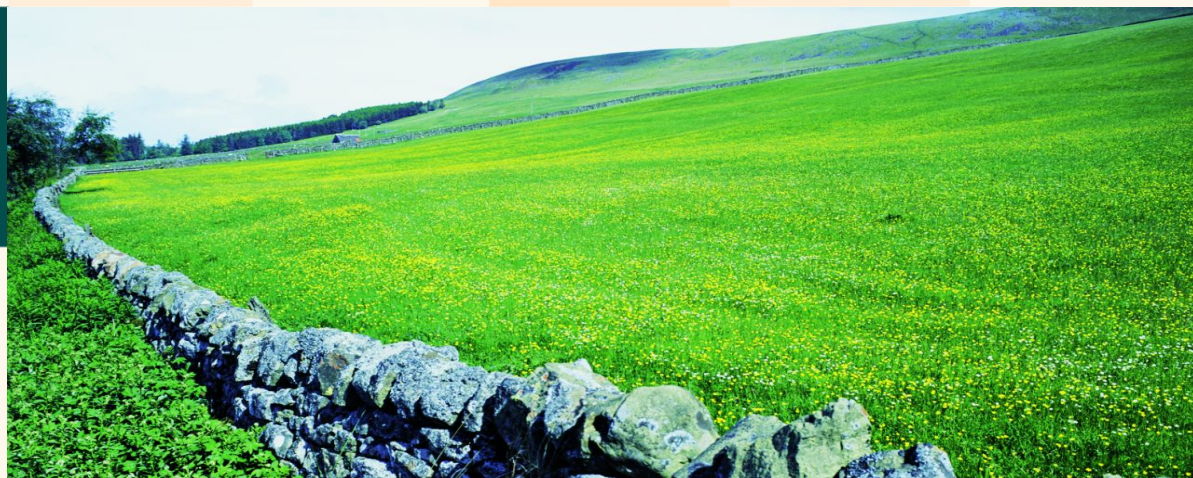




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Integration with EC policies: the Rural Development programmes

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Unit “Consistency of Rural Development”*



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Structure of presentation

- Legal framework of environmental integration in Rural Development policy
- Basic facts about RD policy
- RD support for biodiversity
- Overview of approved RD programmes
- Health Check and future perspectives



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Legal framework for environmental integration into RD policy (1)

■ *“Environmental protection requirements must be integrated into the definition and implementation of the Community policies and activities referred to in Article 3, in particular with a view to promoting sustainable development.”*

(art. 6 of the Treaty establishing the EC)

■ Cardiff process (1998)



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Legal framework for environmental integration into RD policy (2)

- Council Regulation (EC) n° 1698/2005 on support for rural development by the EAFRD
- Council Decision of 20-02-2006 on the Community Strategic Guidelines for RD (2007-2013)



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Implementation of environmental integration into RD policy

- **Programming level (national/regional authorities): consultations, partnership, SEA, Monitoring Committee**
- **Commission level: assessment of RD programmes, follow up of monitoring/evaluation**
- **Project level: selection by national/regional authorities**

The European model of agricultural policy after 2003



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Common Agricultural Policy (CAP)

1st Pillar:

Market organisations (sugar, wine, olive oil etc.)
Direct payments (“decoupled” from production)
Cross Compliance standards

2nd Pillar:

Rural Development Policy

Multifunctional agriculture

Food

Environment

Rural livelihoods

Modulation



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What is Rural Development? (1)

Examples of concrete projects/actions

- Investment in hygiene and working conditions in a cooperative dairy
- Investment to improve livestock housing conditions
- Support for organic farming
- Network of recreational routes
- Voluntary demand-led transport service for the elderly and disabled



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What is Rural Development? (2)

Examples of concrete projects/actions

- Restoration of traditional sheperding
- Training courses in nature conservation for farmers
- Setting-up aids for young farmers
- Cleaning and replanting forests destroyed by storm
- Restoration and environmental management of wetlands and water meadows



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Objectives of Rural Development policy

- improving competitiveness of agriculture and forestry
- improving environment and countryside
- improving quality of life in rural areas and encouraging economic diversification



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Rural
Development
2007-2013

« LEADER » Axis

Axis 1
Competi-
tiveness
agriculture
and
forestry

Axis 2
Environment
+
Land
Management

Axis 3
Economic
Diversif. +
Quality of
Life

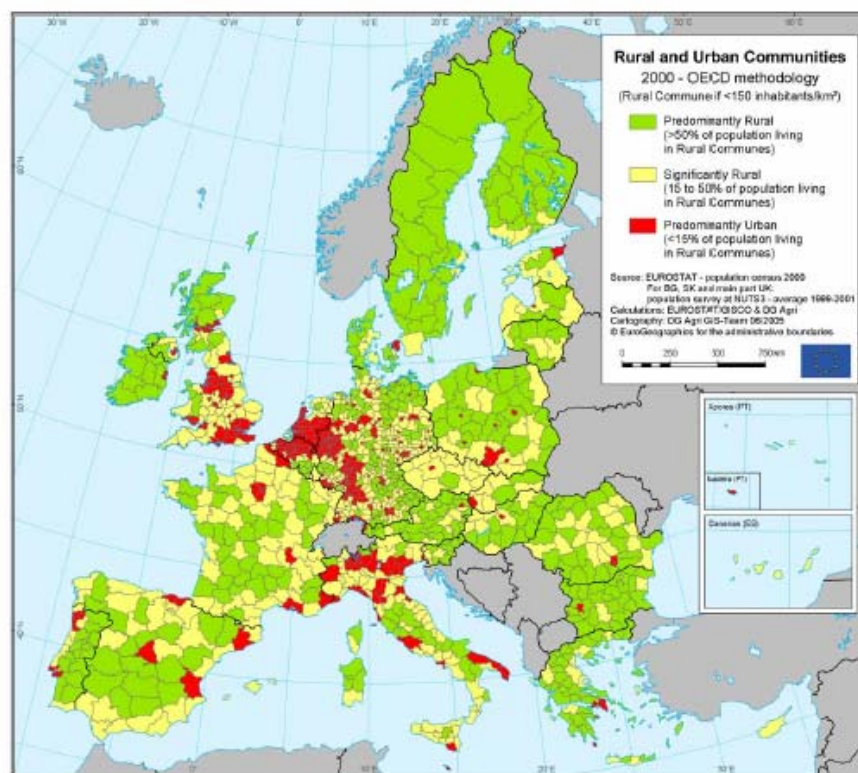
Single set of programming, financing, monitoring, auditing rules

