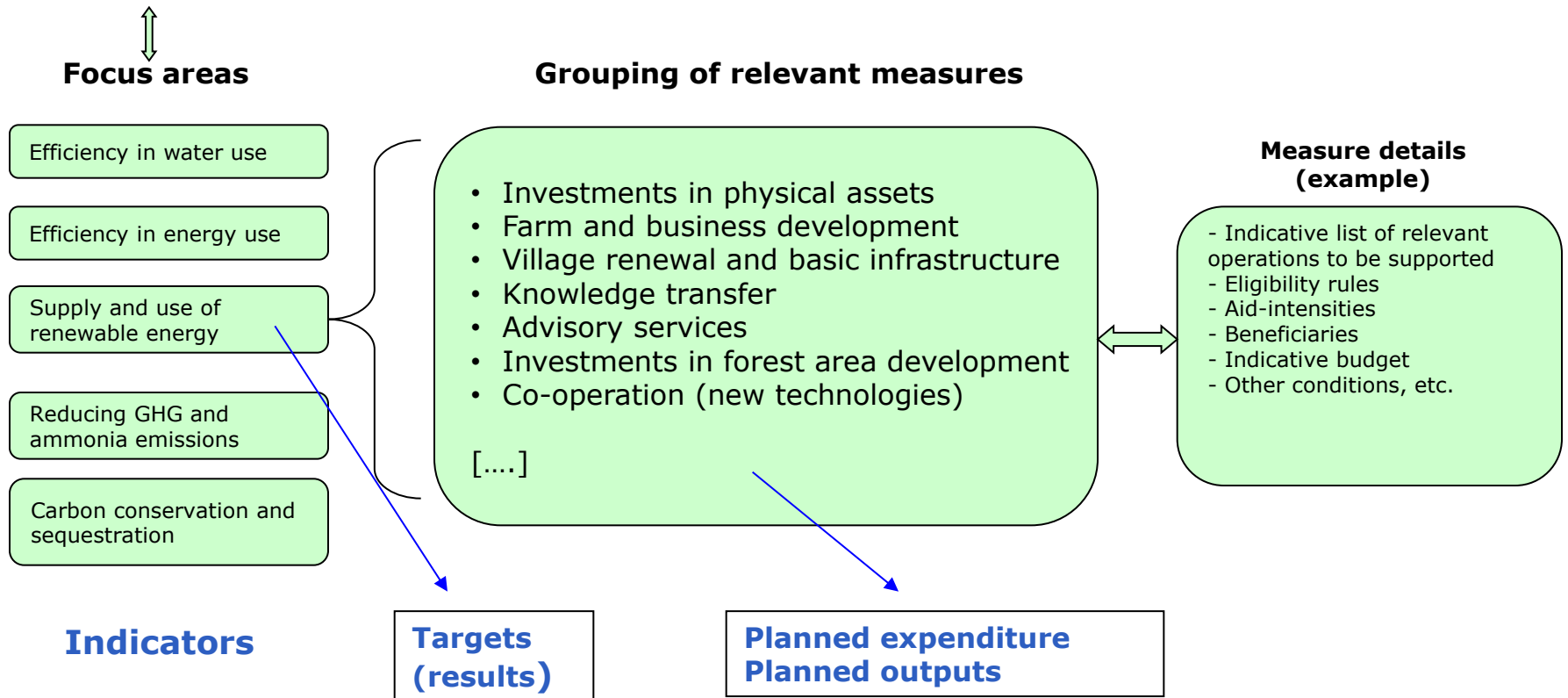


- **Diversification, creation & development of small enterprises, job creation**
- **Local development in rural areas**
- **Information and communication technologies in rural areas**

Innovation, Climate Change, Environment

Grouping of measures and indicators by focus areas (example)