Single Rural Development Fund



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A policy for rural areas in the EU





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Some basic principles of RD

- **Subsidiarity**
- **Partnership**
- **Complementarity**
- **Programming**



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1. EU Strategic Guidelines establish the Community Priorities for the period 2007-2013

Programming steps

2. National Strategies reflect EU-priorities according to the situation in the Member State concerned

3. Establishment of national or regional programmes

4. Programme implementation accompanied by monitoring and evaluation („ongoing evaluation ') based on a Community framework



EU level priorities for rural development

- To enhance **competitiveness** of the agri-food and forestry sectors with emphasis on restructuring/modernisation, knowledge transfer and innovation, and quality in the food chain
- To **promote environment/land management** with emphasis on biodiversity, water and climate change
- To create employment opportunities and growth conditions through **diversification** of the rural economy and enhancing the **quality of life** in rural areas
- To **improve governance** and local development through bottom up approaches



How can the Rural Development Fund contribute to biodiversity? (1)

- EU CSG for RD do include environmental priorities (new strategic approach)
- EU funds are available for these priorities (min. spending rates per axis...)
- Several measures with potentially wide scope can be implemented by MS (Agri-environment, LFA, N2000 payments, non-productive investments...)



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How can the Rural Development Fund contribute to biodiversity? (2)

- Procedures allow targeting measures to fit with national and regional needs (subsidiarity, programming flexibility, Leader approach...)
- Partnership principle to ensure integration of environmental needs into the programmes



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How can the Rural Development Fund contribute to biodiversity? (3)

Some limits/constraints:

- Funds are limited (cuts decided by Heads of Government in December 2005)
- Other priorities as well (food quality, innovation, modernisation, employment, renewable energy...)
- Certain rules/conditions (eligibility, max. aid levels, payment calculation...)



Which RD measures can support environmental objectives? (1)

- Agri-environment measures
- Less-favoured areas payments
- Natura 2000 payments
- Non-productive investments



Which RD measures can support environmental objectives? (2)

But also:

- Meeting standards; Farm investments
- Training and information
- Advisory services: setting-up and use (will cover also Cross-compliance env. standards)
- Conservation of rural heritage (protection and management plans, environmental awareness, habitat restoration)
- Agro-forestry systems; Afforestation

Agri.environmental measures: examples



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AEM	with positive effects on		
	soil protection	water quality	biodiversity and habitats
Incorporation of grassland into rotations			
Grass strips/ field margins			
Extensive grazing			
Ecological infrastructures (e.g. hedges)			
Appropriate mowing dates and methods			
Reduced tillage			
Organic farming			
Extensive use of grasslands			
Fallow-lands			
Winter soil cover			
Buffer strips			
conversion of arable land to grassland			
reduction of inputs			
set-aside (with green cover)			
terraces in the areas concerned by steep slopes			
green cover during critical periods			



Measures for wildlife/large carnivores (1)

- Bulgaria: « Traditional Sheperd Systems » (promoting use of Karakachan dogs for livestock protection)
- ES-Castilla La Mancha: « Support for the recovery of threatened species through creation of embankments » (increasing the suitable areas for the breeding, refuge and feeding of the mountain rabbit which is the main food source of threatened species such as the lynx and the Iberian imperial eagle)



Measures for wildlife/large carnivores (2)

- **IT Campania: support for non-productive investments (fencing) to prevent damages to livestock by wild animals (wolves)**
- **Greece: payments for the protection of the habitats of the bear and the jackal and for leaving 10% of the crop for wildlife; support for the purchase of electric fences and sheperd dogs.**



Measures for wildlife/large carnivores (3)

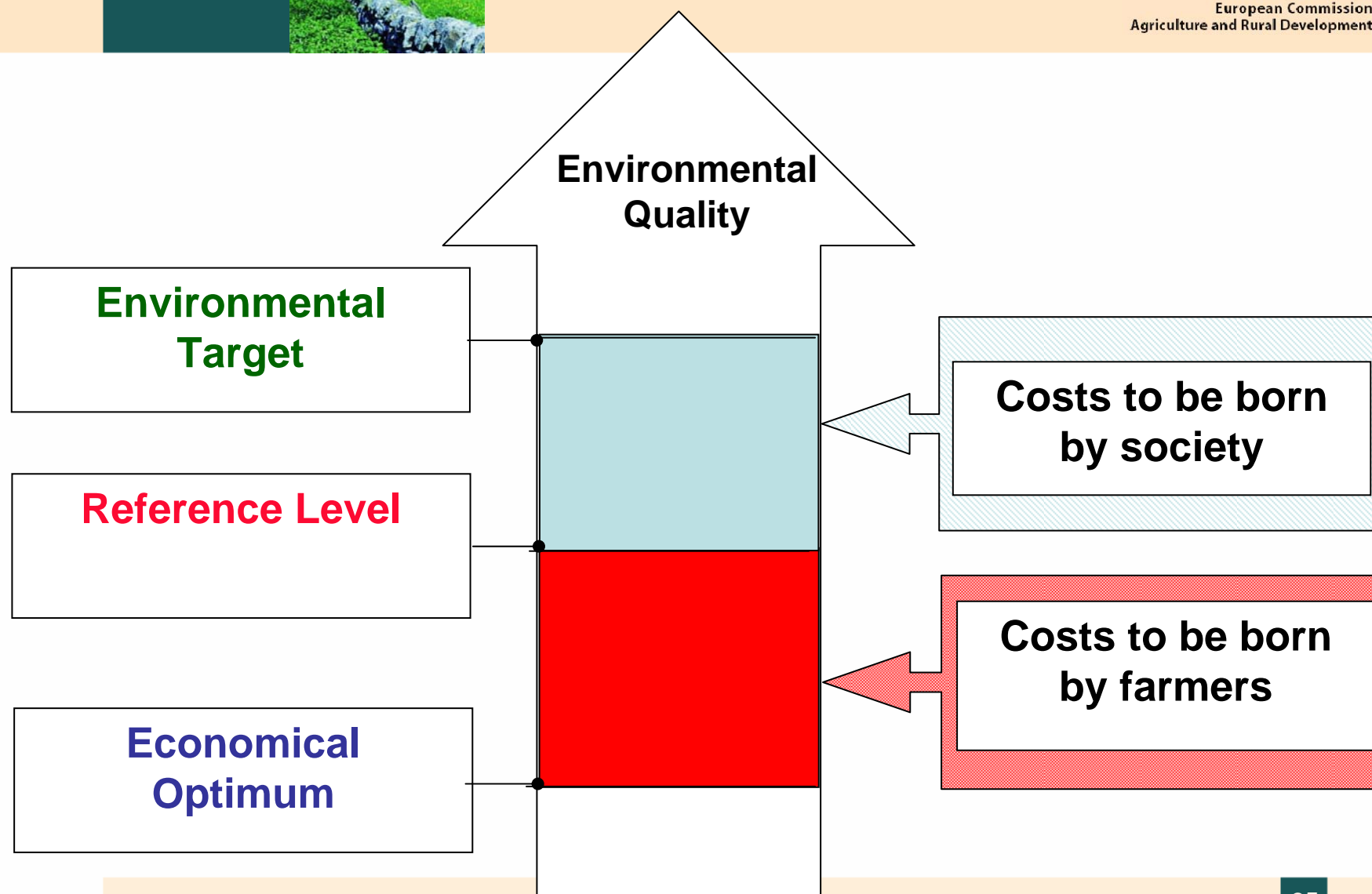
- **Slovenia: « Animal husbandry in central areas of appearance of large carnivores » (support for protective measures to ensure coexistence)**
- **ES-La Rioja: payments for extensive livestock systems in Natura 2000 areas with wolves (promotion of protective measures, namely sheperd dogs)**