Priority 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy



SWOT* analysis and identification of needs

- **SWOT** provides a holistic picture of the whole programming area in terms of its strengths, weaknesses, opportunities and threats
 - Should enable the most important needs to be identified
 - Establishes the baseline to be used for monitoring and evaluation
 - Should cover elements related to **all** 6 priorities and **all** focus area
- **Needs assessment** – following logically from SWOT:
 - The various needs should be prioritised, i.e. their relative importance should be assessed
 - If specific needs do *not* emerge in relation to one or more focus areas this should also be indicated

**SWOT: Strengths, Weaknesses, Opportunities, Threats*

Choice of measures

- Construct an intervention logic which should illustrate how measures contribute to objectives and how they work together in a complementary manner
- Identify the appropriate mix of measures to achieve the specified objectives – making use of the flexibility afforded by the new regulation
- Establish indicators to measure progress, effectiveness and efficiency of measures/actions in relation to their objectives
- Ex-ante evaluator(s) should accompany the process



***Result-oriented** approach, **flexible** programming and attention to **synergies** between and within measures*

Effective targeting

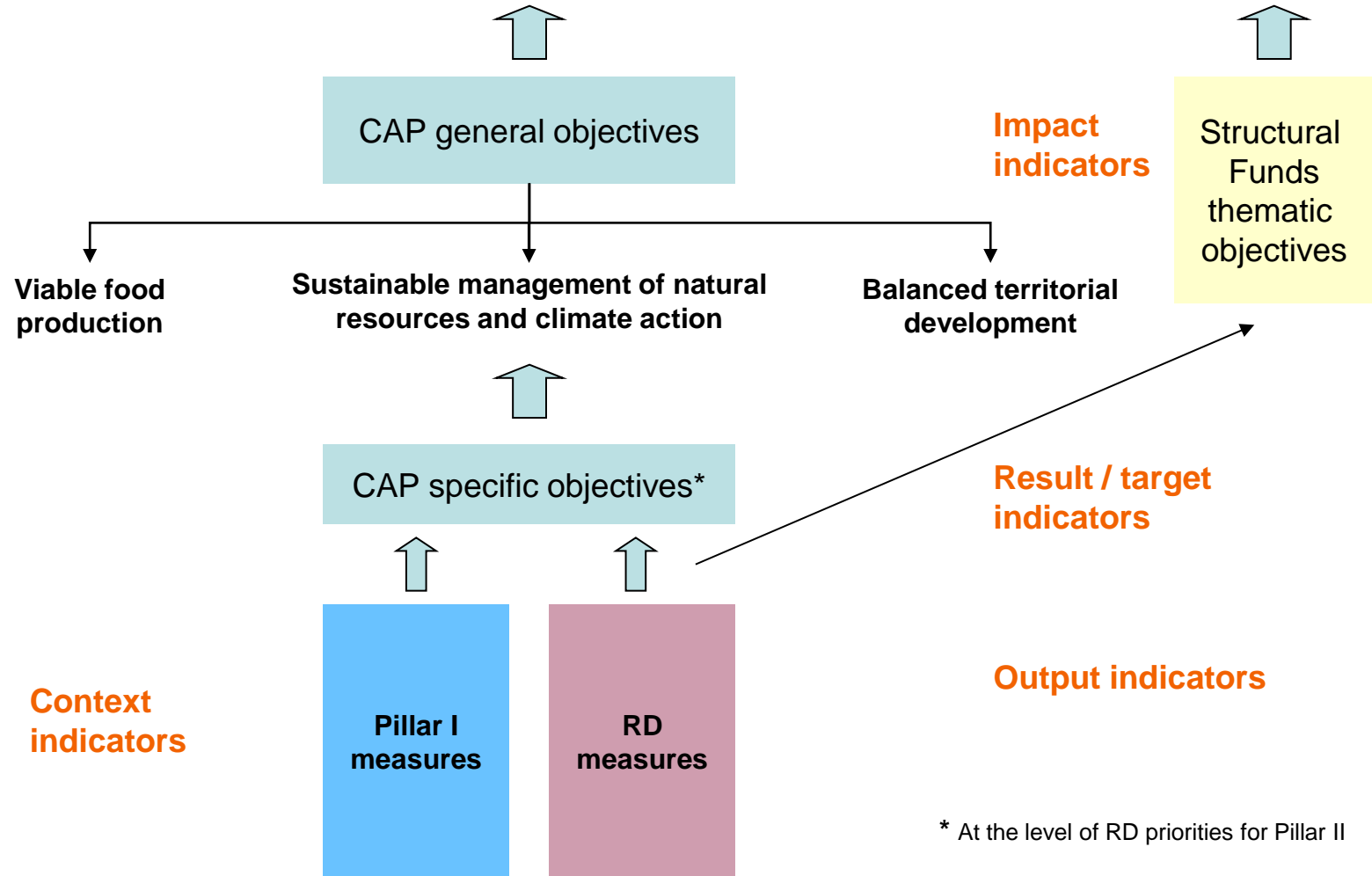
- Thematic sub-programmes
- Eligibility conditions
 - Requirements to be met in order to be a potential candidate for support (*e.g. minimum economic size, minimum workforce in the holding*)
- Selection criteria
 - Equal treatment of applicants
 - Better use of financial resources
 - Targeting of measures in accordance with set RD priorities (*e.g. priority to farms where the holder is a woman or a young farmer*)
- Modulation of aid intensities (within the limits of the regulation)