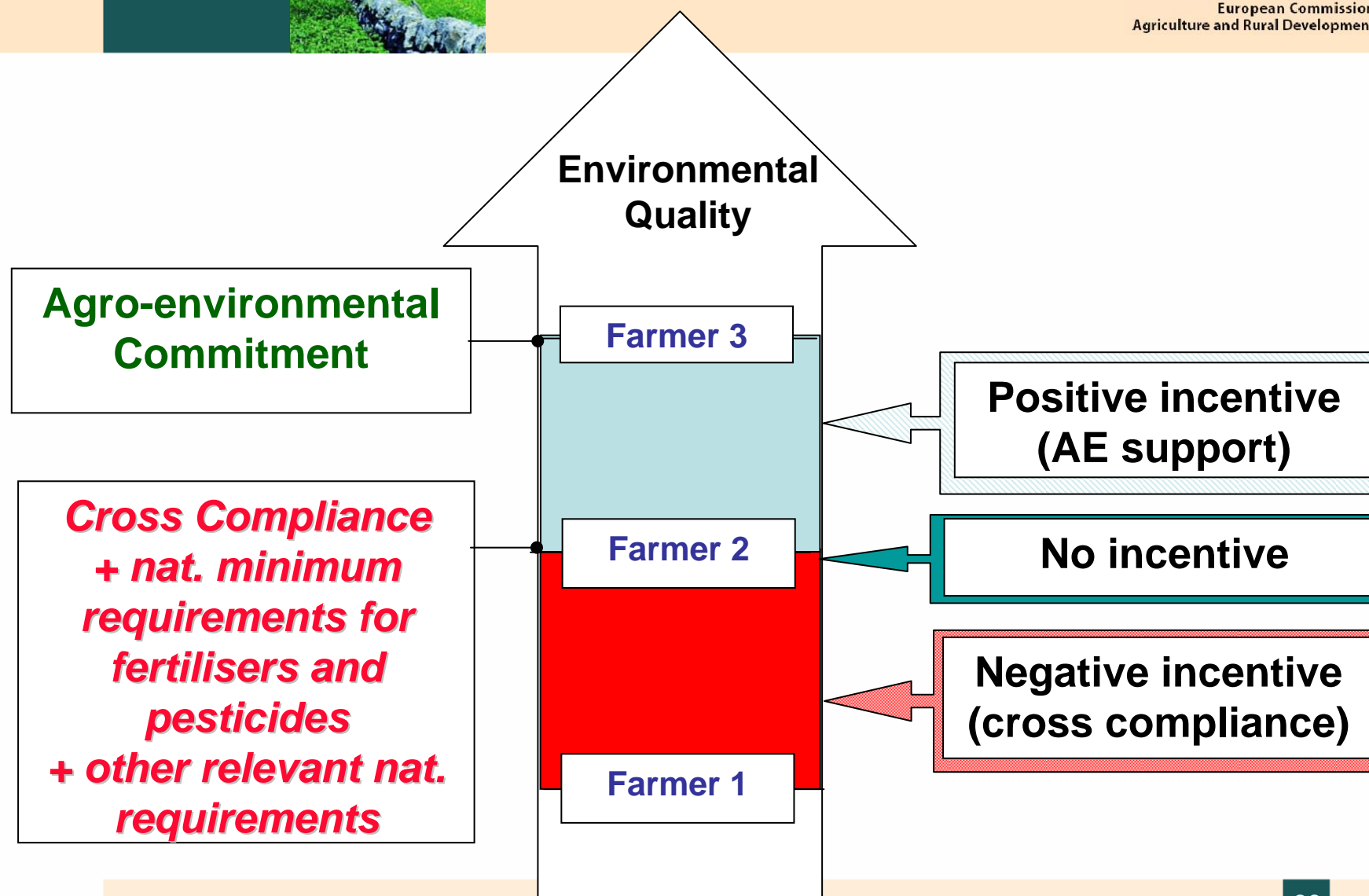


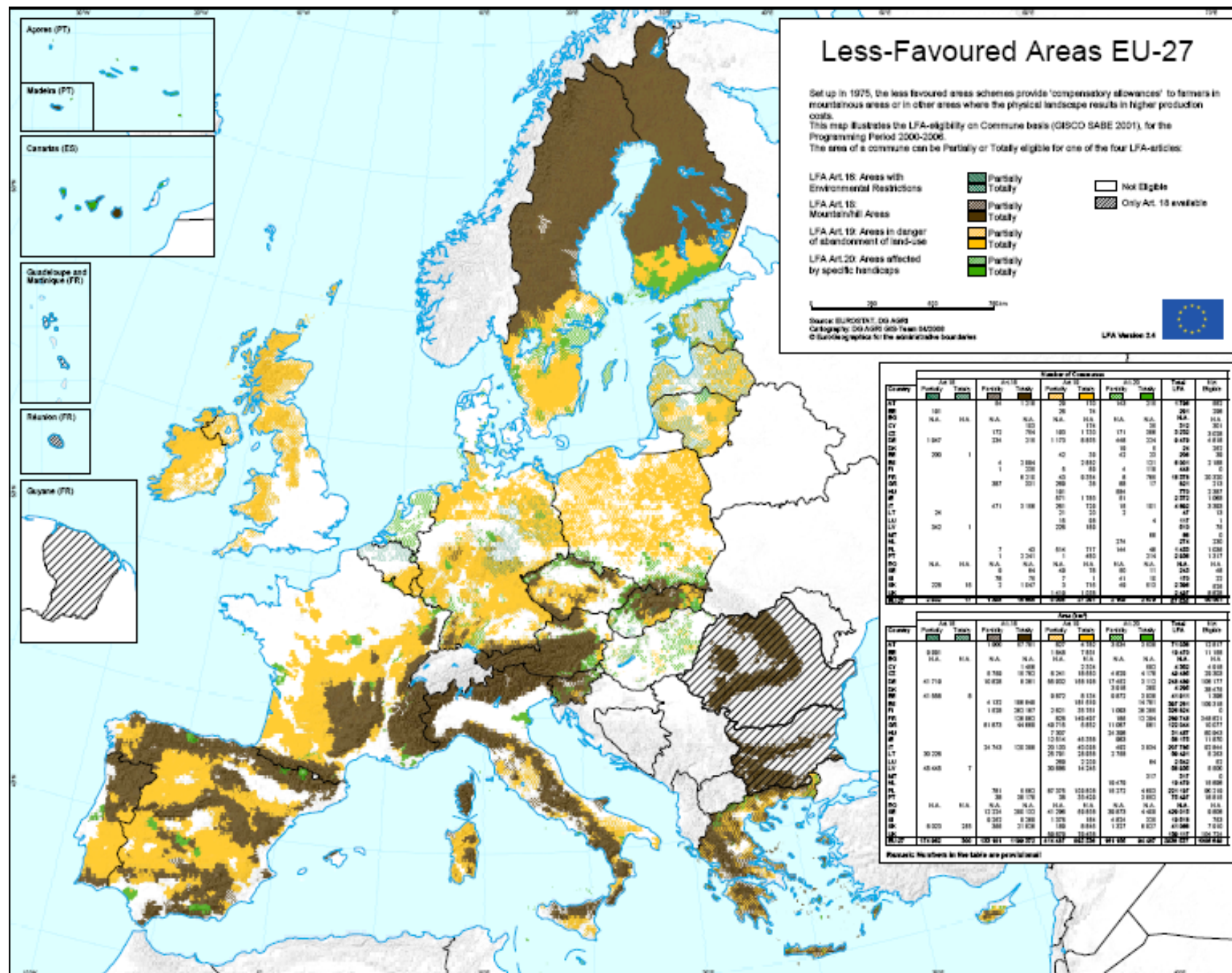
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Agri-environment and Natura 2000 payments

- Natura 2000 payments to compensate mandatory requirements
- Agri-environment to compensate for voluntary commitments (going beyond baseline)









Less Favoured Areas payments

- Can contribute to preventing land abandonment
- Can contribute to maintaining viability of certain extensive farming systems
- But... they are targeted on specific areas, not on specific farming systems
- Current system continued till 2010
Report and proposal by Commission in 2008
Council decision on revised system in 2009



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Indicative budget EAFRD 2007-2013