Required minimum budgetary allocations

- A minimum amount of the total EAFRD contribution to the RDP shall be reserved:
 - At least **30%** for:
 - Environment and climate related investments
 - Forestry measures
 - Agri-environment-climate
 - Organic farming
 - Natura 2000
 - Areas with natural constraints ("less-favoured areas")
 - At least **5%** for Leader

Thank you!

EU 2020 Objectives (smart, sustainable, inclusive growth)





CAP intervention logic

CAP general objectives

Viable food production

Sustainable management of natural resources and climate action

Balanced territorial development

CAP specific objectives

CSF* thematic objectives

Enhance farm income

Improve agricultural competitiveness

Foster innovation

Provide environmental public goods

Pursue climate change mitigation and adaptation

Maintain agricultural diversity across the EU

Promote socioeconomic development of rural areas

Maintain market stability

Meet consumer expectations

Pillar I specific objectives

Pillar II specific objectives

*CSF: Common Strategic Framework including the EFRD, ESF, CF, EAFRD and EMFF

Pillar 1 - direct payments

Europe 2020

Smart, sustainable and inclusive growth

CAP general objectives

Viable food production

Sustainable management of natural resources and climate action

Balanced territorial development

Pillar I specific objectives

Contribute to farm incomes and limit farm income variability in a minimally trade distorting manner

Improve competitiveness of agricultural sector and enhance share in food chain

Maintain market stability

Meet consumer expectations

Provide public goods (mostly environmental) and pursue climate change mitigation and adaptation

Foster resource efficiency through innovation

Maintain a diverse agriculture across the EU

Impact indicators

Result indicators

Output indicators

DP instruments

Basic payment

Green payment

Young farmers scheme

Small farmers scheme

Coupled support

Support in areas facing natural constraints

Pillar2 - Priority 2

Europe 2020

Smart, sustainable and inclusive growth

CSF thematic objectives

Competitiveness of SMEs, agriculture and fisheries

Employment and labour mobility

Research, technological development, innovation

Social inclusion and combating poverty

CAP general objectives

Impact indicators

Pillar 2 priority

2. Enhancing competitiveness of all types of agriculture and enhancing farm viability

Target indicators

RD focus areas

2A. 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

2B. Facilitating generational renewal in the agricultural sector

Output indicators

RD measures

Art. 36 – Co-operation

Art. 20 – Farm and business development

Art. 18 – Investments in physical assets

Art. 16 – Advisory services, farm management and farm relief services

Art. 15 – Knowledge transfer and information action

Context indicators