- The Commission Proposal: € 89,0 billion
- Cut in Financial Perspectives (Dec. 2005): € 67,6 billion
- Compulsory Modulation: € 10,0 billion
- Bulgaria and Romania Accession: € 10,7 billion
- Voluntary Modulation: € 2,7 billion
- **TOTAL amount: €91,0 billion**



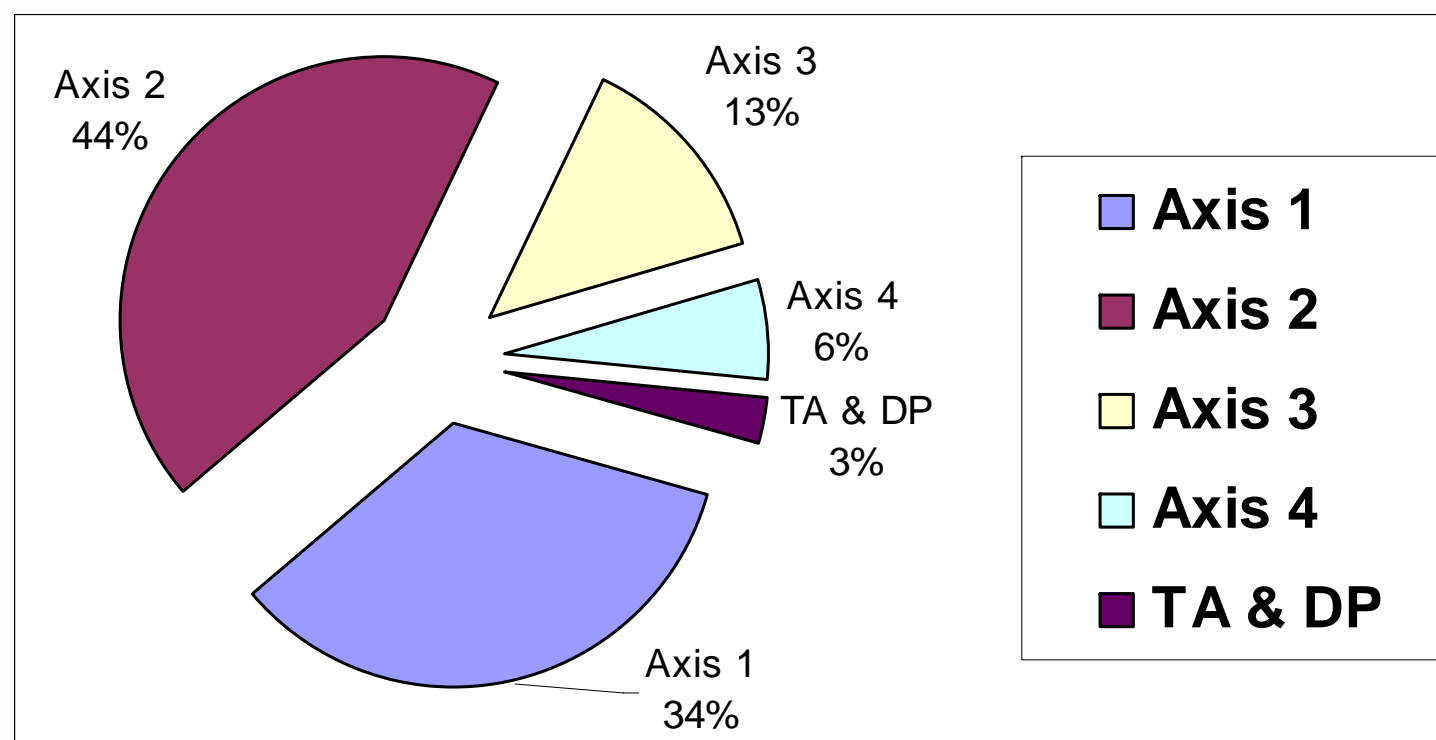
Total budget for the EU's rural development policy 2007-13

- EU contribution (EAFRD): € 90.8 billion
- National co-financing: € 57.6 billion
- Private expenditure: € 64.8 billion
- State aid (add. nat. financing) € 12.4 billion

TOTAL : € 225.6 billion



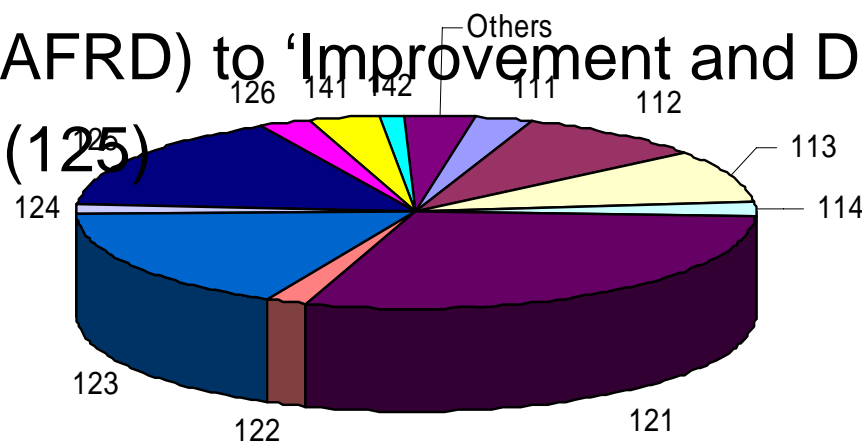
EAFRD-Expenditure per axis





Main measures under Axis 1

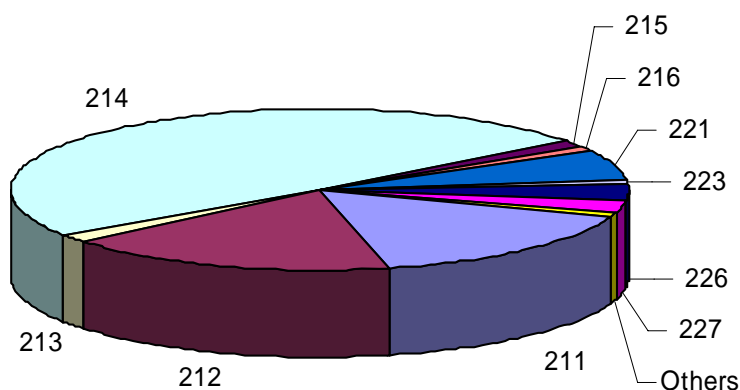
- €9,6 billion (EAFRD) to 'Modernisation of Agricultural Holdings' (121)
- €5,5 billion (EAFRD) to 'Adding Value to agricultural and Forestry products' (123)
- €4,9 billion (EAFRD) to 'Improvement and Development of Infrastructure' (125)





Main measures under Axis 2

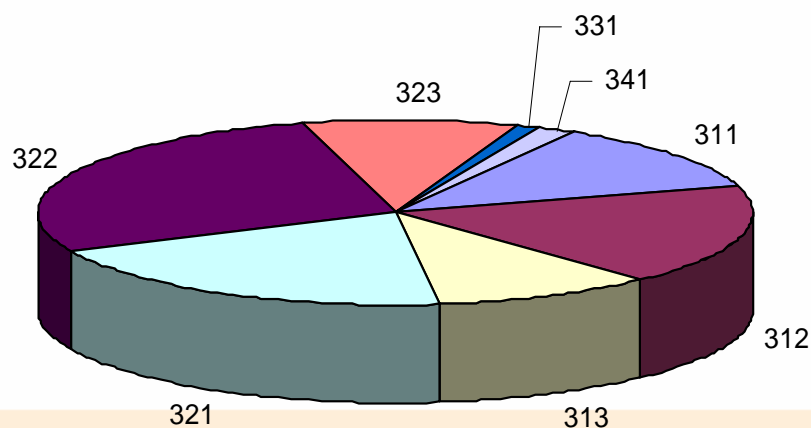
- € 20,3 billion (EAFRD) to 'Agri-environmental Payments' (214)
- € 12,6 billion (EAFRD) to Less Favoured Areas (211+212)





Main measures under Axis 3

- €5,7 billion (EAFRD) to 'Village Renewal' and 'Basic Services' (321+322)
- €2,2 billion (EAFRD) to 'Business Creation and Development' (312)
- €1,4 billion (EAFRD) to 'Diversification to non-agricultural activities' (311)



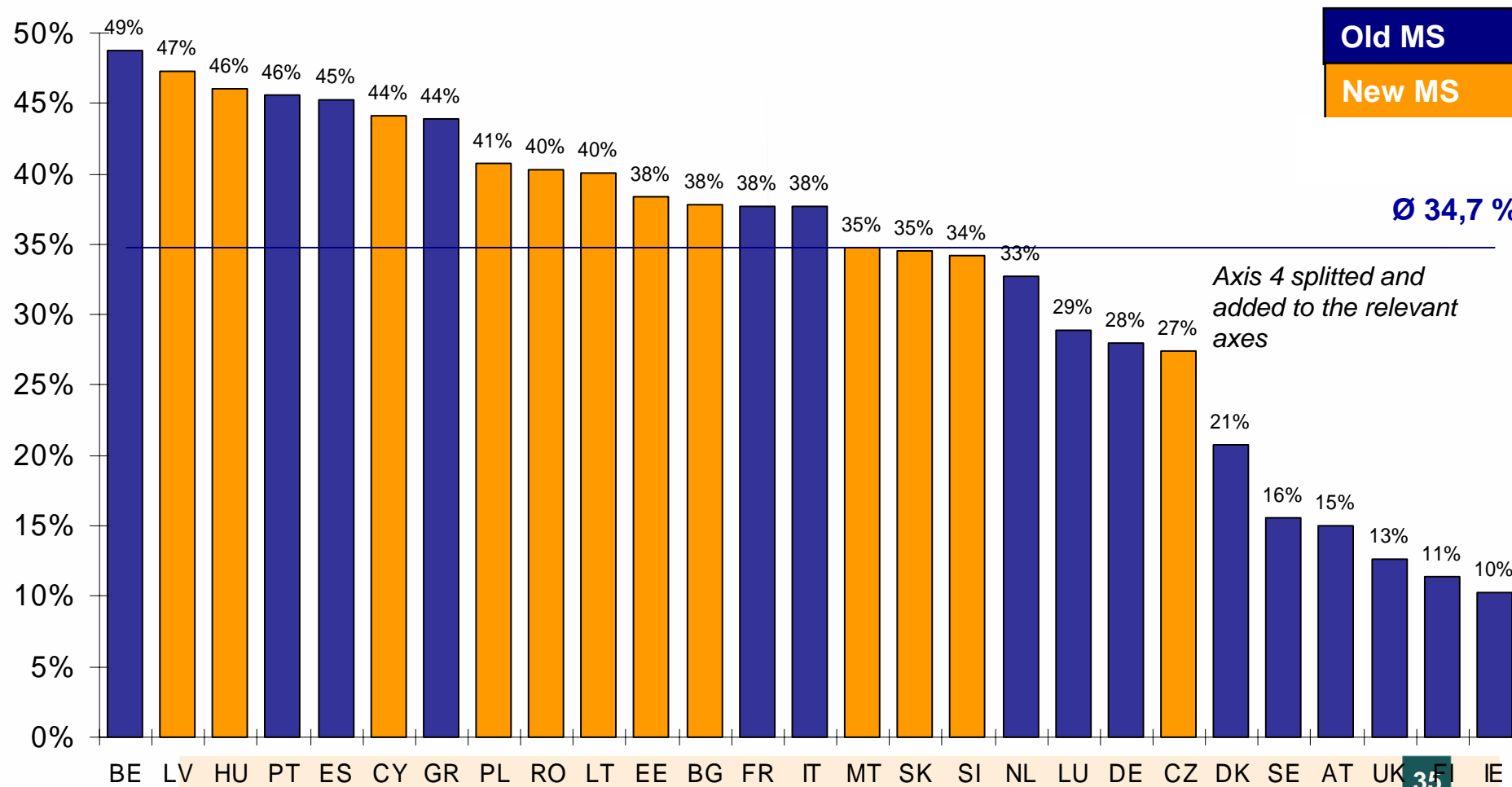
Rural Development Policy 2007-2013

State of play



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EAFRD-Expenditure in Axis 1(Competitiveness) as part of Total by MS



Rural Development Policy 2007-2013

State of play

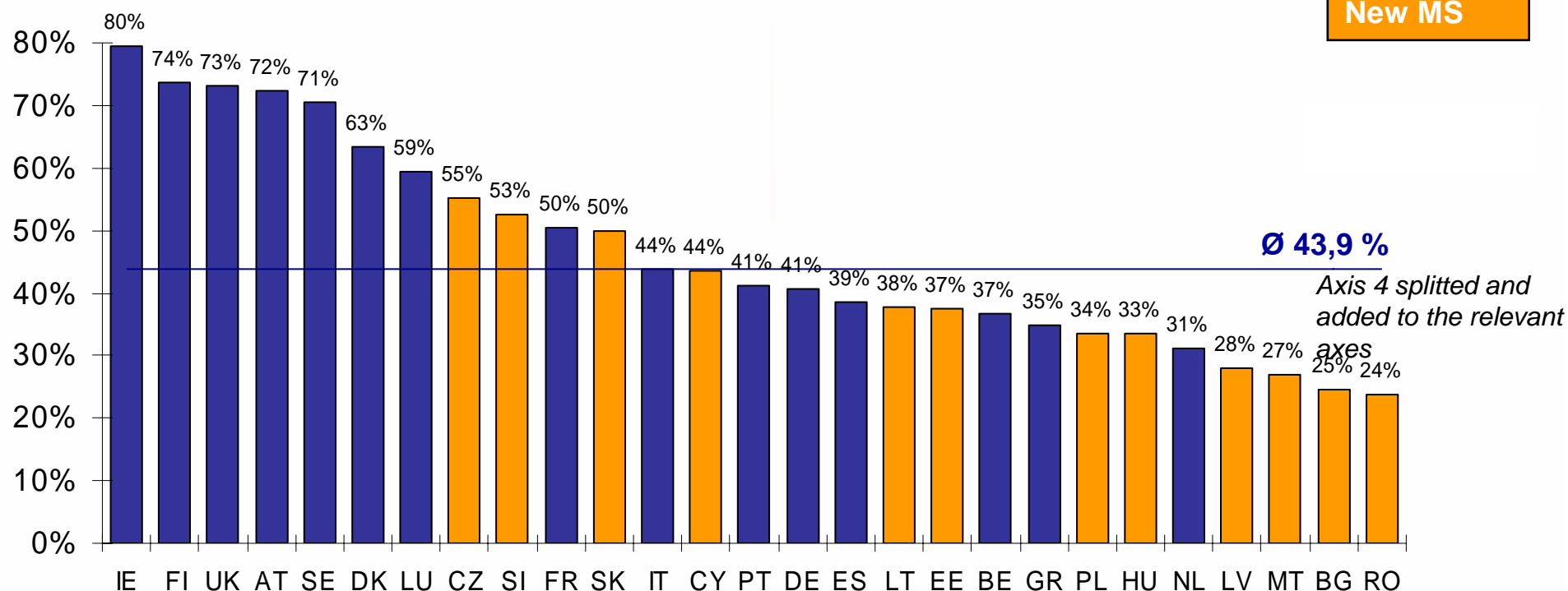


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EAFRD-Expenditure in Axis 2 (Environment/Land management) as part of Total by MS

Old MS

New MS

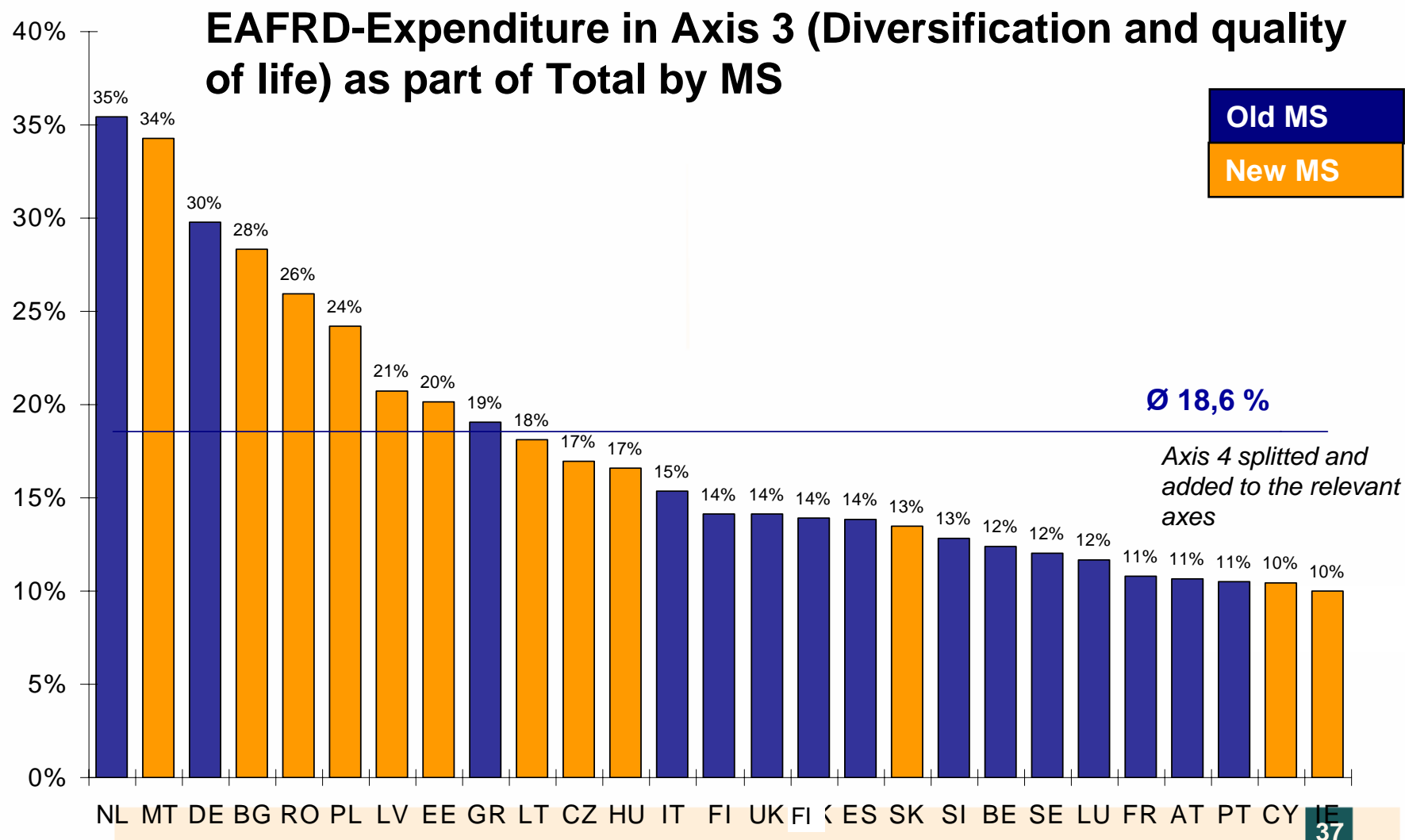


Rural development policy 2007-2013

State of play



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Options for LFA review



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1. *'Improved Status Quo'*, empowering the Member States to delimit LFAs according to national criteria
2. *'Common Criteria'* focused on a targeted delimitation of the areas
3. *'Eligibility Rules'*, placing special emphasis on the eligibility rules to be applied at farm level
4. *'High Nature Value'*, joining the support to agriculture in areas affected by natural handicaps and the preservation of high nature value farming systems

Options for LFA review



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Public consultation (open until 30 June 2008)

http://ec.europa.eu/agriculture/consultations/lfa/index_en.htm



Health Check of the CAP

Implications for Rural Development

- Commission legislative proposals of 20 May 2008
- Increase in compulsory modulation = additional funds for Rural Development (~5 billion euro 2010-2013)
- Extra funds to be used for climate change, renewable energy, water and biodiversity



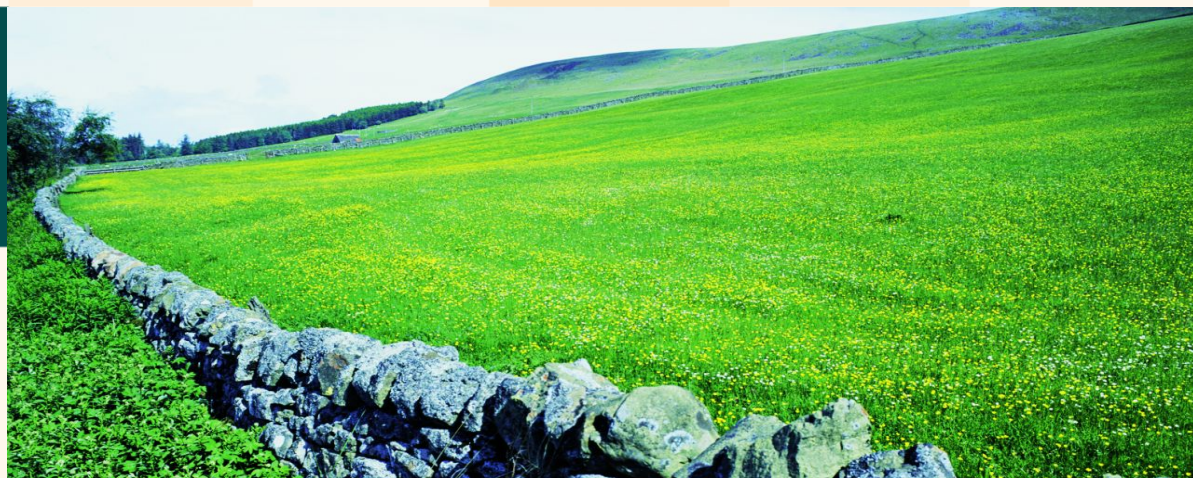
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Other areas addressed in Health Check relevant for Rural Development

- Cross Compliance: new GAEC standards for water
- Abolition of Set aside
- Reform of old “art.69 measures”



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Thank you for your attention

Link for further information on the Rural Development policy:
http://ec.europa.eu/agriculture/rurdev/index_en.htm